thyssenkrupp

Annual report 2023/2024

engineering. tomorrow. together.

thyssenkrupp at a glance

(As of September 30, 2024)

47 countries

~ 740 sites

4 regional platforms

5 segments

AT Automotive Technology

DT Decarbon Technologies

MX Materials Services

SE Steel Europe

MS Marine Systems

		2023 / 2024	Change in %
Order intake	million €	32,815	– 11
Sales	million €	35,041	– 7
Adjusted EBIT [1]	million €	567	– 19
Net income/(loss)	million €	– 1,450	27
Earnings per share	€	– 2.42	27
Free cash flow before M & A [2]	million €	110	– 70
Net financial assets (Sept. 30)	million €	4,411	2
tkVA	million €	– 2,476	12
Market capitalization (Sept. 30)	million €	2,166	– 52
Dividend per share [3]	€	0.15	–

[1] See reconciliation in segment reporting (Note 24)
[2] See reconciliation in the analysis of the statement of cash flows
[3] Proposal to the Annual General Meeting

~ 98,000

employees work together on forward-looking solutions for our customers.

	2023 / 2024		
million €	Order intake	Sales	Adjusted EBIT [1]
Automotive Technology [2]	7,418	7,536	245
Decarbon Technologies [2]	3,031	3,850	– 54
Materials Services	12,062	12,126	204
Steel Europe	10,032	10,736	261
Marine Systems [2]	1,459	2,118	125
Corporate Headquarters	6	7	– 188
Reconciliation [2]	– 1,195	– 1,331	– 25
Full group	**32,815**	**35,041**	**567**

[1] See reconciliation in segment reporting (Note 24)
[2] See preliminary remarks

~ €35 billion

sales generated by thyssenkrupp in fiscal year 2023 / 2024.

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Our fiscal year begins on October 1 and ends on September 30 of the following year.

To our shareholders

1

Letter to our shareholders

Miguel López
Chief Executive Officer

Dear Shareholders,

thyssenkrupp looks back on a very challenging fiscal year in which geopolitical crises and uncertainties shaped the macroeconomic environment. In addition to the ongoing war in Ukraine, conflicts spread in the Middle East. Growing tensions between democratic industrialized nations and countries with autocratic regimes are curbing global economic development. The markets for green technologies are characterized by uncertainty and restraint and have not yet developed the momentum that was anticipated.

Germany in particular has come under pressure as an industrial base because of many different and in part mutually reinforcing factors. For structural reasons, energy costs are significantly higher than in other countries. It is no longer possible for strengths in research, productivity and stability to compensate for competitive disadvantages such as taxes, levies and wages. Outdated infrastructure, a shortage of workers and excessive bureaucracy are weakening the country from within.

In the past fiscal year, increasingly slower growth was seen in almost all our relevant customer industries, especially the automotive industry, engineering and construction. In this difficult environment, we continued implementing the transformation of the thyssenkrupp group with great determination in fiscal year 2023 / 2024. Despite the massive slump in sales, our businesses performed well and, due especially to the measures of the APEX performance program, were able to cushion a large part of the negative market effects. Nevertheless, as a result of significantly weaker demand and lower prices, we were forced to adjust our forecasts during the course of the year. However, following the last adjustments made in July 2024 as published in the 9-month report, we were able to achieve the targets set for both sales and adjusted EBIT and, in the case of FCF before M&A, actually exceeded the target with a positive figure of €110 million. Sales declined year-on-year by 7 percent, while our adjusted EBIT of €567 million was €136 million below the prior-year figure. This is still a positive achievement in light of the enormous market challenges.

Our long-term goal remains to ensure the viability of all our businesses. We aim to support our customers with our innovative products, technologies and services. We are seeking to create the best possible perspectives for the some 98,000 thyssenkrupp employees worldwide. And we want to enable a performance that again makes thyssenkrupp a value-creating investment delivering sustainable dividends to you as our shareholders.

In order to ensure the future viability of the thyssenkrupp group, far-reaching and in part drastic measures are unavoidable. We must continue to streamline the still complex thyssenkrupp portfolio. We must further enhance the performance of all our businesses and restore them to a competitive level. And we must continue to focus consistently on the opportunities presented by the green transformation.

In fiscal year 2023 / 2024, we worked intensively on all three strategic issues: portfolio, performance and green transformation.

In terms of our portfolio, we focused particularly on the Steel Europe segment in the past fiscal year. In April 2024 we agreed with the EP Corporate Group (EPCG), owned by Czech entrepreneur Daniel Křetínský, that it would acquire a 20-percent interest in Steel Europe. We completed the transaction in July 2024. This is a major success and a key milestone on the path to implementing the planned stand-alone solution for the steel business.

The participation of EPCG combines Steel Europe’s materials expertise with the energy expertise of a leading European energy company. The strategic partnership with EPCG is a significant step towards ensuring resilient, cost-effective and climate-saving steel production by Steel Europe – and also a major contribution to safeguarding the future of Germany’s steel industry. The mutual aim is to establish an equal 50:50 joint venture with EPCG and discussions on this subject are ongoing.

Before we can take the next step on the path towards a stand-alone solution for the steel business, we need a viable and financeable business plan. The Steel Executive Board is working intensively to achieve this with the support of independent experts. The goal is to establish how to restructure the steel business successfully and identify the necessary financial requirements for a stand-alone solution.

We have also made personnel changes at Steel Europe. In Ilse Henne, thyssenkrupp Steel AG has a new chair of the Supervisory Board who can contribute the necessary experience and expertise gained as CEO of Materials Services. Ms. Henne has been working for our company for more than 25 years so she knows the company and its segments very well. She is respected as an experienced manager. Under her leadership, the Supervisory Board of Steel Europe has initiated the process to fill vacant Executive Board positions. The team led by Dennis Grimm, Spokesman of the Steel Executive Board, will keep up the pace of realignment at Steel Europe.

The struggle to find the best solution for the steel business could not go unnoticed and you will certainly have been aware of the considerable public attention. However, the intensive discussions between all relevant stakeholders with their in part very different perspectives and interests are evidence that we are getting to the heart of the matter and making progress. The steps that have been initiated are essential to ensuring the future viability of the steel business, which is why we are pursuing this path consistently.

Alongside our efforts for the steel business, we remain committed to the necessary portfolio measures in the other segments as well. Marine Systems has additional opportunities for growth arising from the increase in global demand in a changing security policy environment. We aim to optimally leverage these opportunities by seeking a stand-alone solution for our naval shipbuilding activities.

The strategic development of Automotive Technology is based on a mix of portfolio measures and structural optimization. We are continuing to negotiate with potential buyers for the Springs & Stabilizers business unit. By contrast, we have halted the divestment process for Automation Engineering for the time being. Instead, we aim to gradually shut down the powertrain activities at the Bremen site by 2026. We are initiating efficiency improvements and process optimizations for the body construction activities at Automotive Body solutions; these also envisage up to 400 job reductions. We saw a positive trend in innovative undercarriage technologies. The steering business has entered into a collaboration with BWI Group to develop brake-by-wire solutions. It also won a first promising customer order for steer-by-wire technology.

In fiscal year 2023 / 2024, we initiated a fundamental realignment of the German materials trading and service activities of the Materials Services segment. In light of the persistently difficult market conditions and the ongoing change process in European industries, especially steel and materials trading, the business model of thyssenkrupp Schulte is to be aligned more consistently with the growing demand for materials-related services. This requires fundamental structural adjustments including the closure of several sites and up to 450 job reductions.

During the first year of existence of Decarbon Technologies, our newest segment, we initiated a large number of measures aimed at strengthening the portfolio's focus on cutting-edge technologies for the green transformation of industry. Although the past fiscal year was marked by slower market development and project deferrals by customers, we remain convinced of the anticipated growth opportunities for decarbonization and climate protection solutions in the years ahead. We aim to systematically access this potential and translate it into value-creating growth.

One lever for this can be found in carbon-intensive cement production, for example. Polysius is supplying the key technology for one of the world's first carbon-neutral cement factories in Lägerdorf, North Germany. We and our customer Holcim broke ground for this project in April 2024. In addition, at the start of October 2024, we signed an engineering order with Titan Group for one of the largest carbon capture projects (IFESTOS) in Europe. Polysius is planning and will equip the two kiln lines at the Kamari cement factory with its oxyfuel carbon capture systems. Also in the past fiscal year, Polysius successfully completed the divestment of the industrial business in India. This is a further step in aligning the product and service portfolio for cement plant engineering towards more sustainable business models.

Our majority investment thyssenkrupp nucera expanded its technology portfolio. The company's alkaline water electrolysis (AWE) process is a proven and efficient solution for producing green hydrogen on an industrial scale. In order to expand its market position as a global technology leader, thyssenkrupp nucera has added the innovative solid oxide electrolyzer cell (SOEC) technology to its portfolio. Working in a strategic partnership with the Fraunhofer Institute for Ceramic Technologies and Systems IKTS, it aims to develop this technology to industrial maturity.

Alongside the strategic topics, we introduced our groupwide APEX performance program a year ago as an additional basis for ensuring the future viability of thyssenkrupp. In the past fiscal year, we demonstrated that we can successfully respond to headwinds from the market with suitable efficiency measures. Looking ahead, however, the figures show very clearly that considerable further efforts are necessary if we are to achieve the target margins required for the company's transformation – in other words, our medium-term targets. As we can expect little in the way of tailwinds from the markets in the foreseeable future, we will be expanding the APEX performance program during the current fiscal year, focusing especially on structural earnings improvements. To this end, our businesses have also identified additional restructuring needs, some of which have already been addressed.

The ongoing macroeconomic challenges are shaping our outlook on the current fiscal year as well. We aim to stabilize or slightly increase sales at around €35 billion. We are seeking to improve adjusted EBIT to a figure between €600 million and €1,000 million. Due to cash outflows for restructuring and higher investments, we expect free cash flow before M&A of between €(400) million and €(200) million. By contrast, we are targeting a return to profit with net income between €100 million and €500 million.

The current fiscal year will therefore be an intermediate step on our path to maintaining thyssenkrupp's sustained ability to pay a dividend in the long term so that you as shareholders can participate in the progress made in the company's transformation. Despite all the challenges and work in progress, we should not lose sight of the fact that there is a lot of future in thyssenkrupp.

With their experience and expertise, the companies of the thyssenkrupp group can deliver solutions to the challenges of our time – technologies for the green transformation, digitalization and mobility of the future. With more than 3,900 employees in research and development, we are one of Germany's most research-focused technology companies. In the past fiscal year alone, we registered around 1,300 patents and utility models. Despite all the challenges, we kept our research and development spending at around the prior-year level in fiscal year 2023 / 2024 in order to lay the foundation for the future.

This demonstrates that we are convinced of the great potential of our businesses. We aim to fully leverage this potential through the transformation of thyssenkrupp.

This will demand a great deal from everyone involved – especially the people at thyssenkrupp. On behalf of the Executive Board, I would therefore like to take this opportunity to thank all our employees for their work and strong commitment. Together we will achieve the turnaround.

However, our thanks also go to you, our company's shareholders, for the trust you have placed in us, your continued support and your patience as we work towards making thyssenkrupp viable for the future.

Best regards,

Miguel López
Chief Executive Officer

Executive Board

Oliver Burkhard
*1972,
Chief Human Resources Officer (CHRO) since February 1, 2013,
Labor Director since April 1, 2013,
appointed until September 30, 2028

Dr. Volkmar Dinstuhl
*1972,
member of the Executive Board since January 1, 2024,
appointed until December 31, 2026

Ilse Henne
*1972,
member of the Executive Board since January 1, 2024,
appointed until December 31, 2026

Miguel Ángel López Borrego
*1965,
Chief Executive Officer (CEO) since June 1, 2023,
appointed until May 31, 2026

Dr. Jens Schulte
*1971,
Chief Financial Officer (CFO) since June 1, 2024,
appointed until May 31, 2027

Report by the Supervisory Board

**Prof. Dr.-Ing. Dr.-Ing. E. h.
Siegfried Russwurm**
Chairman

Dear Shareholders,

As a preface to my report about the work of the Supervisory Board and its committees in fiscal year 2023 / 2024, I would like to briefly discuss the environment in which our company was operating during the reporting period.

We look back on a challenging 12 months – around the world, in our own country and at times within our company, for which we took a number of future-oriented steps simultaneously. The situation worldwide, in Europe and in Germany is anything but easy. As in the prior years, we were confronted with the war in Ukraine and many other challenges. Looking back at the past fiscal year, the international situation did not become more settled but more unsettled. The Middle East conflict, triggered by the attack on Israel on October 7, 2023, has expanded considerably. There is still no end in sight to the war and violence in Ukraine. Dangers and conflicts are flaring up elsewhere in the world as well. All of this is having a significant impact on the global economy, on our markets, on the reliability of raw materials sources and logistics routes, and on the political and social agendas and priorities of both our own country and the European Union. A further source of uncertainty is how the outcome of the presidential election in the USA and the election year in Germany will impact the economy and the stability of the industrial environment. If we look at fiscal year 2023 / 2024 and the 2024 calendar year, it can be seen that the conditions for industry in Germany have not improved but have deteriorated further.

We are feeling the impact of this geopolitical and macroeconomic environment in all of our businesses. And the effects on our customers, especially those in the steel-processing industries, are similarly dramatic. Significant economic dampers are making life difficult for us. At the same time, the structural necessities dictated by the politically mandated decarbonization and associated targets are enormous, whereas the momentum in our businesses offering decarbonization solutions to customers is being delayed.

We took difficult decisions, sometimes only on the basis of a majority vote, which enabled us to press ahead with aligning the structure of the company's businesses to ensure that each of them has the responsibility for its own activities. Neither by allowing the steel business to dominate all the other businesses nor by accepting permanent cross-subsidization within the thyssenkrupp group made or would make a contribution to the reliable future of our businesses. That is why we on the Supervisory Board decided on further steps towards finding a stand-alone solution for the steel business, opening our businesses to new shareholders and attracting new talents to the company's top management levels. We supported the Executive Board in taking the corresponding steps on its own responsibility.

We strengthened and realigned the Executive Board team headed by Miguel López with the appointments of Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte. We thanked Dr. Klaus Keysberg for his many years of service to the company following his decision to leave the thyssenkrupp group after 28 years in various top management roles, including as a member of the Executive Board since October 2019 and as CFO since April 2020.

Cooperation between Supervisory Board and Executive Board

In fiscal year 2023 / 2024 the Supervisory Board regularly advised the Executive Board on the management of the company and continuously supervised its conduct of business. We satisfied ourselves that the Executive Board's work complied with all legal and regulatory requirements at all times. The Executive Board fulfilled its duty to inform. It furnished us with regular written and verbal reports containing up-to-date and comprehensive information on all issues of relevance to the company and the group relating to strategy, planning, business performance, the risk situation, compliance and the sustainability strategy. This also included information on variances between actual performance and previously reported targets as well as on budget variances (follow-up reporting). The Executive Board continued to report regularly on the development and implementation of sustainability topics. In the committees and in full Supervisory Board meetings, the members of the Supervisory Board had ample opportunity to critically examine the reports and resolution proposals submitted by the Executive Board and contribute suggestions. In particular, we discussed intensively and examined the plausibility of all transactions of importance to the company on the basis of written and verbal reports by the Executive Board. On several occasions, the Supervisory Board dealt at length with the company's targets, the risk situation – and in this context with cybersecurity in particular –, refinancing and liquidity planning and the equity situation. Based on the analysis of the value potential of the group's businesses and the opportunities and risks of strategic steps, critical operating issues were presented to the Supervisory Board for discussion. Where required by law, the Articles of Association or the rules of procedure for the Executive Board, the Supervisory Board gives its approval for individual business transactions.

Some of the discussions by the Supervisory Board were difficult and on two matters so confrontational that it was only possible to adopt a resolution by using the Supervisory Board Chairman's casting vote provided for by law. On both sides of the Supervisory Board, all members were unanimous that this last resort should be an absolute exception. No matter how controversial a discussion might be, the common goal is always to reach a consensus for the good of the company, its employees and its shareholders.

The Supervisory Board and Executive Board worked together intensively and shared information. At 12 meetings of the Executive Committee, the majority of which were attended by Executive Board members and occasionally by external advisors as well, all topics were discussed in detail and meetings of committees and the Supervisory Board were prepared and followed up.

In addition, in the periods between meetings, the chairs of the Supervisory Board and its committees engaged in a close and regular exchange of views and information with the Executive Board and were informed about major developments. Important facts were reported at the latest at the subsequent Supervisory Board or committee meetings. Before the Supervisory Board meetings, the shareholder and the employee representatives each held separate meetings to discuss the agenda items.

The Supervisory Board members are required by law and by the German Corporate Governance Code (GCGC) to immediately disclose any conflicts of interest. In the past fiscal year, there were no conflicts of interest relating to Executive Board or Supervisory Board members that would have had to be disclosed immediately to the Supervisory Board.

thyssenkrupp assists the members of the Supervisory Board in the organization of the training and professional development measures that the members themselves are generally responsible for undertaking in fulfillment of their duties and provides financial support by assuming the costs of such measures. To supplement this, the company offers information events and training sessions on specific topics. In fiscal year 2023 / 2024, the Supervisory Board was given an in-depth introduction to the structure and business activity of the new thyssenkrupp Decarbon Technologies segment with its four business areas: Rothe Erde, Uhde, Polysius and thyssenkrupp nucera. With external support, it also received training on the topics of "Future sustainability reporting requirements" and "Social sustainability – between compliance and social responsibility." Insights into the thyssenkrupp segments and further training sessions with external support are already planned for fiscal year 2024 / 2025. There is an established onboarding process to familiarize new Supervisory Board members with the thyssenkrupp business model, group structures and special topics. The Corporate Office acts as coordinator. In addition, it informs new members of the Supervisory Board about their rights and obligations, conducts individual discussions with them and ensures the provision of the necessary documents and authorizations for sharing information via digital channels.

Supervisory Board meetings

Meetings of the Supervisory Board and its committees generally take the form of in-person attendance with the option of participation via a video link. Meetings are only held exclusively as telephone or video conferences in exceptional circumstances. In the reporting year, only two out of a total of 37 meetings of the Supervisory Board and its committees were held as video conferences; all others were in-person meetings. The meetings held as video conferences were of short duration and were arranged at short notice.

Attendance at meetings of the Supervisory Board and its committees, which were held as in-person meetings with the option of participation via a video link, was 98.5%. The following table shows attendance in individualized form:

ATTENDANCE RATE AT THE MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES FY 2023 / 2024

	Supervisory Board Meetings			Committee Meetings		
	Meetings	Attended	Attendance rate in %	Meetings	Attended	Attendance rate in %
Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm, Chairman	6	6	100.00%	26	26	100.00%
Jürgen Kerner, Vice Chairman	6	6	100.00%	24	24	100.00%
Birgit A. Behrendt	6	6	100.00%	2	2	100.00%
Dr. Patrick Berard	6	5	83.33%	./.	./.	./.
Stefan Erwin Buchner	6	6	100.00%	3	3	100.00%
Dr. Wolfgang Colberg	6	6	100.00%	5	5	100.00%
Prof. Dr. Dr. h.c. Ursula Gather	6	6	100.00%	5	5	100.00%
Angelika Gifford	6	5	83.33%	./.	./.	./.
Dr. Bernhard Günther	6	6	100.00%	28	28	100.00%
Achim Hass	6	6	100.00%	./.	./.	./.
Tanja Jacquemin	6	5	83.33%	5	5	100.00%
Daniela Jansen	6	6	100.00%	3	3	100.00%
Christian Julius	6	6	100.00%	./.	./.	./.
Thorsten Koch	6	6	100.00%	3	3	100.00%
Katrin Krawinkel	6	6	100.00%	./.	./.	./.
Dr. Ingo Luge	6	5	83.33%	5	5	100.00%
Tekin Nasikkol	6	6	100.00%	29	29	100.00%
Dr. Verena Volpert	6	6	100.00%	5	5	100.00%
Ulrich Wilsberg	6	6	100.00%	5	5	100.00%
Kirstin Zeidler	6	6	100.00%	./.	./.	./.

The members of the Executive Board took part in meetings of the Supervisory Board and its committees; however, the Supervisory Board also met regularly without the Executive Board.

In total, six Supervisory Board meetings and three training sessions were held in the reporting year. The range of topics that the Supervisory Board dealt with included the current business and earnings situation and the parent-company and consolidated financial statements for the year ended September 30, 2023. On the recommendation of the Audit Committee and after discussion with the auditors, KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG), the Supervisory Board approved the parent-company and consolidated financial statements for fiscal year 2022 / 2023 and thus adopted the parent-company financial statements.

Further topics were corporate governance, compliance and the mandatory EMIR audit for fiscal year 2022 / 2023 pursuant to § 32 German Securities Trading Act (WpHG), as well as the regular updates on all segments.

The reports by the Executive Board on the state of the thyssenkrupp group and its ongoing development were supplemented by status updates on the value and development plans of the individual segments. This formed the basis for the continued intensive discussions on improving performance, portfolio measures and the short- and medium-term earnings targets for all segments. The Supervisory Board also discussed in detail the business and investment plans for fiscal year 2024 / 2025, which were adopted at the September meeting. The portfolio topics considered intensively included the plans to place the Steel Europe and Marine Systems segments on a stand-alone basis. In the case of Steel Europe in particular, the progress in constructing the first direct reduction plant at the Duisburg site – a measure that is part of the green transformation – was the subject of detailed discussion.

Following examination of the recommendations and suggestions of the GCGC, in fiscal year 2023 / 2024, the Supervisory Board adopted a resolution to issue the declaration of conformity. The current declaration of conformity, issued at October 1, 2024, is available on the thyssenkrupp website. In addition, the Executive Board and Supervisory Board report on corporate governance at thyssenkrupp in the corporate governance statement.

Report on the work of the committees

The primary task of the Supervisory Board's six committees is to prepare decisions and topics for discussion at the full meetings. The Supervisory Board has delegated individual decision-making powers to its committees where this is legally permissible. The powers of the committees and the requirements on committee members are set out in the rules of procedure for the respective committees. The chairs of the committees provided the Supervisory Board with regular detailed reports on the work of the committees in the reporting year. The chairs of the committees were also in close contact with the other members of their committees outside the regular meetings to exchange views on particularly important topics. The compositions of the six committees as of September 30, 2024, are shown in the section "Supervisory Board."

The **Executive Committee** (Präsidium) met 12 times in the past fiscal year due to the current situation and the preparations for the seminal meetings of the Supervisory Board. In addition to preparing the full Supervisory Board meetings, the work of this committee focused on the financial position and earnings performance of the group and topics relating to the transformation of thyssenkrupp.

The **Personnel Committee** held eight meetings in fiscal year 2023 / 2024 in order to prepare personnel matters concerning members of the Executive Board of thyssenkrupp AG for the Supervisory Board. Where required, resolutions were passed or recommendations for resolutions were made to the

Supervisory Board. Alongside the personnel change on the Executive Board, the meetings focused on decisions on aspects of compensation, especially setting the targets and determining the target achievement for variable compensation components and the disclosures in the compensation report pursuant to § 162 German Stock Corporation Act (AktG) as well as the review of the current Executive Board compensation system pursuant to § 87a AktG. The committee also dealt with general Executive Board matters, partly in connection with benefits for former Executive Board members.

The **Audit Committee** met five times in fiscal year 2023 / 2024. Alongside Executive Board members, following the election of KPMG as the auditor at the 2024 Annual General Meeting and its formal appointment by the Audit Committee, representatives of KPMG were present at the meetings. KPMG gave the Audit Committee a declaration that no circumstances exist that could lead to the assumption of prejudice by the auditors. The Audit Committee obtained the required auditors' statement of independence, reviewed their qualification and signed a fee agreement with the auditors. In addition, a survey was carried out on satisfaction with the auditor; the results of this as well as the additional services provided by KPMG alongside the audit of the financial statements were discussed in the Audit Committee.

Dr. Verena Volpert, Chair of the Audit Committee, engaged in a regular exchange of views with the auditors between meetings. The heads of relevant group functions were also available to provide reports and take questions in the committee meetings.

The committee's work focused on examining the 2022 / 2023 parent-company and consolidated financial statements along with the combined management report including the fully integrated non-financial statement and the combined corporate governance statement of the Executive Board and Supervisory Board, as well as on preparing the Supervisory Board resolutions on these items. In addition, the interim financial reports for fiscal year 2023 / 2024 (half-year and quarterly reports) were discussed in detail and adopted, taking into account the auditors' review reports. With regard to the relationship with KPMG, the list of non-audit services provided by the statutory auditor that require approval was established, the budget for the performance of non-audit services for fiscal year 2024 / 2025 was set, and the procedure and quality assurance for financial statement auditing was discussed.

In several meetings, the Audit Committee monitored the accounting process and discussed the effectiveness of the internal control system and optimizations made to it as well as the effectiveness of the risk management system and the internal auditing system. It also dealt in detail with the main legal disputes and compliance in the company and discussed at length the development of strategic compliance measures at thyssenkrupp.

The Audit Committee defined the following mandate as the focus of the audit: "Assessment of the implementation status of the reporting in accordance with the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD)." The auditors reported the results of their audit to the Audit Committee at its meeting on November 15, 2024.

In addition, in the presence of the head of Corporate Internal Auditing, the committee discussed at length the audit results, audit processes and audit planning of the internal auditing team for fiscal year 2023 / 2024, including audit support for the investment in Steel Europe's first direct reduction plant. Further points of focus were the non-financial statement, which is fully integrated into the management report, the equity capital and rating situation, the EMIR compliance audit for fiscal year 2022 / 2023 pursuant to § 32 WpHG, the current performance of all segments, implementation of the reporting requirements of the EU Taxonomy Regulation, and the tax compliance management system.

The **Strategy, Finance and Investment Committee** held three meetings in fiscal year 2023 / 2024. Discussions focused on preparing decision recommendations by the Supervisory Board in its area of responsibility. At each meeting, the committee dealt with the operational and economic situation of thyssenkrupp and the company's ongoing development. As in the previous year, the other main topics addressed by the committee included the progress towards stand-alone solutions for the Steel Europe and Marine Systems segments and the progress in the project to construct the first direct reduction plant for Steel Europe in Duisburg. Further areas of focus were the assessment of the risk of cyberattacks, the enhancement of IT security measures, financing and liquidity planning, the results of our APEX performance program and the review of the profitability of specific completed investment projects. Finally, in September 2024, the committee dealt at length with the group's business and investment plans for fiscal year 2024 / 2025 and decided on those plans.

The members of the **Nomination Committee** held two meetings in the past fiscal year. Their discussions focused on reviewing potential succession candidates as shareholder representatives on the Supervisory Board should positions have to be refilled in the future – taking into account the recommendations of the GCGC and the company's own competency profile.

The **Mediation Committee** under § 27 (3) Codetermination Act (MitbestG) met once in the reporting year.

Audit of the parent-company and consolidated financial statements

Elected by the Annual General Meeting on February 2, 2024 to audit the financial statements for fiscal year 2023 / 2024, KPMG audited the parent-company financial statements for the fiscal year from October 1, 2023 to September 30, 2024 prepared by the Executive Board in accordance with the German Commercial Code (HGB) rules and the management report on thyssenkrupp AG, which is combined with the management report on the thyssenkrupp group. The auditors issued an unqualified audit opinion. In accordance with § 315e of the German Commercial Code (HGB), the consolidated financial statements of thyssenkrupp AG for the fiscal year from October 1, 2023 to September 30, 2024 and the management report on the thyssenkrupp group were prepared on the basis of International Financial Reporting Standards (IFRS) as applicable in the European Union. The consolidated financial statements and the combined management report were also given an unqualified audit opinion by KPMG. The auditors also confirmed that the Executive Board has installed an appropriate reporting and monitoring system that is suitable in its design and handling to identify, at an early stage, developments that could place the continued existence of the company at risk.

The financial statement documents and audit reports for fiscal year 2023 / 2024 were discussed in detail at the meetings of the Audit Committee on November 15, 2024 and the Supervisory Board on November 18, 2024. The auditors reported on the main findings of their audit. They also outlined their findings on the internal control system in relation to the accounting process as well as the risk early detection system, and were available to answer questions and provide additional information. The Chair of the Audit Committee reported in depth at the full Supervisory Board meeting on the Audit Committee's examination of the parent-company and consolidated financial statements. The Supervisory Board examined the parent-company and consolidated financial statements and the combined management report, including the non-financial statement fully integrated into the management report, as well as the compensation report pursuant to § 162 AktG and raised no objections. The parent-company and consolidated financial statements were approved. The parent-company financial statements prepared by the Executive Board of thyssenkrupp AG were thus adopted.

A proposal will be made to the Annual General Meeting on January 31, 2025 that a dividend of €0.15 per share should be paid for fiscal year 2023 / 2024.

Personnel changes on the Supervisory Board

There were no personnel changes on the Supervisory Board of thyssenkrupp AG in the reporting year.

The Supervisory Board thanks the Executive Board members, all thyssenkrupp group employees worldwide and the employee representatives of all group companies for their significant efforts and achievements in fiscal year 2023 / 2024.

The Supervisory Board

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm

Chair
Essen, November 18, 2024

thyssenkrupp stock

KEY DATA OF THYSSENKRUPP STOCK

		2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024
Capital stock	million €	1,594	1,594	1,594	1,594	1,594
Number of shares (total)	million shares	622.5	622.5	622.5	622.5	622.5
Market capitalization end September	million €	2,683	5,715	2,733	4,501	2,166
Closing price end September	€	4.31	9.18	4.39	7.23	3.48
High	€	13.82	11.95	11.29	7.70	7.19
Low	€	3.55	3.88	4.22	4.53	2.78
Total Shareholder Return (TSR)[1]	%	(52)	61	(39)	31	(53)
Dividend per share	€	—	—	0.15	0.15	0.15[3]
Dividend yield	%	—	—	3.4	2.1	4.3
Dividend payout	million €	—	—	93	93	93[3]
Earnings per share (EPS)	€	15.40	(0.18)	1.82	(3.33)	(2.42)
Number of shares (outstanding [2])	million shares	622.5	622.5	622.5	622.5	622.5
Trading volume (daily average)	million shares	4.6	4.1	4.1	3.8	3.7

[1] The statement of TSR is made in accordance with the calculation method as approved at the AGM 2021 as part of the renumeration system for the Executive Board. The TSR performance is used in the context of the long-term variable renumeration as a measure for how the value of a share commitment (price change and dividends) develops over a period of time. The TSR performance is calculated per fiscal year based on the share price development plus dividends distributed during the fiscal year. The start value and the end value are based on the average share price, calculated as arithmetc mean of the closing prices during the last 30 trading days before the start or before the end of the fiscal year.
[2] Weighted average
[3] Proposal to the Annual General Meeting

thyssenkrupp stock master data

ISIN[1]	
Shares	DE 000 750 0001
ADR[2]	US88629Q2075
Symbols	
TKA	Frankfurt, Düsseldorf
TKAMY	ADR (over-the-counter-trading)

[1] International Stock Identification Number
[2] American Depositary Receipt

Stock price performance

In fiscal year 2023 / 2024, thyssenkrupp's stock was unable to continue the positive trend of the prior year and, based on the DAX and MDAX indices, significantly underperformed the market as a whole.

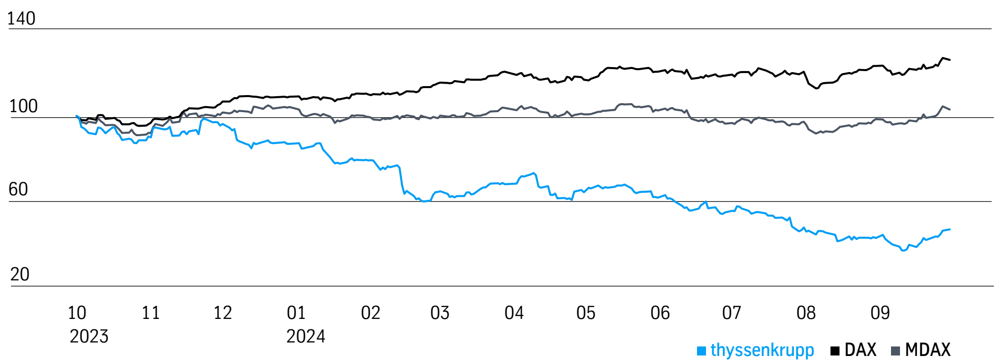
The main influences in the 1st half of the year were expectations in connection with the stand-alone solution for Steel Europe and the associated valuation, plus macroeconomic issues such as the development of inflation and interest rates, which typically affect early cycle stocks such as those of thyssenkrupp and its competitors in the steel industry more strongly than the overall market and indices.

At the end of the reporting year, the still dampened global economic environment resulted in a pronounced sector rotation from cyclical stocks towards stocks that are more independent of economic cycles. The share price was also not untouched by the struggle to find a solution for the steel business. Reflecting this development and given the repeated adjustments made to the forecast, thyssenkrupp stock reached several historic lows.

Shares in thyssenkrupp reached the highest point for the year of €7.19 directly at the start of the fiscal year, on October 1, 2023. The lowest point in the past fiscal year was €2.78 on September 11, 2024. On September 30, 2024 the stock stood at €3.48, which was more than 50% lower than a year earlier; the DAX and MDAX rose by 25% and 3% respectively in the course of the fiscal year.

PERFORMANCE OF THYSSENKRUPP STOCK RELATIVE TO DAX AND MDAX

indexed, fiscal year 2023 / 2024



Capital stock and shares

The capital stock of thyssenkrupp AG amounts to €1,593,681,256.96 and is divided into 622,531,741 no-par bearer shares. Each share grants one vote at the Annual General Meeting. thyssenkrupp AG does not currently hold any treasury shares.

In the USA, thyssenkrupp has established a Sponsored Level I American Depository Receipt (ADR) program. These ADRs – issued by US banks and representing the original shares – are traded over the counter (OTC). Deutsche Bank Trust Company Americas (Deutsche Bank) acts as the deposit bank.

Shareholder structure

The Alfried Krupp von Bohlen und Halbach Foundation, Essen, is the biggest shareholder in thyssenkrupp AG with around 21% of the voting rights. The remaining shares are widely held world-wide, with focal points in the USA, Canada and the UK. The free float generally taken into account in the weighting of thyssenkrupp's stock in stock market indices accounts for around 79% of the capital stock as of the reporting date. The Foundation's shareholding is not included in the free float.

Annual General Meeting

The 25th Annual General Meeting of thyssenkrupp AG on February 2, 2024 was held as a physical event for the first time since the coronavirus pandemic. With the attendance of 59.03% of the capital stock, the Annual General Meeting voted with the necessary majority on all the agenda items submitted for resolution.

Dividend

A proposal will be made to the Annual General Meeting on January 31, 2025 that a dividend of €0.15 per share should be paid for fiscal year 2023 / 2024.

Investor Relations

The continuous dialog with shareholders and potential investors is very important to thyssenkrupp Investor Relations. Roadshows and conferences in major finance centers are used as key platforms for discussions with the capital market. In the reporting year, discussions focused on the change in the portfolio, the improvement of the group's operating performance and the green transformation. Overall, sustainability is becoming an increasingly important subject of discussion. The dialog with investors on governance topics was also intensive and the Chairman of the Supervisory Board was particularly involved in this.

www.thyssenkrupp.com > Investors

Information on the various events and topics is available on the investor relations site on thyssenkrupp's website.

Capital market

thyssenkrupp stock is monitored by a number of analysts on a regular basis. Eleven financial analysts continuously publish investment recommendations and target prices. On the reporting date at the end of September 2024, 27% of these analysts had issued a positive investment recommendation (e.g., buy), 55% a neutral recommendation (e.g., hold) and 18% a negative recommendation (e.g., sell).

Combined management report

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Preliminary remarks

Combined management report

This management report combines the management report on the thyssenkrupp group and the management report on thyssenkrupp AG. In it we report on the course of business including business performance as well as on the position and the expected development of the group and of thyssenkrupp AG. The information on thyssenkrupp AG is presented in the section headed "Annual financial statements of thyssenkrupp AG" in the report on the economic position, with disclosures in accordance with the German Commercial Code (HGB). We report in accordance with the German Accounting Standard 20 (GAS 20) "Group Management Report." For several years now, we have used an integrated reporting approach: the combined non-financial statement pursuant to §§ 289b, 315b of the German Commercial Code (HGB) is included in the combined management report. An overview chart can be found in the section "Overview of non-financial disclosures."

This report follows the internal management model applied by thyssenkrupp in fiscal year 2023 / 2024.

As a consequence of the thyssenkrupp Group's new segment structure, which was resolved in the 4th quarter of fiscal year 2022 / 2023 and introduced effective October 1, 2023, there have been the following reporting changes compared with the prior year:

- The Multi Tracks segment reported as of September 30, 2023 was dissolved effective October 1, 2023.
- Since October 1, 2023, the bearings business Rothe Erde (reported separately as the Bearings segment as of September 30, 2023) as well as Uhde, Polysius and thyssenkrupp nucera (all three reported in the former Multi Tracks segment as of September 30, 2023) have been bundled in the new Decarbon Technologies segment.
- Since October 1, 2023, the Automation Engineering and Springs & Stabilizers businesses (assigned to the former Multi Tracks segment as of September 30, 2023) have been part of the Automotive Technology segment. The same applies to the Forged Technologies business (reported as a separate segment as of September 30, 2023).
- Since October 1, 2023, the investment in TK Elevator held by thyssenkrupp since the sale of the Elevator Technology business at the end of July 2020 has been assigned to "reconciliation" in the segment reporting (included in the former Multi Tracks segment in the 2022 / 2023 fiscal year).
- thyssenkrupp Transrapid GmbH, which was assigned to the Marine Systems segment as of September 30, 2023, has also been included under "reconciliation" within the service units in the segment reporting since October 1, 2023.

Corresponding adjustments have been made for these changes in the recognition and presentation of the data for the prior year.

For further details of the investment in TK Elevator, see also Note 24 (Segment reporting) and Note 22 (Financial instruments).

In fiscal year 2022 / 2023, a divestment process was initiated for the activities of thyssenkrupp Industries India, which was part of the Decarbon Technologies segment. This transaction was completed on May 8, 2024 and thyssenkrupp Industries India was therefore deconsolidated.

Also in fiscal year 2023 / 2024, a divestment process was initiated for the activities of thyssenkrupp Electrical Steel India, which is part of the Steel Europe segment. These activities met the criteria set forth in IFRS 5 for recognition as a disposal group for the first time in the 4th quarter of 2023 / 2024. Therefore, the assets and liabilities relating to these activities have to be presented separately in the statement of financial position as of September 30, 2024.

The business performance is presented by segment.

The GCGC contains recommendations for disclosures on the internal control and risk management system that go beyond the statutory requirements for the management report and are therefore outside the scope of the audit of the content of the management report performed by the auditor. In this report they are assigned to the content of the corporate governance statement; moreover, they are contained in separate paragraphs to set them apart from the disclosures to be audited and flagged accordingly.

The links are not part of the management report or the audit.

Fundamental information about the group

Profile and organizational structure

Value proposition

thyssenkrupp is an international industrial and technology group. Together with our customers we want to use our extensive and long-standing expertise in the innovation of technologies to develop cost-effective, resource- and environment-friendly solutions to the challenges of the future. Under a strong umbrella brand we want to make a contribution to a better, more livable and more sustainable future with our innovative products, technologies and services, and thus demonstrate our responsibility towards future generations. To this end, we pursue ambitious climate protection targets and improve our own energy and climate efficiency. At the same time, we want to use our abilities along the relevant value chains to provide key support for customers in the green transformation. We aim to enable the fundamental renewal of industry as a whole – but especially energy-intensive sectors – and play an active part in shaping and driving the green transformation. Our brand promise of helping our customers to advance and the standards we set ourselves are reflected in our claim “engineering.tomorrow.together.” Diversity and global reach define thyssenkrupp. We want everyone who works for us to feel free and be able to reach their full potential – irrespective of origin, gender, skin color, disabilities, age, sexual orientation and identity, and other factors. We want to combine performance culture with entrepreneurial and social responsibility. For further details, please refer to the “Strategy” subsection, the “Segment review” subsection in the “Report on the economic position” as well as the “Climate, energy and environment” and “Technology and innovations” sections.

Our high standards and shared values are documented in our mission statement, which can be found on our website.

www.thyssenkrupp.com > Company > Corporate culture

Organizational and management structure

To enhance the visibility of thyssenkrupp’s capabilities in respect of the green transformation and to give the businesses operating in this growth market a new profile within the group, we realigned our portfolio effective October 1, 2023. Specifically, we combined our key technologies for the decarbonization of industry in the new Decarbon Technologies segment. The Bearings and Forged Technologies business units, which were reported as segments in the prior year, were transferred to the new Decarbon Technologies segment and to the Automotive Technology segment, respectively. For further details of the realignment of the portfolio, please refer to the “Strategy” subsection.

In the past fiscal year, our business activities were organized in five segments: Automotive Technology, Decarbon Technologies, Materials Services, Steel Europe and Marine Systems.

The segments are generally divided into business units and operating units. As of September 30, 2024, 321 companies and 16 investments accounted for by the equity method are included in the consolidated financial statements; overall we consolidate companies from 47 countries.

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Companies in 47 countries are consolidated for the group’s financial statements.

Our service units are combined at two companies – thyssenkrupp Services GmbH and thyssenkrupp Information Management GmbH – and provide cross-cutting services to the businesses and Corporate Headquarters. Furthermore, four regional platforms offer services required by the operating businesses in the various regions. Details on this can be found under “Corporate Headquarters” in the section “Report on the economic position.”

Corporate Headquarters

thyssenkrupp AG

Segments

Automotive Technology

Sales
€7,536 million

Adjusted EBIT
€245 million

- Volume supplier of chassis and powertrain components
- Assembly and logistics partner
- Manufacture of forged components and system solutions for the resource, construction and mobility sectors
- Supplier of body assembly lines and volume producer of lightweight body parts
- Supplier of powertrain and battery production lines and manufacturer of springs and stabilizers for the automotive industry

Decarbon Technologies

Sales
€3,850 million

Adjusted EBIT
€(54) million

- Manufacture of slewing rings, antifriction bearings and seamless rolled rings for wind energy and various industrial applications
- Plant construction and services, including for the chemical and cement industries
- Provider of technologies for electrolysis plants, in particular for the production of green hydrogen on an industrial scale (thyssenkrupp nucera, majority interest held by thyssenkrupp AG)

Materials Services

Sales
€12,126 million

Adjusted EBIT
€204 million

- Data-driven solutions for more sustainable, digital supply chains
- Global materials distributor
- Customer-specific processing, warehousing and logistics services

Steel Europe

Sales
€10,736 million

Adjusted EBIT
€261 million

- Production of flat carbon steel for the automotive industry and many other sectors
- Further implementation of Strategy 20-30 with a focus on premium products with higher stability, optimized surfaces and thinner, higher-performance sheets for electromobility
- Establishing climate-neutral steel production as part of the tkH2Steel transformation project

Marine Systems

Sales
€2,118 million

Adjusted EBIT
€125 million

- System provider in submarine and surface vessel construction and in maritime electronics and security technology thyssenkrupp AG is responsible for the strategic management of the group. In addition to governance tasks, the allocation of investment funds and management development, Corporate Headquarters concentrates especially on performance and portfolio management. To enable it to perform these tasks, the Executive Board of thyssenkrupp AG was enlarged by two further members as of January 1, 2024. With the appointment of Dr. Volkmar Dinstuhl and Ilse Henne, the Executive Board of thyssenkrupp AG has been realigned to take in the operational management of the company alongside the existing cross-cutting functions of strategy, human resources, and finance. The allocation of responsibility for the segments to the individual Executive Board members has been amended accordingly. The individual segments continue to make their operational management decisions on a decentral basis under the strong thyssenkrupp umbrella brand. The members of the Executive Board of thyssenkrupp AG are responsible for ensuring that the management teams achieve the performance targets derived from the benchmark.

Strategy

Continuing the transformation process

thyssenkrupp is continuing to drive forward its transformation in a challenging and rapidly changing macroeconomic environment. The aim is to realign thyssenkrupp as a sustainable and high-performing company with lean management structures and a portfolio focused on the profitable growth of our segments. The framework for this comprises our brand and our values.

www.thyssenkrupp.com > Company > Strategy

To optimally develop the businesses of thyssenkrupp AG, the company is continuing to focus its transformation specifically on the opportunities for our technologies arising from future-oriented issues. We consider that the green transformation offers potential for further profitable growth both now and, in particular, in the medium and long term, for example, in the areas of hydrogen, green chemicals, renewable energy, e-mobility and supply chains.

At the same time, we want to improve the performance of all our businesses. The declared aims are for the segments to make a sustained positive value and cash flow contribution for the group and to pay a reliable dividend to our shareholders. Further details of our financial targets can be found in the “Targets” subsection.

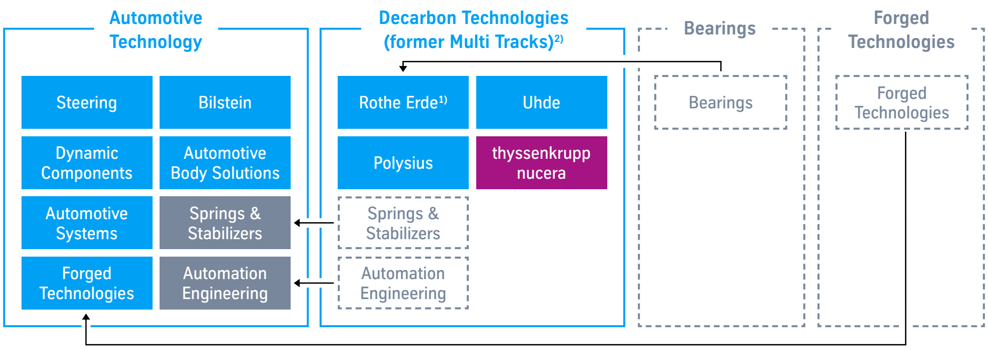
To achieve all these goals, thyssenkrupp will continue to consistently pursue the route it has embarked on. The framework for this comprises three areas of action: portfolio, performance and green transformation.

Portfolio

A clear decision has been taken on the direction of thyssenkrupp: we want every individual business to develop in the best possible way and to achieve a sustainable competitive position – both economically and in terms of environmental and climate protection. Therefore, we review and assess the development potential of all individual businesses annually to find the constellation that offers the best future prospects for them from the perspective of all stakeholders.

At the start of fiscal year 2023 / 2024, we took the next step in the sustainable realignment of our group. The former Multi Tracks segment was dissolved. Since October 1, 2023, the bearings business Rothe Erde (reported separately as the Bearings segment until September 30, 2023), Uhde, Polysius and majority investment thyssenkrupp nucera (all three reported in the Multi Tracks segment until September 30, 2023) have been bundled in the new Decarbon Technologies segment. All four businesses have key technologies for the decarbonization of the industry. By establishing this new segment, thyssenkrupp is positioning itself as a technology leader for the energy transition and ensuring full visibility of its expertise for the green transformation. The other businesses from the Multi Tracks segment – Automation Engineering and Springs & Stabilizers – are now part of the Automotive Technology segment. Moreover, Forged Technologies (reported as a separate segment as of September 30, 2023) is now part of Automotive Technology as the end-customer structure is the same.

BUNDLING OF KEY TECHNOLOGIES FOR DECARBONISATION IN THE SEGMENT DECARBON TECHNOLOGIES



[1)] Until September 30, 2023 Bearings
[2)] Shareholding in TK Elevator has been allocated to “Reconciliation” in segment reporting since October 1, 2023.

To ensure the best possible development of our businesses and focus our portfolio on high-growth markets, we are also continuing to pursue avenues that could involve a change in ownership structure. At the start of May 2024, we sold the 55% interest in thyssenkrupp Industries India (Decarbon Technologies segment) to a consortium of former co-owners, thus making further progress in the strategic adjustment of the industrial engineering portfolio.

We are exploring various avenues of development for the individual segments in our portfolio. We have kept the Automotive Technology business within the group. However, in line with the industry trend for collaboration, alliances and development partnerships are also conceivable on a selective basis. We are continuing the disposal process for Springs & Stabilizers initiated under the auspices of the Multi Tracks segment. By contrast, the divestment process for Automation Engineering was halted. To ensure the long-term stability and competitiveness of the business unit as a whole, it was decided to gradually shut down the powertrain activities at the Bremen site by 2026.

In the Decarbon Technologies segment, we want to systematically access the potential of the green transformation and translate it into value-creating growth. We aim to achieve a turnaround resulting in sustainably profitable business models. This applies above all for Polysius and Uhde, which have embarked on the technological transformation towards green products and services in recent years. The next step is to drive forward the transformation of the business models – for example, through increased modularization and standardization of products and by extending the profitable service business.

On the basis of its market position and competitive strength, we still see good development potential for Materials Services. As well as working to improve its performance, we also invested in the future. The segment is relying especially on the implementation of its “Materials as a Service” strategy, which is aimed at increasing the share of services and expanding the high-margin supply chain business. The company is also pursuing growth opportunities on the North American market especially, continuing to further consolidate its European activities in order to strengthen its leadership positions and developing new customer solutions in the areas of digitalization and sustainability in particular.

Steel Europe operates in a very challenging environment that is characterized by the persistently weak economy and, especially, medium- and long-term structural changes in the European steel market and in key customer and target markets. To ensure its long-term competitiveness, the segment is working on a structural realignment. This is aimed in particular at optimizing the production network and reducing production capacities to increase the segment’s competitiveness and profitability. In parallel, we will continue to implement the existing Strategy 20-30 to improve the segment’s operating performance. The company is also seeking a stand-alone solution for Steel Europe because we remain convinced that a stronger focus and greater strategic flexibility offer the steel business the best perspectives for the future. In July 2024, thyssenkrupp successfully completed the first step in this process by selling a 20% stake in the steel business to energy company EP Corporate Group (EPCG). thyssenkrupp and EPCG are also in discussions concerning the second step: the acquisition of a further 30% stake in the steel business to establish an equal 50:50 joint venture. One key aspect of this is a financeable and competitive business plan. If a 50:50 joint venture does not materialize, we have agreed a mutual right of rescission with EPCG for the 20% stake that has already been sold.

Marine Systems is seeing a positive trend in terms of both the cost-cutting and performance measures and the order situation. The global increase in demand for submarines, naval vessels and surface and submarine technologies is delivering additional growth opportunities. To enable us to better leverage these opportunities, alongside further measures to enhance the performance capability of this business, we are continuing to explore options to place it on a stand-alone basis.

For further details about the segments’ development, please refer to the “Segment review” subsection in the “Report on the economic position.”

Performance

The overarching goal of the transformation process is still to boost the performance and competitiveness of all our businesses. This is not simply crucial for the ongoing strategic strengthening the group; it is also the necessary prerequisite for generating a sustained positive free cash flow before M&A for the group and ensuring reliable dividend payments. A further prerequisite is that the businesses quickly and sustainably achieve their financial targets, despite the persistently challenging environment. Further details of our financial targets can be found in the “Targets” subsection.

To enable us to respond at short notice to weakening markets and to support a long-term improvement in the performance of our businesses, we launched a groupwide holistic performance program named APEX (Latin for “peak”) in September 2023. The aim is for the businesses to raise their profitability to the competitive level and to make optimal use of their market opportunities.

APEX is managed by a Transformation Office at thyssenkrupp AG which provides methodological expertise and process support, a platform for exchange and knowledge transfer, and extensive competitive analyses and best-practice comparisons. In a first phase, experts from the businesses identified cash and performance measures to relieve the pressure on earnings from a weak market environment in the following five areas of action: assets/CAPEX, business models and sales, material costs, net working capital and organization. The measures identified are either being implemented, have already been completed or are still to be addressed. In the second phase, in order to provide long-term support for the performance targets of the individual businesses, we are focusing more on structural topics. As part of this process, the businesses are defining individual measures for further increasing their efficiency and optimizing their respective business models or adapting them to changing markets. Wherever necessary, we consistently implement restructuring measures. With the ramp-up of the second phase, the aforementioned areas of action will be dissolved from a central perspective. The Transformation Office will closely monitor the businesses’ individual projects and provide support if necessary. The businesses remain responsible for the implementation of the ongoing development measures and their success. For further details on the status of the individual measures in each segment, please refer to the respective subsections in the “Report on the economic position.”

Green transformation

We have set ourselves the goal of using our innovative products and state-of-the-art digital technologies to support our customers in the green transformation and achieving their sustainability targets. Thanks to our expertise in sustainable solutions in various sectors, we are able to drive forward the decarbonization of industry and benefit from the associated business opportunities.

The businesses in the new Decarbon Technologies segment in particular have innovative technologies that can reduce a large proportion of today's CO_2 emissions, especially in heavy and energy-intensive industries:

- Rothe Erde is a leading provider of bearings and solutions that play a key role in wind, solar and tidal power plants, thus contributing substantially to improving the efficiency and reliability of renewables. Plans for the global expansion of wind power in particular harbor potential for future growth at Rothe Erde.
- In the future, green hydrogen will be produced mainly in regions of the world where green electricity is available cheaply. Ammonia can be used as a transport medium to bring it to where it is needed. Uhde is one of the world's leading technology providers for ammonia supply chains. It is characterized in particular by its focus on the development and implementation of industrial-scale plants for innovative technologies in the sustainable production of ammonia.
- Cement production ranks alongside the steel and chemical industries as one of the main levers for achieving a significant reduction in global CO_2 emissions. With its green technologies, including its patented Pure Oxyfuel plants, Polysius is a pioneer of the climate-neutral transformation of the cement industry. Market potential is high because cement producers are under enormous pressure to reduce their CO_2 emissions.
- Our majority investment thyssenkrupp nucera can already offer technologies for the industrial-scale production of green hydrogen worldwide. As a long-term anchor shareholder, thyssenkrupp AG will continue to support the development of thyssenkrupp nucera and benefit from its growth opportunities. With more than 600 completed projects, this company is a market leader in the chlor-alkali business.

Our portfolio also includes other products and solutions that are essential for the success of the green transformation. Examples are components for automotive engineering that are independent of the type of powertrain and thus enable sustainable mobility and benefit strongly from the electrification of cars and the use of digitalization by Materials Services to improve supply chains.

Alongside the products and solutions whose development we are driving forward for our customers and partners, we are working on the decarbonization strategy of our own group. A significant step has been taken with the direct reduction plant for Steel Europe that is currently under construction. This 100% hydrogen-capable plant with an annual production capacity of 2.5 million tons of direct reduced iron allows savings of up to 3.5 million tons CO_2 a year, making thyssenkrupp a significant player in the European hydrogen economy, with the Duisburg site and the federal state of North Rhine-Westphalia as an anchor point for investments in the development of an inter-regional hydrogen infrastructure. Without preference for a specific technology or outcome, we are constantly reviewing the best and most economically viable solutions under the prevailing circumstances to make the steel business climate-neutral in the long term.

Management of the group

The indicators used throughout the group for profitability, liquidity, profit and value added form the basis for operational and strategic management decisions at thyssenkrupp. We use them to set targets, measure performance and determine variable components of management compensation – in addition to other factors. For us, the most important financial indicators are adjusted earnings before interest and taxes (adjusted EBIT), FCF before M&A (free cash flow before mergers and acquisitions), net income/(loss) of the thyssenkrupp group and thyssenkrupp Value Added (tkVA) or the return on capital employed (ROCE).

The Executive Board also defines primarily long-term targets for the segments. These form the framework for the short- and medium-term financial targets and also for the budget and medium-term plans, which are prepared by all units.

THYSSENKRUPP – KEY PERFORMANCE INDICATORS

Profitability	Liquidity	Profit	Value added
Operating earnings +/– operational components of financial income	**Operating cash flow** +/– cash flows from investing activities	**EBIT** +/– non operational components of statement of income	**EBIT** +/– cost of capital
EBIT +/– special items	**Free cash flow** +/– cash inflows / outflows from material M&A transactions	**Net income/(loss)**	**tkVA** **EBIT** / Capital Employed
Adjusted EBIT	**Free cash flow before M&A**		**ROCE**

Adjusted EBIT

EBIT provides information on the profitability of a unit. It contains all elements of the income statement relating to operating performance. These include items of financial income/expense that can be characterized as operational, including income and expense from investments where there is a long-term intention to hold the assets. The thyssenkrupp group has an investment in the former Elevator Technology segment. This investment has no strategic or operational connection to the group's continuing operations. Its earnings are therefore by definition not part of financial income/expense from operations and so are not included in EBIT. Adjusted EBIT is EBIT adjusted for special items such as restructuring expenses, impairment losses/impairment reversals, disposal gains or losses and income and expenses in connection with the CO_2 forward contracts of the Steel Europe segment. It is more suitable than EBIT for comparing operating performance over several periods.

The adjusted EBIT of the group and the segments and the special items are described in detail in the "Group review" and "Segment review" sections in the report on the economic position. Please also refer to the reconciliation in the segment reporting (Note 24).

FCF before M&A

FCF before M&A permits a liquidity-based assessment of performance in a period by measuring cash flows from operating activities excluding income and expenditures from material portfolio measures. It is measured as operating cash flow less cash flows from investing activities excluding cash inflows or outflows from material M&A transactions. This too links more directly to operating activities and facilitates comparability in multi-period analyses.

A reconciliation and details on the development of FCF before M&A are provided in the analysis of the statement of cash flows in the "Results of operations and financial position" section in the report on the economic position.

Net income/(loss)

Net income is the profit generated by the group in the fiscal year. It is calculated as a positive balance of all income and expenses. Unlike EBIT, the calculation includes non-operating items, for example, interest and taxes. Net income therefore provides information on the group's earning power. Negative net income is referred to as a net loss.

The net income/(loss) of the thyssenkrupp group is explained in detail in the "Results of operations and financial position" section in the report on the economic position.

tkVA / ROCE

tkVA is the value created in a reporting year. This indicator enables us to compare the financial success of businesses with different capital intensities. tkVA is calculated as EBIT less the cost of the capital employed in the operating business. Capital employed mainly comprises fixed assets, inventories and receivables. Deducted from this are certain non-interest-bearing liability items such as trade accounts payable. To obtain the cost of capital, capital employed is multiplied by the weighted average cost of capital (WACC), which includes weighted equity and debt. We use the return on capital employed (ROCE) to determine the relative return generated. ROCE is the ratio of EBIT to capital employed. If ROCE exceeds WACC, i.e., the returns due to shareholders and lenders, we have created value.

Capital employed x WACC = capital costs

Information on the development of tkVA / ROCE in the reporting year can also be found in the section "Group review" of the report on the economic position.

Targets

Financial targets

In a persistently challenging market environment, we aim to ensure that all businesses significantly increase their operational performance and generate a sustained positive value and cash flow contribution for thyssenkrupp. In particular, we are seeking to ensure that the businesses achieve their medium-term financial targets.

The medium-term adjusted EBIT margin targets for the individual segments are as follows:

- **Automotive Technology[1)] –** Adjusted EBIT margin of 7% to 8%
- **Decarbon Technologies** – Adjusted EBIT margin of more than 5%
- **Materials Services** – Adjusted EBIT margin of 2% to 3%
- **Marine Systems** – Adjusted EBIT margin of 6% to 7%

In the course of developing the business plan for the **Steel Europe** segment, the medium-term adjusted EBIT margin target (6% to 7%) is still subject to revision.

On the basis of the group's current composition, we are adhering to the overall medium-term adjusted targets as previously communicated: an adjusted EBIT margin of 4% to 6% and, as a result, a positive free cash flow before M&A. In addition, ensuring a reliable dividend payment has the utmost priority.

Further information on our segments and the respective measures to achieve the targets can be found in the "Segment review" in the report on the economic position.

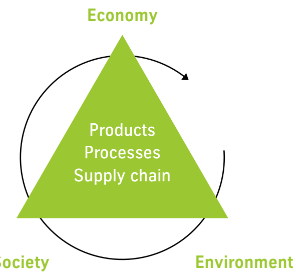
More information on our key performance indicators can be found in "Management of the group" in this section of the report; details on the forecast for the current fiscal year are provided in the forecast report.

[1)] Without Automation Engineering and Springs & Stabilizers

Sustainability and non-financial targets

Sustainability is a core component of thyssenkrupp's mission statement and an integral part of our corporate strategy. Our aim is to offer innovative products, technologies and services worldwide that contribute to the sustainable success of our customers. Strategic sustainability management is coordinated by the Corporate Function Sustainability. Together with other corporate functions, service lines and segments, stakeholder requirements are continuously identified and targets and measures are derived to improve our sustainability performance. Sustainability activities at thyssenkrupp are governed by the Sustainability Committee, which consists of the Executive Board of the group, the CEOs of the segments, the heads of the corporate functions and internal experts. The Sustainability Committee decides on the ongoing development of existing measures and the implementation of innovative measures. It also takes decisions on the non-financial targets (NFT). The responsibility for implementing the measures lies with the corporate functions, service lines and segments, which regularly report on progress.

Our understanding of sustainability



Detailed information on our sustainability activities in the areas of climate, energy and environment, purchasing, employees, occupational health and safety, social responsibility and compliance can be found in the relevant sections of the Annual Report and on our website. In addition, in the reporting year, thyssenkrupp continued its preparations for future sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). This new legislation is being introduced stepwise and will become mandatory for fiscal years starting from January 1, 2024. It greatly expands the scope and quality of the reportable disclosures. In preparation for the first sustainability reporting for thyssenkrupp AG and its group companies for fiscal year 2024 / 2025 in accordance with the CSRD, a double materiality analysis was performed. This requires the identification and assessment of the actual and potential, negative and positive impacts of our business activities on people and the environment, as well as the identification and assessment of the risks and opportunities of sustainability topics in terms of their economic relevance to thyssenkrupp. A topic is subject to mandatory reporting if it is assessed as being material from one or both perspectives. In the context of other CSRD projects, we analyzed the new requirements and pushed ahead with implementation to enable us to fulfill our future reporting obligations. Information about the preparations for CSRD reporting made by our own workforce can be found in the “Employees” section.

www.thyssenkrupp.com > Company > Sustainability

The Sustainability Committee has set NFTs in the areas of climate, energy and environment, technology and innovation, employees, and purchasing. The annual targets are defined in consultation with the segments, which are responsible for achieving the targets and driving forward their implementation together with the businesses. Since fiscal year 2020 / 2021, we have been integrating sustainability activities gradually into the long-term compensation of the Executive Board and top-level management through the NFTs. In this first fiscal year, this has already been implemented in respect of the proportion of women in leadership positions and the accident frequency rate. To reflect our climate targets, since fiscal year 2021 / 2022, CO_2 emissions intensity, calculated as the total of our direct emissions (Scope 1) and emissions from purchased energy (Scope 2) relative to sales, excluding the Steel Europe segment, has been integrated into long-term compensation. For the Steel Europe segment, the volume of net CO_2-reduced steel has been integrated into long-term compensation. The volume of net CO_2-reduced steel is calculated from the reduced carbon input at the Duisburg site and the resulting CO_2 savings, allocated over production volume. For fiscal year 2022 / 2023, we integrated the improvement in our employee Net Promoter Score (eNPS) into long-term compensation for the first time and the increase in the proportion of women in leadership positions was once again included. The thyssenkrupp eNPS is part of the annual Employee Pulse Check survey and indicates the willingness of employees to recommend thyssenkrupp as an employer. Starting in fiscal year 2023 / 2024, we have included the High Risk Supplier Reduction (HSR) as a key indicator to implement the annual reduction in the proportion of suppliers still classified as high risk – even after any risk-mitigating measures – relative to the total population of potentially high-risk suppliers in long-term compensation. Risk categorization is based on the risk analysis required by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). In this way, we aim to achieve a general reduction in the risk of violating the legal provisions of this legislation in respect of environmental protection, human rights and occupational safety within our portfolio of suppliers. Further, if other risks are identified in the annual and ad hoc risk analysis, these must be mitigated as soon as possible by prompt measures that are consistent with the provisions of the legislation. Further information about the performance our risk analyses can be found under "Sustainability in supplier management" in the "Purchasing" section. For the current 2024 / 2025 fiscal year, due to its significance, we have again integrated the continuous improvement of the accident frequency rate into long-term compensation. (Further details can be found in the compensation report.) All established NFTs are aligned with the aim of continuous improvement and are constantly being adjusted and extended in parallel with our ongoing strategic development.

We can report as follows on the achievement of the annual targets for our NFTs: We significantly exceeded the energy efficiency target in fiscal year 2023 / 2024. The emissions intensity target for the group excluding the Steel Europe segment was to reduce emissions intensity by 1 ton CO_2 per million € sales to 35.5 tons CO_2 per million € sales in the reporting period. This target was exceeded, with an emissions intensity of 31.1 tons CO_2 per million € sales. The target for the Steel Segment in the reporting year was production of 150,000 tons net CO_2-reduced steel; this target was exceeded with a production volume of 205,000 tons. Adjusted R&D intensity increased slightly to 2.9% and was therefore within the company's target range of around 3.0%. The proportion of women in leadership positions increased steadily and exceeded the target of 15%. The annual indicator of employee satisfaction (eNPS), based on willingness to recommend thyssenkrupp as an employer, did not match the prior-year level. The accident frequency rate was 2.4 and thus did not achieve the target set by thyssenkrupp. In respect of the HSR, the proportion of suppliers classified as high risk was reduced to 57.0%, an overall improvement of 29.9 percentage points that exceeded the target.

OVERVIEW OF NON-FINANCIAL TARGETS

Group		Status Sept. 30, 2023	Status Sept. 30, 2024	Change	Section
Energy efficiency gains of 205 GWh in 2023 / 2024	GWh	340	360	+6%	Climate, energy and environment
Annual reduction of emissions intensity[1] by 1 t CO_2 per million € sales to 34.5 t CO_2 per million € sales in FY 2024 / 2025	t CO_2 per million € sales	31.2	31.1	(0.3) %	
Adjusted R&D intensity of around 3.0%	%	2.8	2.9	+0.1 pt.	Technology and innovations
Increase the proportion of women in management positions by at least 1% per year to 17% by FY 2025 / 2026	%	14.6	16.1	+1.5 pt.	Employees
Reduction in the accident frequency rate to 1.9 by FY 2027 / 2028	Accidents per million hours worked	2.4	2.4	0%	Employees
Achievement of a High Risk Supplier Reduction (HSR) of 36.4% by FY 2026 / 2027	%	—	57.0	—	Purchasing

[1] Based on the group without the Steel Europe segment.

The target for the current fiscal year 2024 / 2025 is to improve energy efficiency by at least 125 GWh. The aim is to reduce the emissions intensity of the group excluding the Steel Europe segment by 1 ton CO_2 per million € sales each year to 34.5 tons CO_2 per million € sales in fiscal year 2024 / 2025. For the Steel Europe segment, the target is to significantly increase the volume of net CO_2-reduced steel to 500,000 tons by the end of fiscal year 2024 / 2025. In the current fiscal year 2024 / 2025, the adjusted R&D intensity should be around 3.0%. Across the entire company, we aim to increase the proportion of women in leadership positions to 17% by fiscal year 2025 / 2026. As an indicator for employee satisfaction, we strive to continuously improve the eNPS to a positive value by fiscal year 2025 / 2026. With the aid of the measures we take to reduce the sustainability risks in our supplier portfolio, which we report using the HSR indicator, we aim to achieve a value of 36.4% by fiscal year 2026 / 2027. This represents an improvement of just under 50 percentage points from implementation of the target value in fiscal year 2023 / 2024. From the current fiscal year, we are retaining an improvement in the accident frequency rate to 1.9 by fiscal year 2027 / 2028 in line with the renewed integration of this value as an NFT for the long-term compensation of the Executive Board and top-level management.

Report on the economic position

Macro and sector environment

Global economy remains highly volatile – German economy persistently sluggish

The markets were characterized by exceptional turbulence, especially at the end of the fiscal year. US economic data, which were weaker than expected, were a particular factor in this and resulted in a brief capital market slump in late summer. Future development is likely to remain similarly volatile due to the many prevailing uncertainties. The global growth rate for 2024 as a whole is likely to be 2.7%, with the same level of growth expected for 2025 as well.

2.7%

The global economy is likely to expand by 2.7% in 2024; the same growth rate is expected for 2025 as well.

The outlook for future global economic growth remains beset by uncertainty. Failure to implement the interest rate cuts announced could further dampen consumer and capital expenditure, putting pressure on export nations especially. Added to this, a further escalation of the war in Ukraine could continue to greatly hamper economic development, especially in Western Europe. A possible intensification of trade conflicts, such as the EU's introduction of customs tariffs on Chinese car imports, could result in macroeconomic fluctuations. In addition, there are geopolitical risks from a potential further escalation of the Middle East conflict, the China-Taiwan conflict and other armed unrest. Risks also exist for a number of key sectors, e.g., the automotive industry, because energy, material and commodity prices remain vulnerable to fluctuations and are significant economic factors in industrial regions especially. Moreover, floods and natural disasters as a result of global climate change represent a growing risk in many regions.

Since the start of the 3rd quarter of 2024, the EU has seen weaker growth momentum. Whereas the service sector was still expanding at the start of the year, it and the manufacturing sector are now seeing a downturn in demand. Following growth of 0.8% in the 2nd quarter of 2024, the economy grew by a further 1.0% in the 3rd quarter of 2024 (compared with the prior-year period in each case). For 2024 as a whole, economic growth in the EU is expected to be 1.0%. In 2025, growth is forecast to increase slightly to 1.6%.

GDP growth in Germany stagnant at best in 2024; subdued recovery expected for 2025

When it comes to recovery, Germany continues to lag behind its European neighbors. As an export nation, Germany continues to suffer from subdued global demand for industrial goods. Moreover, weak domestic demand underscores the current investment crisis and weak consumer spending. Therefore, stagnant growth at best is expected for 2024 as a whole. In both the 2nd and 3rd quarters of 2024, the German economy shrank by 0.2% year-on-year. Since no improvement in the global economic situation is anticipated in either the short or medium term, growth expectations for 2025 remain very subdued at just 1.0%. Sustained economic recovery is not expected before 2026.

In the USA, GDP is forecast to rise by 2.7% in 2024. In the 3rd quarter of 2024, the country's GDP grew by 2.4% year-on-year, following a rise of 3.1% in the 2nd quarter of 2024. However, the economy has proven unexpectedly robust overall. This is also reflected in the stable development of corporate investment and consumer spending. Retail sales especially increased unexpectedly strongly. The high unemployment rate in the 2nd quarter caused unease on the financial markets and is likely to increase further. This could result in further interest rate cuts in the near future. Nevertheless, comparatively low growth of 2.1% is forecast for 2025.

The outlook for the Chinese economy remains relatively subdued, with growth of 4.9% in 2024 and 4.6% in 2025. The economic recovery continued sluggishly in the 3rd quarter of 2024, with growth of 4.6% (compared with the prior-year period); in the 2nd quarter of 2024, the Chinese economy grew by just 4.7%. Growth was buoyed by strong domestic production and sustained export demand. In addition, the government introduced stimulus programs to boost domestic demand. The real estate sector is still plagued by great uncertainty, which has slightly depressed the outlook for 2025.

India's economy continues to expand robustly. Growth of 6.8% is forecast for 2024 as a whole, with a similarly high rate of 6.5% predicted for 2025. In the 3rd quarter of 2024, economic output rose by 7.8% (compared with the prior-year period); the increase in the 2nd quarter of 2024 was slightly lower at 6.7%. India is benefiting from a growing population, with a resulting increase in private consumption and positive trends in the service sector. The anticipated slowdown in economic growth will be caused by the effects of an early rise in interest rates by the Indian central bank coupled with low fiscal incentives from the government.

In 2024, Brazilian GDP is forecast to rise by 3.0%. In the 3rd quarter of 2024, GDP grew by 3.2% year-on-year. In the 2nd quarter, growth was 2.8%. Growth is based primarily on private consumption favored by lower inflation and interest rates as well as a robust labor market. However, there is a significant risk of a downturn associated with a possible deterioration in the government's financial position. Growth of 2.5% is forecast for 2025.

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2024[1]	2025[1]
European Union	1.0	1.6
Germany	0.0	1.0
Eastern Europe and Central Asia	4.3	3.1
USA	2.7	2.1
Brazil	3.0	2.5
Japan	0.1	1.3
China	4.9	4.6
India	6.8	6.5
Middle East & North Africa	1.4	3.3
World	**2.7**	**2.7**

[1] Calendar year; forecast (in some cases)
Source: S&P Global Market Intelligence, Global Economy (October 2024)

Industrial development affected by various uncertainties

Automotive production declined in 2024; mixed picture in the regions of the world

Automotive – In 2024, global automotive production declined and is likely to fall back to the pre-crisis level of 2019. Since the downturn caused by the Covid pandemic bottomed out in 2020, the production of cars and light trucks has increased continuously, latterly at a rate of around 10% in 2023. However, in 2024, no region of the world is expecting significant year-on-year volume growth. Instead, there is a mixed picture of declining volumes and lateral trends.

In China, the world's largest automotive market, output is expected to move sideward at a record high level. By contrast, automotive production in Western Europe in 2024 will see a significant reduction in volumes compared with the prior year. It is to be assumed that, in the long term, production will remain significantly below the level achieved prior to the Covid pandemic. Domestic production in Germany in 2024 will be lower than in the prior year but it will not decline as strongly as in other major car-producing countries in Western Europe, such as France or the United Kingdom. It is not assumed that domestic production in Germany will recover to pre-pandemic levels. Automotive output in North America is likely to decrease slightly and is not expected at present to return to pre-pandemic levels.

Depending on manufacturer, drive system and model range, there are significant differences overall in production volume trends. Major OEMs are responding to slower regional volume growth in battery-electric vehicles with measures such as shifts in investment and adjustments to the pace of transformation. Chinese OEMs are gaining market share in their own market and continuing to expand into global markets, such as Europe.

For 2025, it is assumed that global production volumes will exceed those of 2024 but remain below 2023 levels. However, this forecast is coupled with uncertainty due to the weakening global economy. Moreover, there is a likelihood that car tariffs could be increased, which could result in higher prices and lower demand.

IMPORTANT SALES MARKETS

	2023	2024[1]	2025[1]
Vehicle production, million cars and light trucks[2]			
World	90.5	88.5	89.6
Western Europe (incl. Germany)	11.2	10.3	10.0
Germany	4.3	4.2	4.3
North America (USA, Mexico, Canada)	15.7	15.5	15.3
USA	10.3	10.2	10.0
Mexico	3.8	4.0	4.1
Japan	8.6	7.9	8.0
China	28.8	29.1	29.8
India	5.4	5.6	5.8
Brazil	2.2	2.3	2.4
Machinery turnover, real, in % versus prior year			
World	0.4	1.0	3.2
European Union	0.8	(3.6)	1.4
Germany	(1.3)	(6.8)	0.0
USA	(4.0)	(3.7)	0.3
Japan	(6.3)	(1.4)	0.8
China	2.6	3.7	4.7
India	8.9	7.2	7.0
Construction output, real, in % versus prior year			
World	4.5	3.4	2.6
European Union	2.9	0.0	1.8
Germany	1.0	(2.9)	0.8
USA	3.0	8.5	2.0
Japan	3.8	0.5	(0.1)
China	7.1	4.2	2.1
India	9.7	4.7	3.2
Demand for steel, in % versus prior year			
World	(0.8)	(0.9)	1.2
Germany	(13.5)	(7.0)	5.7
European Union	(9.1)	(1.7)	3.7
USA	(4.2)	(1.5)	2.0
China	(3.3)	(3.0)	(1.0)
India	14.4	8.0	8.5

[1] Calendar year; forecast (in some cases)
[2] Passenger cars and light commercial vehicles up to 6t
Sources: S&P Global Market Intelligence, Comparative Industry (October 2024), S&P Global Mobility, LV Production (October 2024), Oxford Economics, worldsteel, national associations

Machinery – Sales in the global machinery sector will probably rise by 1.0% in 2024. Economic weakness, especially in industrialized countries, remains a risk to the sector's growth. As a result of the interest rate cuts made by the Fed, a slight upturn could occur towards the end of the year. Growth of 3.2% is forecast for 2025. The indicators in China point to growth of just 3.7% in 2024. Subdued momentum and 4.7% growth are also expected for 2025. The machinery sector in the USA is likely to shrink by 3.7% in 2024, with a slight recovery of just 0.3% expected for the following year. The economic policy of the new US government remains an important factor that could have far-reaching

International machinery production is expected to increase by 1.0% in 2024.

consequences for the global economy as well. In light of the already announced increase in general customs tariffs for foreign products, Europe's machine manufacturers are watching the USA with concern. The European machinery sector is anticipating a significant decline of 3.6% in 2024, with a slight recovery of 1.4% expected for 2025.

Although German machine manufacturers saw a real decline in orders of just 5% in July 2024 to a level last seen in October 2023, it is not yet possible to speak of a turnaround since order intake was already low in July 2023. Both domestic and export orders were down 5%, with orders from EU and non-EU countries decreasing by 6% and 4%, respectively. Even in the less volatile three-month period between May and July, orders declined by a significant 14%. In particular, the weakness in capital spending in Germany dampened the recovery of the country's machinery sector. A decline of 6.8% is forecast for 2024 as a whole; in 2025, zero growth is expected.

Construction – The global construction industry is likely to grow by 3.4% in 2024. Positive trends in emerging markets and developing countries as well as state-aided infrastructure investment remain the driving force behind this development. However, overall growth in most regions is being curbed by weaker momentum in housing construction. Growth of 2.6% is predicted for 2025.

The picture in the EU is significantly more negative, with construction activity stagnating compared with the prior year. Capital market interest rate trends remain a major problem. Slight growth of 1.8% is forecast for 2025 due to the interest rate cuts already made by the ECB. The German construction industry remains in decline. A decrease of 2.9% is expected for 2024 as a whole. Persistently high borrowing costs are holding back investment in the construction of both private housing and commercial properties. Slightly positive trends are evident in public-sector construction, with a recovery of 0.8% forecast for 2025.

In China, only moderate growth of 4.2% is expected in 2024. The crisis in the real estate sector has not yet subsided completely. Possible relief could come from state aid packages for public-sector housing construction. Only a slight recovery and 2.1% growth are expected for 2025. In the USA as well, the construction industry is benefiting from state aid programs. Growth of 8.5% is expected for 2024, but this is already likely to slow to 2.0% in 2025. The cut in interest rates in the 3rd quarter of 2024 could trigger a recovery in housing construction and improve the outlook for 2025.

Steel – Global demand for finished steel fell slightly by 0.8% in 2023. High inflation and interest rates continued to weigh on economic development and the demand for steel in many economies. Whereas the ongoing domestic real estate crisis resulted in a decline in China (-3.3%), demand rose significantly in India (+14.4%) and Turkey (+17.2%). After two years of negative growth, the global steel industry association anticipates a further decline of 0.9% in demand for finished steel for the current year 2024. High costs, the delayed effects of more restrictive monetary policy, ongoing geopolitical uncertainty and the weak global economy are curbing the demand for steel. In particular, a decrease of 3.0% in demand from China contributed substantially to the negative development worldwide. To date, the state stimulus packages aimed at stabilizing China's real estate market have failed to generate any sustained increase in demand. Slight growth is still expected in the key Southeast Asian markets but a slight decline is anticipated in South Korea and Japan. In the USA as well, there has been a delay in the recovery of demand for steel. Following the decrease of 4.2% in the prior year, a further decline of 1.5% is forecast for 2024. Trade measures like the Inflation Reduction Act (IRA) are boosting the domestic economy and thus also demand for locally produced steel but were unable to fully offset the ongoing weakness of the construction industry. The high domestic

-0.9%

Global demand for finished steel is again expected to decline slightly in 2024.

demand in Turkey due to reconstruction following the spring 2023 earthquake has not continued this year. Tighter financial conditions to curb high inflation rates are holding back steel industry development. EU demand for finished steel decreased by 9.1% as a consequence of the war in Ukraine and the weak economic environment in 2023. Due to the continuing cyclical weakness, a further decline in demand of 1.7% is anticipated for the current year. Germany in particular will contribute a decline of 7.0%. In 2024 again, the development of the global steel market remains beset with high risks due to the ongoing geopolitical crises and growing protectionism in international trade.

In 2023, following the decrease a year earlier, the EU market for flat carbon steel declined by a further 3.7% to 76.4 million tons. The main causes of this include the ongoing negative impacts of the war in Ukraine, high energy prices and inflation as well as the continuing weakness of the global economy. Following a brief upturn in demand in the first half of 2023, declining economic momentum in the second half of the year resulted in a renewed decline in demand. Whereas deliveries from the EU plants still served most of the growing demand at the start of 2023, imports increased significantly over the course of the year. In 2023 as a whole, 17.3 million tons of flat steel products were imported into the EU. This accounted for 22.7% of the EU market, only slightly below the prior-year figure (23.6%). In the 1st half of 2024, demand for flat steel dropped to 40.0 million tons, 2.1% below the weak prior-year level of 40.8 million tons. The weak demand was additionally impacted by a significant year-on-year rise in imports (increase of 7.8% to a market share of 23.8%). By contrast, deliveries from the EU plants declined (-4.8%). The main industries that process flat steel and are relevant to us – such as the automotive industry, engineering and construction – continued to see low order intake. Many companies are still working off their decreasing order backlogs, which has prevented a stronger decline in production to date. A lack of economic impetus is dampening the outlook for the rest of the year and a recovery in demand in the EU is not expected until 2025 at the earliest.

The recovery in demand at the start of the 1st quarter of 2023 as a result of the improved economic outlook continued to have a positive impact on spot price trends in the EU flat steel market until April. Thereafter, weakening demand and increased pressure from imports caused a decline in prices. Mirroring demand trends, prices recovered slightly for a time from fall 2023 but trended downward again from March 2024. Until August, the spot prices remained stable at a low level due to low economic momentum. They have been moving downward since the start of September. In the first nine months of 2024, iron ore prices were on average 4.7% lower than in the prior year. In the same period, the prices of coking coal fell by 10.7% compared with a year earlier.

For 2025, the global steel industry association anticipates only a slight increase of 1.2% in world steel demand due to a further decline of 1.0% in demand in China, primarily as a result of a continuing decrease in demand from the real estate industry. The increase will by boosted by continuing high growth in demand in India especially (+8.5%). The forecast for the EU market assumes growth of 3.7%, with Germany expected to contribute an increase of 5.7% after the very low levels in the prior years. For the USA, demand for finished steel is expected to rise by 2.0%. However, the outlook is beset by great uncertainty. Whether demand actually develops in line with the forecast will depend on whether the anticipated and repeatedly postponed economic recovery occurs or whether the dampening factors described above continue to dominate.

Summarized assessment by the Executive Board

Transformation continues in a challenging environment

The past fiscal year was characterized by a challenging and rapidly changing economic environment, which has forced us to correct our forecast on multiple occasions. Despite amending the sales forecast during the year, we were initially able to offset the negative market trends thanks to measures to improve efficiency initiated as part of the APEX performance program. However, in the run-up to the 9-month report, it was evident that no market stabilization could be expected in the short term. This resulted in a reduction in the forecasts for sales, adjusted EBIT and FCF before M&A, which were ultimately achieved or even exceeded.

Sales of the thyssenkrupp group declined by €2.5 billion to €35.0 billion. This was mainly attributable to weaker demand and lower prices at Materials Services and Steel Europe. As a result, adjusted EBIT decreased by €136 million to €567 million. As well as declines at Steel Europe and Automotive Technology, the factors contributing to this development included in particular the higher costs in prior periods of individual (legacy) cement plant engineering projects in the Decarbon Technologies segment. Earnings increases at Materials Services and Marine Systems could only partially offset the weaker contributions of the other segments.

At €110 million, FCF before M&A was again positive but €253 million lower than the prior-year figure. The positive full-year figure was achieved due to early payments by Marine Systems customers in the 4th quarter and a further improvement in inventory and receivables management. This performance was boosted by significantly lower investing activities during the year, mainly due to the receipt of funding payments in connection with the construction of the direct reduction plant at Steel Europe.

The net loss amounted to €(1.4) billion which, although still in the negative range, was improved compared with the prior-year figure that was also characterized by impairment losses at Steel Europe. The fact that the figure was again negative resulted primarily from further impairment losses recognized by Steel Europe and Materials Services and restructuring expenses at Automotive Technology, Materials Services and Decarbon Technologies in particular.

Net financial assets of €4.4 billion were up year-on-year, largely due to the positive FCF before M&A. This trend was also supported by incoming payments in connection with the participation of EP Corporate Group in the Steel Europe segment.

Cash and cash equivalents and undrawn committed credit lines totaled €7.1 billion (September 30, 2024), despite the redemption of a bond during the year.

Details of our target achievement in the reporting year can be found in the "Forecast-actual comparison." More information on our business performance is included in the "Group review" and "Segment review." Details of our forecast for the current fiscal year and our opportunities and risks are contained in the "Forecast, opportunity and risk report."

Key figures for the group versus the prior year are shown in the following table:

THYSSENKRUPP IN FIGURES

		Group			
		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change	in %
Order intake	million €	37,060	32,815	(4,245)	(11)
Sales	million €	37,536	35,041	(2,494)	(7)
EBITDA	million €	1,679	895	(784)	(47)
EBIT[1]	million €	(1,431)	(1,041)	389	27
EBIT margin	%	(3.8)	(3.0)	0.8	22
Adjusted EBIT[1]	million €	703	567	(136)	(19)
Adjusted EBIT margin	%	1.9	1.6	(0.3)	(14)
Income/(loss) before tax	million €	(1,583)	(1,196)	388	24
Net income/(loss) or earnings after tax	million €	(1,986)	(1,450)	537	27
attributable to thyssenkrupp AG's shareholders	million €	(2,072)	(1,506)	566	27
Earnings per share (EPS)	€	(3.33)	(2.42)	0.91	27
Operating cash flows	million €	2,064	1,353	(711)	(34)
Cash flow for investments	million €	(1,607)	(1,196)	412	26
Cash flow from divestments	million €	25	66	41	++
Free cash flow[2]	million €	482	224	(258)	(53)
Free cash flow before M&A[2]	million €	363	110	(253)	(70)
Net financial assets (Sept. 30)	million €	4,325	4,411	86	2
Total equity (Sept. 30)	million €	12,693	10,358	(2,334)	(18)
Gearing (Sept. 30)	%	—[3]	—[3]	—	—
ROCE	%	(9.3)	(8.0)	1.3	14
thyssenkrupp Value Added	million €	(2,818)	(2,476)	342	12
Dividend per share	€	0.15	0.15[4]	—	—
Dividend payout	million €	93	93[4]	—	—
Employees (Sept. 30)		99,981	98,120	(1,861)	(2)

[1] See reconciliation in segment reporting (Note 24).
[2] See reconciliation in the analysis of the statement of cash flows.
[3] Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio therefore has no relevance.
[4] Proposal to the Annual General Meeting

THYSSENKRUPP IN FIGURES

		Group			
		4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change	in %
Order intake	million €	8,305	7,911	(394)	(5)
Sales	million €	8,812	8,810	(2)	0
EBITDA	million €	283	107	(176)	(62)
EBIT[1]	million €	(1,779)	(969)	811	46
EBIT margin	%	(20.2)	(11.0)	9.2	46
Adjusted EBIT[1]	million €	88	151	63	72
Adjusted EBIT margin	%	1.0	1.7	0.7	72
Income/(loss) before tax	million €	(1,788)	(982)	806	45
Net income/(loss) or earnings after tax	million €	(1,989)	(1,040)	949	48
attributable to thyssenkrupp AG's shareholders	million €	(2,008)	(1,061)	947	47
Earnings per share (EPS)	€	(3.23)	(1.70)	1.52	47
Operating cash flows	million €	1,396	1,415	19	1
Cash flow for investments	million €	(698)	(317)	382	55
Cash flow from divestments	million €	(30)	11	41	++
Free cash flow[2]	million €	668	1,109	441	66
Free cash flow before M&A[2]	million €	597	1,093	495	83
Net financial assets (Sept. 30)	million €	4,325	4,411	86	2
Total equity (Sept. 30)	million €	12,693	10,358	(2,334)	(18)
Gearing (Sept. 30)	%	—[3]	—[3]	—	—
Employees (Sept. 30)		99,981	98,120	(1,861)	(2)

[1] See reconciliation in segment reporting (Note 24).
[2] See reconciliation in the analysis of the statement of cash flows.
[3] Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio therefore has no relevance.

Forecast-actual comparison

The targets for adjusted EBIT and FCF before M&A amended in the course of preparing the 9-month report were achieved or exceeded.

The economic environment during the reporting year was persistently weaker than expected. During the course of the fiscal year, we corrected our targets downward, latterly in an ad hoc release published on July 25, 2024 and subsequently in the 9-month report. We achieved the amended targets for sales and adjusted EBIT and exceeded that for FCF before M&A. However, we failed to achieve almost all the targets set at the start of the fiscal year; as planned, we reduced capital expenditures significantly.

In the course of the fiscal year, the original sales target was amended downward in each reporting quarter. The main reasons for this were reduced volume expectations and lower prices. A sales decline of 7% enabled us to achieve the amended forecast (decrease by between 6% and 8% compared with the prior year) published in the ad hoc release and in the 9-month report.

When preparing the 9-month report and the ad hoc release, we reduced the target for adjusted EBIT announced at the start of the fiscal year from a figure in the high three-digit million euro range to over €500 million. Although the measures to improve efficiency initiated as part of the APEX performance program counteracted the negative market trends in part, they could not offset them in full. With an adjusted EBIT of €567 million, we achieved the amended forecast.

In the course of the aforementioned amendments to the forecast, we also made a downward correction to the expected FCF before M&A in the ad hoc release and the 9-month report. Ultimately, FCF before M&A of €110 million was again positive and thus significantly above our amended expectation (decrease; figure in the range of €(100) million). This was mainly due to early payments by Marine Systems customers in the 4th quarter and a further improvement in inventory and receivables management.

During the fiscal year, the targets for net income, thyssenkrupp Value Added (tkVA) and ROCE (return on capital employed) that were communicated at the start of the fiscal year were amended downward in each reporting quarter. Alongside the aforementioned amendments to the forecast, the main reasons for the corrections were impairments at Steel Europe and Materials Services. With net income of €(1,450) million as well as an associated tkVA of €(2,476) million and ROCE of (8.0)%, we failed to achieve the forecast figures as last amended. The deviation was caused by further impairment losses of €767 million at Steel Europe in the 4th quarter.

More information on the factors that influenced the development of earnings is contained in the "Group review" and "Segment review" sections.

The following table contains details of the forecasts, which were updated on publication of the interim reports on the 1st quarter, 1st half and the first 9 months of the reporting year, and the final figures for 2023 / 2024.

FORECAST AND ACTUAL RESULTS FOR FISCAL YEAR 2023 / 2024

		Forecast in annual report 2022 / 2023	Update in interim report 1st quarter 2023 / 2024	Update in interim report 1st half 2023 / 2024	Update in interim report 9 months 2023 / 2024	Fiscal year 2023 / 2024
Steel Europe	Sales	Slightly below the prior year	Significantly below the prior year			Decline of 13% to €10,736 million
	Adjusted EBIT	Increase; figure in the mid three-digit million euro range		Largely stable	Slight decrease	Decline of €59 million to €261 million
Marine Systems	Sales	Significantly above the prior year				Decline of 16% to €2,118 million
	Adjusted EBIT	Increase; figure in the high two-digit million euro range				Increase of €52 million to €125 million
Automotive Technology	Sales	Slightly above the prior year	At the prior-year level	Slightly below the prior year	Below the prior year	Decline of 5% to €7,536 million
	Adjusted EBIT	Increase; figure in the low to mid three-digit million euro range			Slight decrease	Decline of €21 million to €245 million
Decarbon Technologies	Sales	Significantly above the prior year				Increase of 12% to €3,850 million
	Adjusted EBIT	Largely stable			Decrease; negative figure in the mid to high two-digit million euro range	Decline of €83 million to €(54) million
Materials Services	Sales	At the prior-year level	Slightly below the prior year	Significantly below the prior year		Decline of 11% to €12,126 million
	Adjusted EBIT	Increase; figure in the low three-digit million euro range				Increase of €26 million to €204 million
Corporate Headquarters	Adjusted EBIT	Decrease; negative figure in the low three-digit million euro range				Decline of €19 million to €(188) million
Group	Sales	Slightly above the prior year	At the prior-year level	Below the prior year	Decrease by between 6 and 8% compared with the prior year	Decline of 7% to €35,041 million
	Adjusted EBIT	Increase to a figure in the high three-digit million euro range			Decrease to a figure of over €500 million	Decline of €136 million to €567 million
	Capital spending including IFRS 16	Significantly below the prior year				Decline of €501 million to €1,323 million
	Free cash flow before M&A	Decrease; figure in the low three-digit million euro range			Decrease; figure in the range of €(100) million	Decline of €253 million to €110 million
	Net income	Increase to a positive figure in the low to mid three-digit million euro range	Increase to around break-even	Increase to a negative figure in the low three-digit million euro range	Improve to a negative figure in the mid to high three-digit million euro range	Improvement of €537 million to €(1,450) million
	tkVA	Increase to a negative figure in the high three-digit million euro range	Increase to a negative figure in the one billion euro range	Increase to a negative figure of over €1 billion	Improve to a negative figure in the range of €(1.6) billion	Improvement of €342 million to €(2,476) million
	ROCE	Increase to a figure in the mid single-digit percentage range	Increase to a figure in the low to mid single-digit percentage range	Increase to a figure in the low single-digit percentage range	Improve to a negative figure in the low single-digit percentage range	Improvement of 1.3 percentage points to (8,0) %

Note on the forecast for sales and capital spending including IFRS 16: "Significantly above/below" indicates a change of at least +/– 5%; "Above/below" indicates a change of between +/– 2.5% and +/– 5%; "Slightly above/below" indicates a change of up to +/– 2.5%

Group review

Course of business

In the reporting year, order intake, sales and adjusted EBIT were below the prior-year figures.

ORDER INTAKE

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	Change on a comparable basis[1] in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %	Change on a comparable basis[1] in %
Automotive Technology[2]	7,879	7,418	(6)	(5)	1,738	1,788	3	4
Decarbon Technologies[2]	4,004	3,031	(24)	(21)	885	891	1	6
Materials Services	13,684	12,062	(12)	(12)	3,163	2,818	(11)	(11)
Steel Europe	12,187	10,032	(18)	(18)	2,241	1,988	(11)	(11)
Marine Systems[2]	952	1,459	53	53	571	649	14	14
Corporate Headquarters	6	6	3	5	0	1	++	++
Reconciliation[2]	(1,652)	(1,195)	28	—	(293)	(225)	23	—
Group	**37,060**	**32,815**	**(11)**	**(11)**	**8,305**	**7,911**	**(5)**	**(4)**

[1] Excluding material currency and portfolio effects.
[2] See preliminary remarks.

Order intake

Declining order intake reflects economic challenges.

The economic challenges that became evident in the course of the past fiscal year remained in place in fiscal year 2023 / 2024. This was also clear from the order intake, which declined significantly overall. The demand situation was difficult throughout the fiscal year, especially in the European automotive industry and, for example, in the construction machinery sector. This was reflected especially in the order books of Steel Europe, Materials Services and Automotive Technology. Decarbon Technologies also posted a significant decline in order intake following the high demand in the chemical plant engineering business in the prior year. These effects were countered by the order intake development at Marine Systems; substantial extensions were made to two existing orders in the submarine business and the marine electronics unit posted higher order intake.

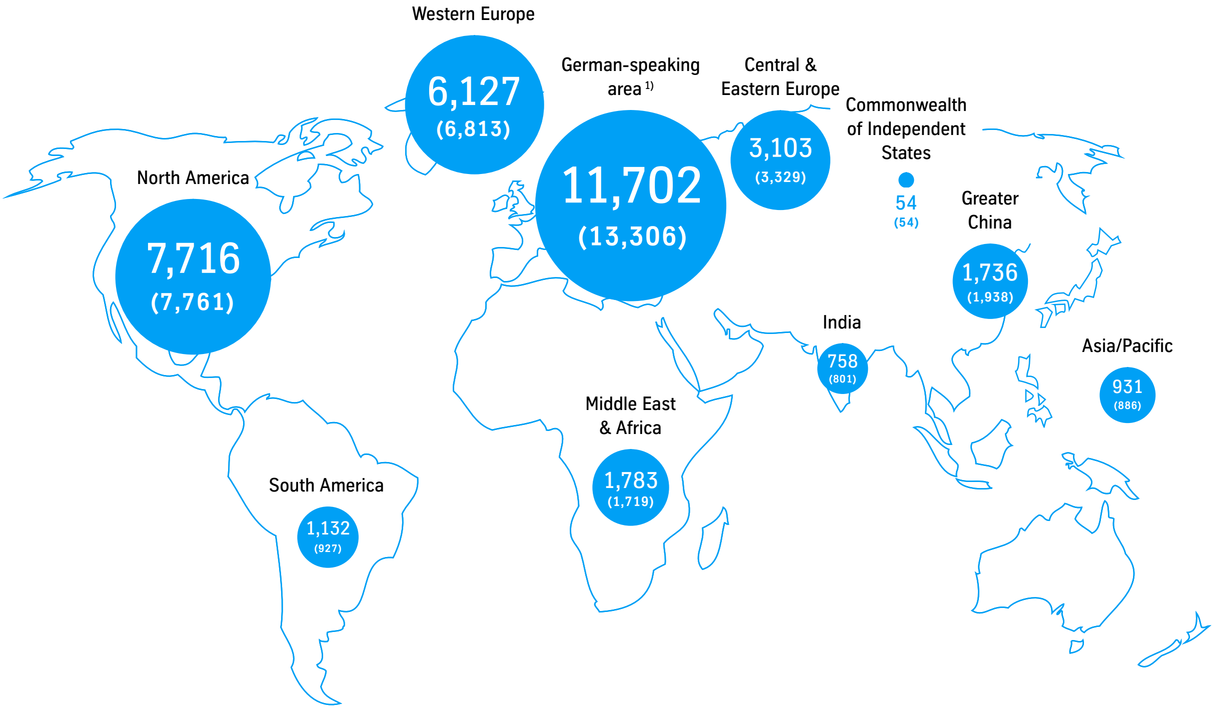
SALES

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	Change on a comparable basis[1] in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %	Change on a comparable basis[1] in %
Automotive Technology[2]	7,911	7,536	(5)	(4)	1,972	1,837	(7)	(6)
Decarbon Technologies[2]	3,438	3,850	12	19	878	1,074	22	37
Materials Services	13,613	12,126	(11)	(11)	3,124	2,908	(7)	(7)
Steel Europe	12,373	10,736	(13)	(13)	2,862	2,609	(9)	(9)
Marine Systems[2]	1,832	2,118	16	16	349	715	++	++
Corporate Headquarters	7	7	(1)	0	2	1	(46)	(44)
Reconciliation[2]	(1,639)	(1,331)	19	—	(375)	(335)	11	—
Group	**37,536**	**35,041**	**(7)**	**(6)**	**8,812**	**8,810**	**0**	**2**

[1] Excluding material currency and portfolio effects.
[2] See preliminary remarks.

SALES BY REGION

in million € (prior-year figures in brackets)



[1] Germany, Austria, Switzerland, Liechtenstein

SALES BY CUSTOMER GROUP 2023/2024

in %

Sales

Sales also declined against the backdrop of subdued market momentum. The main reasons for this were lower prices in our key customer and product groups as well as declining demand at both Steel Europe and Materials Services. Automotive Technology also saw a downward trend in the construction machinery business, in automotive assembly lines and in parts of the automotive original equipment business. Thanks to the high order intake in the prior period, ongoing major projects at Uhde and the growth of water electrolysis, Decarbon Technologies significantly increased sales year-on-year. Sales of Marine Systems in the reporting period were also significantly above the prior-year level. The main reasons for this included the delivery of a submarine and progress in new construction projects.

The most important sales market for the group, with sales of €11.7 billion, was once again the German-speaking region (Germany, Austria, Switzerland and Liechtenstein). It was followed by the business with North America (€7.7 billion) and business with customers in Western Europe (€6.1 billion). Sales in Greater China amounted to €1.7 billion.

The automotive industry remained the most important customer group with a sales share of 34%; it is particularly important for our automotive components and commercial vehicles activities and our steel business. It was followed by trading, steel and related processes and the remaining parts of the processing industry. Other key customer groups are engineering, the public sector (defense), the packaging industry, construction, and energy and utilities.

Adjusted EBIT

ADJUSTED EBIT

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Automotive Technology[1]	266	245	(8)	68	71	4
Decarbon Technologies[1]	29	(54)	--	(24)	6	++
Materials Services	178	204	15	23	51	++
Steel Europe	319	261	(18)	54	23	(57)
Marine Systems[1]	73	125	71	27	53	94
Corporate Headquarters	(169)	(188)	(11)	(47)	(44)	7
Reconciliation[1]	7	(25)	--	(13)	(9)	30
Group	**703**	**567**	**(19)**	**88**	**151**	**72**

[1] See preliminary remarks.

In a still challenging market environment, adjusted EBIT was significantly lower than the prior-year figure. The measures to improve efficiency initiated as part of the APEX performance program had a supporting effect but were unable to fully offset the market trends. There were declines at Steel Europe and Automotive Technology, due to factors such as lower demand and a corresponding decline in sales. Some of the decline was due to the higher costs of individual (legacy) cement plant engineering projects in the Decarbon Technologies segment. By contrast, Materials Services and Marine Systems were able to increase their earnings significantly. In the case of Materials Services, this was mainly attributable to the higher earnings achieved in the international supply chain business, which more than offset the declines seen in the trading and service center units. The main reasons for the performance of Marine Systems were progress in new construction projects and the services and marine electronics units. Adjusted EBIT of Corporate Headquarters deteriorated year-on-year, mainly due to higher expenses in connection with the APEX performance program.

Earnings increases at Materials Services and Marine Systems were unable to offset declines in the other segments.

Special items

SPECIAL ITEMS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change
Automotive Technology[1]	82	219	136	62	207	145
Decarbon Technologies[1]	21	105	83	4	46	42
Materials Services	(26)	196	222	11	51	40
Steel Europe	2,015	1,031	(984)	1,770	779	(991)
Marine Systems[1]	3	(2)	(4)	1	0	(1)
Corporate Headquarters	13	35	22	7	14	7
Reconciliation[1]	26	25	(1)	12	23	10
Group	**2,134**	**1,609**	**(525)**	**1,867**	**1,120**	**(748)**

[1] See preliminary remarks.

Impairment losses and restructuring expenses as key special items

EBIT was negatively impacted by special items totaling €1,609 million in the reporting year. At Automotive Technology, the main special items in the reporting period were restructuring expenses to adjust capacities and asset impairments in response to lower volume sales expectations. At Decarbon Technologies, the special items mainly concerned the impairment and deconsolidation of thyssenkrupp Industries India in connection with the sale process as well as restructuring provisions at Polysius. In the past fiscal year, most of the special items at Materials Services related to asset impairments at European companies as well as restructuring measures and the sale of two companies. The Steel Europe segment incurred other impairment losses, mainly as a result of the very gloomy economic situation, persistently high energy and capital costs, the anticipated investments in the future course of business and the measurement of CO_2 forward contracts. The main special items for Marine Systems were the reversal of an impairment loss on the carrying amount of an investment in a joint venture and the partial reversal of provisions for restructuring. In Corporate Headquarters, the special items primarily comprised expenses in connection with M&A transactions.

thyssenkrupp Value Added (tkVA)

THYSSENKRUPP VALUE ADDED (TKVA)

	Year ended Sept. 30, 2023					Year ended Sept. 30, 2024					
	EBIT[1] (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	tkVA (million €)	EBIT[1] (million €)	Capital employed (million €)	ROCE (%)	WACC (%)	tkVA (million €)	Change tkVA (million €)
Group	**(1,431)**	**15,415**	**(9.3)**	**9.0**	**(2,818)**	**(1,041)**	**13,045**	**(8.0)**	**11.0**	**(2,476)**	**342**
Thereof:											
Automotive Technology[2]	184	3,561	5.2	10.5	(190)	27	3,432	0.8	11.5	(368)	(178)
Decarbon Technologies[2]	8	1,148	0.7	9.0	(96)	(159)	1,018	(15.6)	12.0	(281)	(185)
Materials Services	204	3,668	5.6	8.5	(108)	8	3,307	0.2	10.0	(323)	(215)
Steel Europe	(1,695)	5,401	(31.4)	9.0	(2,181)	(770)	3,627	(21.2)	12.0	(1,205)	976
Marine Systems[2]	70	1,068	6.6	8.0	(15)	127	1,089	11.6	9.5	23	38

[1] See reconciliation in segment reporting (Note 24).
[2] See preliminary remarks.

In the reporting year, the tkVA for the thyssenkrupp group was down on the prior year, which had been negatively impacted by considerable impairment losses at Steel Europe (totaling around €2.1 billion). Therefore, the year-on-year improvement resulted mainly from the decline in these impairment losses at Steel Europe, although the tkVA remained negative because of negative earnings (EBIT) and an increase in the weighted average cost of capital (WACC). Thanks to the increase in earnings, Marine Systems generated a positive value added. At Automotive Technology, Decarbon Technologies and Materials Services, lower earnings (EBIT) coupled with an increase in the weighted average cost of capital also resulted in a decline in tkVA and a negative value added.

For the aforementioned reasons, the group's ROCE was (8.0)%.

More information on the importance of tkVA, ROCE and EBIT for the management of the group is contained in the section "Fundamental information about the group," subsection "Management of the group."

Segment review

Automotive Technology

Automotive Technology is one of the larger German supplier and engineering partners to the international automotive industry. Its product and service portfolio comprises high-tech components and systems, as well as automation solutions for vehicle manufacturing, mechatronic solutions based on electronics and internally developed software.

€7.5 billion
Sales

31,633
Employees worldwide

www.thyssenkrupp.com > Company > Corporate structure > Automotive Technology

AUTOMOTIVE TECHNOLOGY IN FIGURES[1)]

		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Order intake	million €	7,879	7,418	(6)	1,738	1,788	3
Sales	million €	7,911	7,536	(5)	1,972	1,837	(7)
EBITDA	million €	557	400	(28)	141	12	(91)
EBIT	million €	184	27	(86)	6	(136)	--
Adjusted EBIT	million €	266	245	(8)	68	71	4
Adjusted EBIT margin	%	3.4	3.3	—	3.4	3.9	—
Investments	million €	327	304	(7)	118	99	(16)
Employees (Sept. 30)		31,689	31,633	0	31,689	31,633	0

1) See preliminary remarks.

Automotive Technology is one of the larger German supplier and engineering partners to the international automotive industry. Its product and service portfolio comprises high-tech components, systems and automation solutions for vehicle manufacturing, as well as mechatronic solutions based on electronics and internally developed software. We also produce forged components and systems for a wide range of customer applications in the resource, construction and mobility sectors. Our growth and performance goal is to be among the best in our competitive environment.

With regard to sustainability, we are implementing a large number of measures aimed at saving energy. They include, for example, replacing old compressors with more efficient versions, switching to LED lighting in production facilities and office buildings, specifically reducing heating temperatures, and identifying and eliminating compressed air leaks. A further aspect of our Energy Efficiency Program is the installation of facilities to generate energy from renewable resources. We are also working closely with an external service provider to ensure the supply of electricity from renewable sources to our production sites worldwide.

The market environment in the past fiscal year was characterized by changes in volumes, depending on manufacturer, model range and drive system, which differed – in some cases tangibly – from the overall market trend, and by the declining customer demand from the construction machinery sector. Chinese automotive manufacturers continued their course of expansion in both the domestic market and global markets, which gained them market share and resulted in cost pressures. We responded to these challenges with strict cost management, the successful negotiation of prices and compensation for volume shortfalls and the continuation of our efficiency measures in production and materials. We systematically addressed restructuring measures.

We also acquired long-term framework contracts for the automotive serial business, which will contribute to future capacity utilization at our sites and increase segment sales.

Order intake and sales

Order intake and sales at Automotive Technology were down compared with the prior year. The reason for this was the downward trend in the construction machinery business and in automotive plant engineering. Declines were also seen in parts of the automotive serial business, depending on drive system, manufacturer and model range.

Adjusted EBIT

Adjusted EBIT decreased compared with the prior year, due to lower volumes, higher personnel expenses (mainly as a result of collective wage agreements) and non-conformity costs in plant engineering; reductions in the costs of transportation and materials had a positive impact. In addition, positive effects came from APEX measures, principally from the negotiation of new prices and claims for compensation for volume shortfalls, reduced material costs and measures to improve efficiency (e.g., optimization of cycle times, shorter tooling times, reduction in reject costs, etc.). Positive one-time effects were tangibly lower than in the prior year when there was a strong positive effect from a settlement with a supplier on quality issues relating to previous years, for example. In the current fiscal year, positive one-time effects have included the partial reversal of a provision for quality costs at Bilstein.

Prior year benefited from one-time effects; lower demand in current fiscal year but measures had a positive impact.

Special items

The main special items related to restructuring expenses for adjusting capacities at Automotive Body Solutions, Automation Engineering and Bilstein in response to lower volume sales expectations. Added to these were asset impairments, mainly at Forged Technologies, Automotive Body Solutions and Springs & Stabilizers, also due to lower volume sales expectations.

Investments

In the Steering unit, we continued to invest in order-related projects for electric power-assisted steering systems in Mexico and Europe, for example. At Bilstein, investment focused on expanding order-related production capacities in Romania and Mexico. In response to orders, we also invested in the production of rotor shafts and adjustable camshafts in Hungary, Mexico and China. By investing in forward-looking products and manufacturing sites in economically attractive regions close to our customers we aim to exploit growth opportunities; this will also help us achieve our cost and profitability targets.

Decarbon Technologies




Decarbon Technologies covers the businesses of Rothe Erde, Uhde, Polysius and the majority investment thyssenkrupp nucera. Their cutting-edge technologies support customers on their green transformation route and make an important contribution to climate protection and to the development of a sustainable production for the industry.

€3.8 billion
Sales

12,678
Employees worldwide

www.thyssenkrupp.com > Company > Corporate structure > Decarbon Technologies

DECARBON TECHNOLOGIES IN FIGURES[1)]

		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Order intake	million €	4,004	3,031	(24)	885	891	1
Sales	million €	3,438	3,850	12	878	1,074	22
EBITDA	million €	123	(21)	--	(2)	(10)	--
EBIT	million €	8	(159)	--	(28)	(40)	(41)
Adjusted EBIT	million €	29	(54)	--	(24)	6	++
Adjusted EBIT margin	%	0.8	(1.4)	—	(2.7)	0.6	—
Investments	million €	104	107	3	51	62	22
Employees (Sept. 30)		15,101	12,678	(16)	15,101	12,678	(16)

1) See preliminary remarks.

Decarbon Technologies is playing an active part in shaping the green transformation of industry, at the same time benefiting from the associated growth opportunities. Through our Rothe Erde, Uhde and Polysius businesses as well as the majority investment thyssenkrupp nucera, we deliver innovative cutting-edge technologies for the transition to a climate-neutral industrial economy. Rothe Erde is a leading supplier of bearings and offers solutions for industries including wind energy. In this way, we are making a key contribution to the energy transition and decarbonization. Uhde's solutions for decarbonization, defossilization and the circular economy make it one of the world's leading technology and implementation providers of large-scale plants for the chemical industry. With its innovative solutions, Polysius sets standards in the climate-neutral transformation of the cement and lime industry. As one of the leading global suppliers of electrolysis technology to produce clean hydrogen on an industrial scale, thyssenkrupp nucera supports its customers on their path to climate neutrality.

We see sustainability as a social responsibility and as an opportunity to participate in a growing market. Our extensive portfolio of innovative technologies, products and services is aimed at serving decarbonization trends. In addition to technological aspects, there was an additional focus on implementing corresponding ESG measures to improve internal transparency, meet customer requirements and contribute to the continuous improvement of our ESG performance. For example, we worked on continuously reducing our energy consumption and our own CO_2 emissions by driving ahead with switching our energy supplies to electricity from renewable sources – alongside our Energy Efficiency Program.

In the past fiscal year, we focused on the successful realignment of the green technology portfolio and the optimization of our businesses' performance. In the context of focusing our portfolio, we successfully completed the sale of the activities of thyssenkrupp Industries India. By establishing partnerships and other customer projects, we positioned the newly created segment in the market for decarbonization technologies.

Current challenges are the slower market development and project deferrals by customers, which we are responding to with measures to improve efficiency. We are also addressing restructuring measures systematically, for example, by further strengthening the focus of cement plant engineering on the areas of new construction/green technologies, service and engineering. In fiscal year 2024 / 2025, we continue to prioritize increasing the profitability of all businesses.

Order intake and sales

In the reporting year, Decarbon Technologies posted a significant year-on-year decline in order intake, due especially to the high demand in the chemical plant engineering business in the prior year. In addition, order intake was impacted negatively by project deferrals by customers in the chemical and cement plant engineering businesses and by deconsolidation effects at thyssenkrupp Industries India. By contrast, order intake at thyssenkrupp nucera was above the prior-year level.

In the reporting year, Decarbon Technologies achieved significantly higher sales than a year earlier, which was attributable to increased order intake in prior periods. The increase in sales largely resulted from ongoing major projects at Uhde. Likewise, thyssenkrupp nucera again raised sales significantly, due to the growth of the water electrolysis business. As a result of weaker demand from the Chinese wind power market, sales by Rothe Erde were below the prior-year level.

Adjusted EBIT

Adjusted EBIT down year-on-year

Compared with the positive figure in the prior year, adjusted EBIT in the reporting year was negative, which was due to factors including higher costs of individual (legacy) projects in the cement engineering business. Compared with the prior year, Uhde recorded earnings growth that turned the prior-year figure positive, above all due to higher sales and positive one-time effects. The earnings contribution of thyssenkrupp nucera was below the prior-year level as expected, held back by expansion of the alkaline water electrolysis (AWE) business and the scheduled increase in costs for growth plans. The decline in earnings at Rothe Erde was primarily attributable to lower demand and price pressures in the wind energy market.

This development was countered by APEX measures, especially efficiency improvements and optimization of procurement, that still did not fully offset the sharp decline in adjusted EBIT.

Special items

Special items mainly comprised restructuring provisions at Polysius and Rothe Erde as well as the impairment and deconsolidation of thyssenkrupp Industries India in connection with the sale process.

Investments

Investments were at the prior-year level. Higher investments at thyssenkrupp nucera in support of its growth ambitions were offset by lower investments at Rothe Erde due to changed market trends. All the business areas invested continuously in strengthening their technology portfolios and in order-related projects.

Materials Services

Materials Services is one of the world's leading mill-independent materials distributors and service providers. With our "Materials as a Service" strategy, we combine our distribution business with data-driven supply chain management. Our goal is to make supply chains more resilient and sustainable for our customers.

€12.1 billion
Sales

16,003
Employees worldwide

www.thyssenkrupp.com > Company > Corporate structure > Materials Services

MATERIALS SERVICES IN FIGURES

		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Order intake	million €	13,684	12,062	(12)	3,163	2,818	(11)
Sales	million €	13,613	12,126	(11)	3,124	2,908	(7)
EBITDA	million €	333	240	(28)	41	36	(12)
EBIT	million €	204	8	(96)	12	(1)	--
Adjusted EBIT	million €	178	204	15	23	51	++
Adjusted EBIT margin	%	1.3	1.7	—	0.7	1.7	—
Investments	million €	148	115	(22)	95	72	(24)
Employees (Sept. 30)		16,329	16,003	(2)	16,329	16,003	(2)

Materials Services is one of the world’s leading mill-independent materials distributors and service providers. We offer our customers not only a wide range of materials and raw materials but also the associated services – ranging from supply chain management to warehousing and logistics. With around 380 sites in more than 30 countries, we are present where our customers need us. Our core markets are North America and Europe.

Our business model is to provide “Materials as a Service.” We combine our decades of experience in materials distribution with data-driven solutions for integrated supply chain management. In this way, we improve logistics processes, increasing flexibility and resilience in all areas of the supply chain. This covers both a multi-sourcing approach in procurement and an omnichannel sales architecture. Our corporate vision is to contribute to a world in which resources are used optimally to ensure the success of our customers and a sustainable future. We aim to be climate-neutral from 2030 onward and to be the partner of choice for our customers when it comes to helping them reduce their emissions with more climate-friendly products and services.

Our business initiatives focus on three aspects: accelerated growth in our core markets, the development and marketing of new digital solutions for customers and the continuous improvement of our performance. We achieved progress in all three aspects in fiscal year 2023 / 2024. In North America, we inaugurated two new service centers in San Luis Potosí, Mexico, and Texas, USA, with the aim of fostering our growth in this key market for us. In the field of digital products, our own start-up pacemaker developed a product carbon intelligence solution for AI-based demand forecasting and emissions monitoring in order to calculate the carbon footprint. In Europe, with the goal of achieving further efficiency improvements, we optimized our portfolio, sold two companies and consolidated various sites. Further restructuring measures will be implemented in the current fiscal year. We have also amended our global organizational structure to facilitate efficient collaboration between business units and support decentral growth.

Order intake and sales

Adjusted EBIT above the prior year despite cyclical declines in volumes and sales

Order intake and sales declined significantly in the reporting period compared with the prior year, mainly due to lower prices in our key product groups and declining demand. This impacted our European trade and service center units in particular, whereas the corresponding North American units posted smaller decreases. By contrast, our international supply chain business grew sales. Due to the difficult market situation, especially in Germany, shipments decreased. In total, Materials Services sold 8.2 million tons of materials and raw materials in the reporting period, 8.4% less than in the prior year.

Adjusted EBIT

Despite declining material prices and sales volumes, Materials Services significantly increased adjusted EBIT in the reporting period. This was mainly attributable to the higher earnings achieved in our international supply chain business, which more than offset the declines seen in the trading and service center units. Positive effects were also contributed by both ongoing and newly launched efficiency programs which, starting in the reporting period, have been consolidated in the APEX performance program. The measures included the renegotiation of contracts with major customers, the reduction of freight and energy costs and further site closures and restructuring measures.

Special items

Most of the special items in the past fiscal year related to asset impairment losses at European companies. Other expenses were in connection with restructuring and the sale of two companies.

Investments

In line with its targets, Materials Services invested particularly in North American growth projects and inaugurated a new service center each in Mexico and the USA in the past fiscal year. Furthermore, at established sites in North America and Europe our segment invested in processing equipment to increase vertical integration. In connection with the extension of the contracts with major customers in the supply chain business, further investment was made in modernizing machinery and warehouse equipment. Another focus of investment was the harmonization and updating of our ERP systems in the wake of our digital transformation along the entire value chain. Furthermore, investments were made to replace equipment at various warehousing and service units.

Steel Europe

As Germany's largest steel producer, Steel Europe concentrates on the market for high-quality flat carbon steel, where it is one of the leading suppliers.
With the planned construction of a hydrogen-capable direct reduction plant, Steel Europe is continuing the transformation to climate-neutral steel production.

€10.7 billion
Sales

27,478
Employees worldwide

www.thyssenkrupp.com > Company > Corporate structure > Steel Europe

STEEL EUROPE IN FIGURES

		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Order intake	million €	12,187	10,032	(18)	2,241	1,988	(11)
Sales	million €	12,373	10,736	(13)	2,862	2,609	(9)
EBITDA	million €	686	275	(60)	114	33	(71)
EBIT	million €	(1,695)	(770)	55	(1,716)	(756)	56
Adjusted EBIT	million €	319	261	(18)	54	23	(57)
Adjusted EBIT margin	%	2.6	2.4	—	1.9	0.9	—
Investments	million €	911	557	(39)	388	34	(91)
Employees (Sept. 30)		26,822	27,478	2	26,822	27,478	2

Steel Europe is Germany's largest steel producer. Its product portfolio comprises hot-rolled coil, sheet steel, premium cut-to-length sheets, coated products, tinplate, medium coil and both grain-oriented and non-oriented electrical steel in a wide range of grades – available in all cases as conventional and a CO_2-reduced products. The main purchasers of the products are the automotive and engineering sectors, the energy sector, the metal processing industry and the construction industry. We see our strengths in the development of customized solutions and in our technical know-how, which is based on many years of experience. Continuous quality management and initiatives to improve our processes are further aspects of our work.

With the ongoing implementation of our Steel Strategy 20-30 we want to achieve a more valuable product portfolio while optimizing the cost structure at the same time. In this way we aim to increase our operating, quality and delivery performance in the long term. Also part of our Steel Strategy 20-30 are our efforts to enable Steel Europe to respond more flexibly to market changes and macroeconomic fluctuations. We are investing in more efficient structures for the core units in our production network and sites; that includes a particular focus on the growing demands of automotive customers and individual industrial sectors – from crash-relevant sheets for vehicle safety architecture through improved surfaces to thinner steels with enhanced performance for electric vehicles and the energy transition.

High energy costs and economic uncertainties have created a persistently challenging environment. That is why we are working on plans to restructure the steel business, thereby reacting to fundamental medium- and long-term structural changes in the European steel market and in key customer and target markets.

We are continuing the transformation to climate-neutral steel production with the planned construction of our direct reduction plant with capacity for 2.5 million tons of direct reduced iron. The goal is to operate this plant with green hydrogen. The company has had its climate targets confirmed on the basis of the guidelines of the Science-Based Targets initiative (SBTi). Steel Europe is thus one of the first steel producers to obtain a science-based assessment of its climate targets and confirmation that they are in line with the 1.5-degree target of the Paris Climate Agreement. This applies to both the short-term target for 2032 and the SBTi-validated net-zero target for 2045.

Order intake and sales

Order intake in fiscal year 2023 / 2024 was significantly below the prior-year level in both volume and value terms. Overall, the volume of orders in fiscal year 2023 / 2024 was 14% lower than in the prior year. In particular, demand from the automotive industry was lower. Order intake from steel distribution and service and from the pipework industry was also lower than the prior-year figure. By contrast, we saw a positive trend for tinplate for the packaging industry. The value of all orders was lower overall than in the prior year. This was due especially to lower spot market prices, which continued to fall during the year.

Declining shipments and lower revenues impact sales.

Sales were also down significantly compared with the prior year. One key reason for this was the 9% drop in revenue, which was down on the prior year due to lower prices in the packaging steel, electrical steel and automotive businesses especially. As the market environment continued to weaken, shipments were also 5% lower year-on-year at 9.0 million tons. Whereas shipments to automotive customers remained stable overall in the reporting year, declines were seen mainly in shipments to industrial customers and customers for non-oriented electrical steel. In the case of packaging steel and oriented electrical steel, shipments developed positively during the year and were higher overall than in the prior year.

Crude steel production, including deliveries to Hüttenwerke Krupp Mannesmann, came to 10.3 million tons, which was around the same as in the prior year. While crude steel production was not impacted by any major disruption, there were production restrictions at some plants in the downstream value chain as a result of technical problems during the year. Nevertheless, at 9.4 million tons, the production of finished steel remained stable at the prior-year level.

Adjusted EBIT

In the reporting year, adjusted EBIT was below the prior-year level. It was impacted by lower revenues over the year as a whole and the year-on-year decrease in shipments from the 2nd quarter onward. Lower raw material and energy costs and lower depreciation and amortization as a result of the considerable impairment losses in fiscal year 2022 / 2023 (a total of around €2.1 billion) could not offset the negative market effects. APEX measures had a supporting effect, especially those resulting in improved efficiency in production, logistics and energy consumption as well as in further cost improvements and procurement successes.

Special items

In the reporting year, special items resulted mainly from impairment losses due to the very gloomy economic situation, persistently high energy and capital costs, the anticipated investments in the future course of business and the measurement of CO_2 forward contracts.

Investments

Having received approval for the construction of the direct reduction plant with two integrated electric smelters in Duisburg and the allocation of funding from the German government and the state of North Rhine-Westphalia in fiscal year 2022 / 2023, dismantling work and preparation of the site have advanced. The first construction measures (e.g., pile foundations, base plates) already began in the 2nd quarter of fiscal year 2023 / 2024.

With regard to the major investments under the Steel Strategy 20-30, preparations for the conversion of the casting rolling line in Duisburg-Bruckhausen are making headway. The first plant engineering measures have been started, with the main conversion activities initiated in the 1st quarter of fiscal year 2024 / 2025.

Through our investment in a new double reversing mill and a new annealing and isolating line in Bochum, we have created the basis for responding to the increased demand for high-quality electrical steel. The new double reversing mill came into operation at the start of fiscal year 2023 / 2024 while work on assembling the new annealing and isolating line was completed in the summer, with the unit expected to come into operation at the start of fiscal year 2024 / 2025.

Marine Systems

With some 8,000 employees, thyssenkrupp Marine Systems is one of the world's leading marine industry companies. It is a system supplier for submarine and surface vessel construction and is active in the maritime electronics and safety technology sector.

€2.1 billion
Sales

8,041
Employees worldwide

www.thyssenkrupp.com > Company > Corporate structure > Marine Systems

MARINE SYSTEMS IN FIGURES[1)]

		Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Order intake	million €	952	1,459	53	571	649	14
Sales	million €	1,832	2,118	16	349	715	++
EBITDA	million €	134	222	66	45	98	++
EBIT	million €	70	127	80	27	53	99
Adjusted EBIT	million €	73	125	71	27	53	94
Adjusted EBIT margin	%	4.0	5.9	—	7.8	7.4	—
Investments	million €	124	104	(17)	57	46	(19)
Employees (Sept. 30)		7,745	8,041	4	7,745	8,041	4

1) See preliminary remarks.

Marine Systems is a leading global manufacturer of conventional submarines, naval vessels and marine electronics and offers services to navies covering the full product life cycle. As a fully integrated system supplier (platform, electronics, integration and services), we develop and manufacture holistic solutions from a single source for our customers, both in Germany and in the customer's country. In addition, we work to further develop and expand our portfolio, especially in the commercial sector (e.g., construction of a converter platform). Our goal here is to use the technologies we have developed and our marine expertise. We believe that the rising demand forecast for our core businesses in the next 10 years, the long-term geostrategic developments, the shift in German policy known as the "Zeitenwende" and the present political situation offer growth opportunities for our established product range as well as opportunities to market new products that are at an advanced stage of development.

In recent years we have taken steps to systematically refine and optimize our project execution and profitability. To this end, we are investing extensively, among other things, to modernize the shipyard in Kiel. By acquiring the production facility in Wismar, we have paved the way to meet market growth in all business areas. At the same time, we aim to optimize our workflows, tools and structures along the entire value chain and enhance our efficiency. To enable us to service the anticipated increase in orders, we have developed a transformation and growth program to align the entire company to its future tasks.

Regarding sustainability and the corresponding ESG measures, our focus in fiscal year 2023 / 2024 was on expanding internal control processes to achieve our ESG targets. We are also focusing on the continuous reduction of our energy consumption and CO_2 emissions by increasing energy efficiency. Further, we aim to maintain the high transparency of our ethical and moral business standards in the export business and we are investing in sustainable innovations and technologies in the maritime sector.

Order intake and sales

During the reporting period, we significantly increased our order intake year-on-year thanks to substantial extensions of two existing orders in the submarine business and higher order intake in the marine electronics business.

Sales in the reporting period were also significantly above the prior-year level. The main reasons for this were the delivery of a submarine to an Asian customer in the 4th quarter and progress in new construction projects. In addition, the service and marine electronics units posted a substantial improvement. Thanks to extensive order intake in recent years, orders on hand on the reporting date amounted to €11.7 billion – a still very solid foundation for our future growth and development.

Adjusted EBIT

Renewed rise in adjusted EBIT

During the reporting period, adjusted EBIT increased significantly like it did in the prior year, thus continuing its positive development. The primary contributory factors in this development were the progress in new construction projects, as well as the services and marine electronics units. In addition, measures from our APEX program enabled us to improve efficiency in the areas of materials, human resources and administration.

Special items

The main special items were the reversal of an impairment loss on the carrying amount of an investment in a joint venture and the partial reversal of provisions for restructuring.

Investments

We continued the modernization of the Kiel shipyard to optimize project execution, increase efficiency, create the technical conditions for building larger vessels in line with the market trend and sustainably improve profitability. We also continued to develop the Wismar site with a view to potential expansions of capacity and adjustments to our product portfolio.

Corporate Headquarters at thyssenkrupp AG

The group is managed centrally by thyssenkrupp AG. This is where the main administrative units are gathered. The main administrative units for Germany, together with the individual corporate functions and the regional platforms (Regions) are combined at Corporate Headquarters. The Regions unit comprises four regional platforms: APA (Asia/Pacific/Africa), North America, South America and Greater China.

Deterioration in adjusted EBIT at Corporate Headquarters

Adjusted EBIT at Corporate Headquarters was €(188) million in fiscal year 2023 / 2024 and thus below the prior-year figure. This resulted mainly from expenses in connection with the APEX performance program.

Special items

At Corporate Headquarters the special items resulted mainly from expenses in connection with M&A transactions.

Investments

No significant investments were made at Corporate Headquarters in fiscal year 2023 / 2024.

Results of operations and financial position

Analysis of the statement of income

Sales declined in the reporting period and were 7% lower than in the prior year. The main reasons for this were price- and volume-induced declines in the businesses of the Materials Services and Steel Europe segments as well as a drop in sales in the automotive businesses. They were offset by sales increases in the plant engineering businesses of the Decarbon Technologies segment and in the marine businesses. At the same time, the cost of sales decreased by 9%, which was out of proportion to the sales trend. The main reasons were significantly lower materials expenses, lower energy expenses, a year-on-year decline in impairment losses (including impairment losses on corporate assets) in the Steel Europe segment – by €1,134 million from €1,954 million to €820 million – and the resulting lower depreciation and amortization. The main offsetting effects in the reporting year were expenses arising from the market valuation of commodity derivatives and higher personnel expenses in connection with collective wage agreements and restructuring measures. In addition, higher costs were incurred in the reporting year for individual (legacy) plant engineering projects at Polysius (cement industry), part of the Decarbon Technologies segment. Overall, both the gross profit of €3,243 million and the gross margin of 9.3% were higher than in the prior year.

The increase in research and development costs resulted especially from higher personnel expenses, also in connection with restructuring measures in the Decarbon Technologies segment. In addition, impairment losses increased by €2 million to €11 million.

The rise in selling expenses primarily concerned impairment losses that increased by €107 million to a total of €131 million in the reporting year and personnel expenses in connection with restructuring measures in the Materials Services segment; these were offset especially by a decline in sales-related freight expenses.

General and administrative expenses more or less matched the prior-year level, mainly due to impairment losses in the Steel Europe segment that were €37 million lower at €122 million; they were offset especially by higher personnel expenses.

The principal reasons for the increase in other income were higher income in connection with compensation for electricity prices in the Steel Europe segment, income from the entry into effect of a supply agreement classified as an embedded lease in the Materials Services segment and income from charging on costs to sub-suppliers for remedying quality deficits in customer contracts in the Automotive Technology segment.

The increase in other expenses resulted especially from the impairment loss of €24 million recognized on goodwill in the 1st half of the reporting year in connection with the thyssenkrupp Industries India disposal group that existed until its sale at the start of May 2024. Also in the reporting year, the Steel Europe segment incurred costs in connection with a hydrogen pipeline and the Automotive Technology segment incurred costs for remedying quality deficits in customer contracts.

The decline in other gains and losses resulted principally from the absence of profits recorded in the prior year from the sale of real estate in Germany in the Materials Services segment and from the loss in connection with the sale of thyssenkrupp Industries India.

The net negative financial income/(expense) more or less matched the prior-year level, mainly influenced by the improvement in interest on net financial assets. This was partly offset by higher negative earnings from the investments accounted for using the equity method, mainly due to higher losses on the ordinary shares acquired in connection with the sale of the Elevator activities.

The decline in income taxes was largely a result of the fact that higher impairment losses in the prior year were recognized as deferred tax assets.

After taking into account income taxes, the net loss was €1,450 million, following a loss of €1,986 million in the prior year. The loss per share attributable to the shareholders of thyssenkrupp AG dropped accordingly by €0.91 to €2.42.

thyssenkrupp group – statement of income

million €, earnings per share in €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Sales	37,536	35,041
Cost of sales	(34,878)	(31,798)
Gross Margin	**2,658**	**3,243**
Research and development cost	(239)	(257)
Selling expenses	(2,417)	(2,588)
General and administrative expenses	(1,686)	(1,682)
Other income	303	445
Other expenses	(88)	(195)
Other gains/(losses), net	12	(36)
Income/(loss) from operations	**(1,457)**	**(1,070)**
Income from companies accounted for using the equity method	(38)	(87)
Finance income	896	792
Finance expense	(984)	(830)
Financial income/(expense), net	**(126)**	**(125)**
Income/(loss) before tax	**(1,583)**	**(1,196)**
Income tax (expense)/income	(403)	(254)
Net income/(loss)	**(1,986)**	**(1,450)**
Thereof:		
thyssenkrupp AG's shareholders	**(2,072)**	**(1,506)**
Non-controlling interest	86	57
Net income/(loss)	**(1,986)**	**(1,450)**
Basic and diluted earnings per share based on		
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**(3.33)**	**(2.42)**

See accompanying notes to financial statements.

Analysis of the statement of financial position

There was a reduction in total non-current assets compared with the prior year. The decrease in intangible assets included in this figure was mainly caused by the deconsolidation of thyssenkrupp Industries India at the start of May 2024 and the impairment losses recognized in the Materials Services segment (€23 million), Steel Europe segment (€13 million) and Automotive Technology segment (€1 million) in the reporting year. The overall decline in property, plant and equipment was mainly due to impairment losses recognized in the reporting period in the Steel Europe segment (€949 million), Materials Services segment (€81 million) and Automotive Technology segment (€82 million) and to currency translation. This was countered especially by transfers of advance payments from other non-financial assets in connection with the construction of the direct reduction plant in the Steel Europe segment. The reduction in investments accounted for using the equity method was mainly due to the subsequent measurement in the reporting year of the ordinary shares recognized in connection with the Elevator investment. The increase in receivables from finance leases mainly concerned the Materials Services segment. The increase in other financial assets mainly concerned the subsequent measurement of the interest-free loan and preference shares recognized in connection with the Elevator investment; this was offset by the deconsolidation of thyssenkrupp Industries India. The reduction in other non-financial assets resulted primarily from lower advance payments on property, plant and equipment as a consequence of the aforementioned transfers to property, plant and equipment.

Total current assets of €20,918 million were significantly lower by €2,412 million than in the prior year. The decline in inventories contained therein mainly concerned the materials businesses in the Materials Services segment and were induced by both prices and volumes. In addition, declines resulted from the deconsolidation of thyssenkrupp Industries India at the start of May 2024 and from reclassifications in connection with the assets held for sale in the thyssenkrupp Electrical Steel India disposal group. Increases in inventories, primarily in the Automotive Technology and Marine Systems segments, had an opposing effect. The decrease in trade accounts receivable resulted mainly from business and sales trends in the Materials Services and Steel Europe segments, alongside the aforementioned deconsolidation of thyssenkrupp Industries India and the reclassifications in connection with the assets held for sale in the thyssenkrupp Electrical Steel India disposal group; this was offset by increases at Marine Systems in connection with the invoicing of orders. The reduction of contract assets was due in particular to the execution of construction contracts in the plant engineering businesses of the Decarbon Technologies segment, which were also impacted by the deconsolidation of thyssenkrupp Industries India. The decline resulted likewise from the execution of construction contracts in the plant engineering businesses of the Automotive Technology segment and from currency translation. The decrease in other financial assets resulted primarily from the recognition of CO_2 rights in the Steel Europe segment. The overall increase in other non-financial assets mainly related to higher operational advance payments and higher claims on the public sector in connection with the construction of the direct reduction plant in the Steel Europe segment; it was countered by lower refund claims in connection with income taxes and the deconsolidation of thyssenkrupp Industries India. The significant decline in cash and cash equivalents by €1,472 million to €5,867 million resulted primarily from the redemption of a bond in February 2024. Declines were also due to the repayment of lease liabilities and the deconsolidation of thyssenkrupp Industries India. These were countered by incoming payments in connection with the participation of EP Corporate Group in the Steel Europe segment and from the sale of thyssenkrupp Industries India. The recognition of assets held for sale as of September 30, 2024 resulted mainly from the divestment process initiated in fiscal year 2023 / 2024 for the activities of thyssenkrupp Electrical Steel India – part of the Steel Europe segment – and mainly related to the reclassification of current assets.

The significant decline in total equity compared with September 30, 2023 – by €2,334 million to €10,358 million – was mainly due to the net loss in the reporting year. In addition, there were declines due to the losses recognized in cumulative other comprehensive income resulting from the remeasurement of pensions and similar obligations, currency translation and cash flow hedges (including losses from basis adjustments); further effects came from declines due to the dividend payment by thyssenkrupp AG.

Overall, non-current liabilities were lower than in the prior year. Within this item, the increase in provisions for pensions and similar obligations mainly affected the remeasurement of pensions as a result of the lower pension discount rate in Germany. The significant reduction of €663 million in non-current financial debt to €650 million was primarily attributable to a bond due in February 2025 being reclassified to current financial debt.

Overall, current liabilities were lower than in the prior year. The increase in other provisions contained in this item related mainly to restructuring measures in the reporting year in the Automotive Technology, Decarbon Technologies and Materials Services segments. The significant overall reduction of €889 million in current financial debt to €823 million was principally attributable to the redemption of a bond due in February 2024; this was offset above all by the aforementioned reclassification of a bond from non-current financial debt. Overall, trade accounts payable were below the prior-year level, mainly due to the deconsolidation of thyssenkrupp Industries India. The increase in other financial liabilities resulted primarily from the tender rights in connection with the participation of energy company EP Corporate Group in the Steel Europe segment; it was countered mainly by a decline in liabilities in connection with the purchase of property, plant and equipment and an aggregate reduction in the accounting for derivatives. The increase in contract liabilities was mainly due to the execution of construction contracts in the marine business; it was countered by a reduction caused by the deconsolidation of thyssenkrupp Industries India. The increase in other non-financial liabilities resulted primarily from higher accruals in connection with customer payments received in the Automotive Technology segment and from increased liabilities in connection with sales taxes. The recognition of liabilities in connection with assets held for sale as of September 30, 2024 resulted from the divestment process initiated in fiscal year 2023 / 2024 for the activities of thyssenkrupp Electrical Steel India in the Steel Europe segment and mainly related to the reclassification of current liabilities.

thyssenkrupp group – statement of financial position

ASSETS

million €	Sept. 30, 2023	Sept. 30, 2024
Intangible assets	1,828	1,767
Property, plant and equipment (inclusive of investment property)	4,954	4,403
Investments accounted for using the equity method	382	229
Finance lease receivables	0	47
Other financial assets	980	1,041
Other non-financial assets	634	465
Deferred tax assets	495	464
Total non-current assets	**9,272**	**8,415**
Inventories	7,553	7,284
Trade accounts receivable	4,765	4,264
Contract assets[1)]	1,069	807
Other financial assets	568	536
Other non-financial assets	1,867	1,876
Current income tax assets	168	151
Cash and cash equivalents	7,339	5,867
Assets held for sale	0	134
Total current assets	**23,330**	**20,918**
Total assets	**32,603**	**29,333**

[1)] The presentation as of Sept. 30, 2023 has been adjusted (see Note 25).
See accompanying notes to financial statements.

EQUITY AND LIABILITIES

million €	Sept. 30, 2023	Sept. 30, 2024
Capital stock	1,594	1,594
Additional paid-in capital	6,664	6,664
Retained earnings	2,972	1,004
Cumulative other comprehensive income	608	321
thereof relating to disposal groups	—	(32)
Equity attributable to thyssenkrupp AG's stockholders	**11,838**	**9,583**
Non-controlling interest	854	775
Total equity	**12,693**	**10,358**
Provisions for pensions and similar obligations	5,474	5,762
Provisions for other non-current employee benefits	258	227
Other provisions	407	427
Deferred tax liabilities	16	28
Financial debt	1,313	650
Other financial liabilities	13	15
Other non-financial liabilities	0	15
Total non-current liabilities	**7,482**	**7,123**
Provisions for current employee benefits	159	180
Other provisions	1,112	1,242
Current income tax liabilities	144	123
Financial debt	1,712	823
Trade accounts payable	4,270	4,203
Other financial liabilities	906	924
Contract liabilities[1]	2,566	2,735
Other non-financial liabilities	1,558	1,588
Liabilities associated with assets held for sale	0	34
Total current liabilities	**12,428**	**11,852**
Total liabilities	**19,910**	**18,975**
Total equity and liabilities	**32,603**	**29,333**

[1] The presentation as of Sept. 30, 2023 has been adjusted (see Note 25).
See accompanying notes to financial statements.

Financing

Principles and aims of financial management

The goal of our financial management is to ensure our solvency at all times. The financing of the group is handled centrally by thyssenkrupp AG, enabling a uniform presence on the capital markets, and is based on a multi-year financial planning system and a monthly rolling liquidity planning system covering a planning period of up to one year. Our cash management systems allow subsidiaries to use surplus funds of other units to cover their liquidity requirements. This reduces the volume of external financing and thus interest expense. External financing requirements are covered using money and capital market instruments such as bonds, loan notes or commercial paper. Moreover, where required, derivative financial instruments are used for hedging purposes. We can also make use of committed credit facilities in various currencies and with various terms, as well as selected off-balance-sheet financing instruments such as factoring programs. Information on the available credit facilities is provided in Note 17.

The aim of our central financing system is to strengthen our negotiating position vis-à-vis banks and other market players and to raise or invest capital on the best possible terms and conditions. No changes were made to our financial management in the reporting year.

Net financial assets and available liquidity

thyssenkrupp is still solidly financed.

Net financial assets are calculated as the difference between cash, cash equivalents and time deposits shown in the statement of financial position plus current debt instruments (subsequently referred to as liquid funds), and non-current and current financial debt. As of September 30, 2024 the group had liquid funds of €5.9 billion which, after deducting gross financial debt of €1.5 billion, results in net financial assets of €4.4 billion. Mainly as the result of positive effects from free cash flow (€0.2 billion), net financial assets were above the prior-year level (September 30, 2023: €4.3 billion).

A €1.5 billion bond was repaid on maturity in February 2024.

The group's available liquidity was €7.1 billion as of September 30, 2024. It comprised liquid funds of €5.9 billion and undrawn, committed credit lines of €1.2 billion. Consequently, there is enough scope to cover debt maturities. The gross financial debt repayable in fiscal year 2024 / 2025 amounts to €0.7 billion.

The financing and liquidity of the group were secured at all times in the reporting year.

Rating

We have issuer ratings from the rating agencies Standard & Poor's and Moody's. Our ratings are currently below investment grade.

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	stable
Moody's	Ba3	Not Prime	positive

In December 2023, Moody's rating agency left its rating unchanged but raised the outlook from stable to positive. We discontinued rating by Fitch as of December 31, 2023.

Analysis of the statement of cash flows

The liquid funds taken into account in the statement of cash flows correspond in principle to the item “Cash and cash equivalents” in the statement of financial position. As of September 30, 2024, the liquid funds reported in the statement of cash flows also included cash and cash equivalents of the thyssenkrupp Electrical Steel India disposal group.

Operating cash flows

Operating cash flows in the reporting year were positive but lower year-on-year. The main reason for this development was the significant deterioration in net income before depreciation, amortization and impairment of non-current assets, by €634 million to €501 million.

Cash flows from investing activities

The decrease in cash flows from investing activities was primarily due to an increase in cash inflows from government grants in connection with the construction of the direct reduction plant in the Steel Europe segment. There was also a decrease in investing activities in connection with property, plant and equipment. Increased cash inflows from disposals resulted mainly from the sale of thyssenkrupp Industries India in the reporting year.

INVESTMENTS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change in %
Automotive Technology[1]	327	304	(7)	118	99	(16)
Decarbon Technologies[1]	104	107	3	51	62	22
Materials Services	148	115	(22)	95	72	(24)
Steel Europe	911	557	(39)	388	34	(91)
Marine Systems[1]	124	104	(17)	57	46	(19)
Corporate Headquarters	0	0	(95)	0	0	(46)
Reconciliation[1]	(7)	8	++	(10)	4	++
Group	**1,607**	**1,196**	**(26)**	**698**	**317**	**(55)**

[1] See preliminary remarks.

Free cash flow

In the reporting year, free cash flow and free cash flow before M&A, i.e. the cash inflow from operating activities excluding cash inflows and outflows from significant portfolio measures, were positive but lower than in the prior year.

Cash flows from financing activities

Overall, there was a year-on-year deterioration of €924 million in the cash flows from financing activities to €(1,640) million. This resulted principally from the absence of the prior-year cash inflows to equity in connection with the IPO of thyssenkrupp nucera and from higher cash outflows for the redemption of bonds. These were countered by incoming payments in connection with the participation of EP Corporate Group in the Steel Europe segment.

RECONCILIATION TO FREE CASH FLOW BEFORE M&A

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change	4th quarter ended Sept. 30, 2023	4th quarter ended Sept. 30, 2024	Change
Operating cash flows (consolidated statement of cash flows)	2,064	1,353	(711)	1,396	1,415	19
Cash flow from investing activities (consolidated statement of cash flows)	(1,582)	(1,129)	453	(728)	(306)	422
Free cash flow (FCF)	**482**	**224**	**(258)**	**668**	**1,109**	**441**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	93	5	(88)	49	26	(23)
Adjustment due to IFRS 16	(211)	(119)	93	(120)	(42)	77
Free cash flow before M&A (FCF before M&A)	**363**	**110**	**(253)**	**597**	**1,093**	**495**

THYSSENKRUPP GROUP – STATEMENT OF CASH FLOWS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net income/(loss)	**(1,986)**	**(1,450)**
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	146	18
Depreciation, amortization and impairment of non-current assets	3,121	1,951
Reversals of impairment losses of non-current assets	(90)	(100)
(Income)/loss from companies accounted for using the equity method, net of dividends received	38	87
(Gain)/loss on disposal of non-current assets	(13)	40
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	1,191	87
– Trade accounts receivable	270	383
– contract assets[1]	(69)	140
– Provisions for pensions and similar obligations	(170)	(76)
– Other provisions	(127)	169
– Trade accounts payable	(403)	38
– contract liabilities[1]	308	254
– Other assets/liabilities not related to investing or financing activities	(150)	(188)
Operating cash flows	**2,064**	**1,353**
Purchase of investments accounted for using the equity method and non-current financial assets	(2)	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(3)	(15)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(1,698)	(1,525)
Capital expenditures for intangible assets (inclusive of advance payments)	(59)	(71)
Proceeds from government grants	154	417
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	1
Proceeds from disposals of previously consolidated companies net of cash disposed	(6)	60
Proceeds from disposals of property, plant and equipment and investment property	30	6
Cash flows from investing activities	**(1,582)**	**(1,129)**

THYSSENKRUPP GROUP – STATEMENT OF CASH FLOWS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Repayments of bonds	(1,000)	(1,500)
Proceeds from liabilities to financial institutions	92	122
Repayments of liabilities to financial institutions	(157)	(167)
Lease liabilities	(147)	(139)
Proceeds from/(repayments on) loan notes and other loans	38	4
Payment of thyssenkrupp AG dividend	(93)	(93)
Proceeds from capital increase	517	0
Profit attributable to non-controlling interest	(51)	(43)
Expenditures for acquisitions of shares of already consolidated companies	0	(2)
Proceeds from disposals of shares of already consolidated companies	52	10
Other financial activities	34	168
Cash flows from financing activities	**(716)**	**(1,640)**
Net increase/(decrease) in cash and cash equivalents	(234)	(1,416)
Effect of exchange rate changes on cash and cash equivalents	(64)	(52)
Cash and cash equivalents at beginning of reporting period	7,638	7,339
Cash and cash equivalents at end of reporting period	**7,339**	**5,871**
thereof cash and cash equivalents within the disposal groups	—	4
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	167	210
Interest paid	(116)	(97)
Dividends received	25	38
Income taxes (paid)/received	(275)	(246)

[1] The presentation as of Sept. 30, 2023 has been adjusted (see Note 25).
See accompanying notes to financial statements.

Off-balance-sheet financing instruments

Our off-balance-sheet financing instruments also include the non-recourse factoring of receivables from ordinary business activities, which the group sold in the amount of €0.6 billion as of the reporting date (prior year: €0.6 billion). Continuing involvement exists for a portion of these receivables with a carrying amount of €0.4 billion (prior year: €0.5 billion). For details, see Note 09 Trade accounts receivable. Should financing instruments of this kind no longer be available in the future, we have adequate liquid funds and available credit lines of €7.1 billion.

Annual financial statements of thyssenkrupp AG

thyssenkrupp AG is the parent company of the thyssenkrupp group. The Executive Board of thyssenkrupp AG is responsible for the management of the company and the group. This includes above all defining corporate strategy and allocating resources as well as executive development and financial management. The annual financial statements of thyssenkrupp AG are prepared in accordance with the rules of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG); the management report is combined with the management report on the group. The parent-company financial statements are used to calculate unappropriated income and thus the amount of the possible dividend payment.

As an energy supplier, thyssenkrupp AG is subject to the provisions of the German Energy Industry Act (EnWG). thyssenkrupp AG is a vertically integrated energy supply company within the meaning of § 3 No. 38 EnWG and is therefore required to maintain separate accounts in accordance with § 6b (3) EnWG.

Course of business, future development and risk position

Course of business 2023 / 2024

The business performance and position of thyssenkrupp AG are mainly determined by the business performance and success of the group. This is reported on in detail in the sections “Group review,” “Segment review,” and “Results of operations and financial position.”

Expected development 2024 / 2025 with material opportunities and risks

thyssenkrupp AG has extensive links to group companies, for example, through its financing activities, profit and loss transfer agreements and the assumption of liability under guarantees. Therefore, the expected performance of thyssenkrupp AG in fiscal year 2024 / 2025 and the risk situation also depend mainly on the development of the group as a whole and its opportunity and risk position. This is outlined in the forecast, opportunity and risk report. To this extent the information provided there on the expected development and risk position of the group also applies to the future development and risk position of thyssenkrupp AG.

Contrary to the groupwide perspective, net income for the year determined in accordance with the German Commercial Code (HGB) is the most important financial indicator for thyssenkrupp AG. In fiscal year 2023 / 2024, thyssenkrupp AG reported a net loss of €156 million. The company therefore fell significantly short of its expectation of net income in the low three-digit million euro range. This was mainly due to expenses of €1,449 million for the assumption of losses contained in the income from investments of €306 million.

As the parent company of the group, thyssenkrupp AG receives income in particular from its subsidiaries. Income from investments comprises profits and losses transferred from domestic subsidiaries as well as distributions, principally by foreign subsidiaries. The profit and loss transfer agreement between thyssenkrupp Technologies Beteiligungen GmbH, Essen, and thyssenkrupp Dritte Beteiligungsgesellschaft mbH, Duisburg, was terminated effective September 30, 2024. Therefore, from fiscal year 2024 / 2025, the earnings effects of the Steel Europe segment will no longer have to be recognized automatically by thyssenkrupp AG as profit or loss transfers but will be reported as distributions.

The expectations for the group's business performance in 2024 / 2025 should also be reflected in the income of thyssenkrupp AG. Overall we are expecting a net loss for 2024 / 2025 in the low three-digit million euro range, which is similar to the result in fiscal year 2023 / 2024. This does not contain inorganic effects from potential portfolio transactions and possible effects from the valuation of investments.

Result of operations

thyssenkrupp AG reported a net loss of €156 million in fiscal year 2023 / 2024 (prior year: €1,783 million).

Net sales mainly included income of €203 million (prior year: €455 million) from cost transfers in accordance with the corporate design, company naming, and trademark policy for the groupwide brand. The year-on-year decrease was mainly attributable to the deterioration in the data used to calculate license fees. Furthermore, net sales included rental and lease income of €15 million (prior year: €15 million).

General administrative expenses declined by €3 million to €301 million. In addition to personnel expense of €81 million, they included business consulting expenses of €84 million and expense for services of €68 million.

Other operating income of €400 million (prior year: €146 million) chiefly consisted of reversals of impairment losses of €236 million on the carrying amount of shares in thyssenkrupp Materials Services GmbH, Essen, and of €81 million on the shares in thyssenkrupp Services GmbH, Essen. It also included income from the reversal of provisions in the amount of €28 million.

Other operating expenses increased by €105 million to €316 million. They contained a specific allowance of €148 million on overnight receivables from thyssenkrupp Presta Aktiengesellschaft, Liechtenstein, as a result of promised restructuring contributions. In addition, there was a loss on the sale of the shares in thyssenkrupp Dritte Beteiligungsgesellschaft mbH, Duisburg, to EP Corporate Group, a.s., Czech Republic. Expenses of €11 million (prior year: €12 million) were incurred for maintenance and other services relating to non-operating real estate.

Income from investments increased by €1,772 million to €306 million. In the prior year, it was €(1,466) million.

Income from profit transfers was €383 million higher at €392 million, while expenses for the assumption of losses decreased by €1,001 million to €1,449 million. In particular, thyssenkrupp Technologies Beteiligungen GmbH, Essen, was able to reduce its loss by €1,031 million, from €2,338 million in the prior year to €1,307 million. The main reason for this was that the company was affected by offsetting high losses due to devaluations in the investment chain.

After a loss of €46 million in the prior year, thyssenkrupp Holding Germany GmbH, Essen, reported a profit of €375 million. This was attributable to the disposal gain that resulted from transferring the shares held in thyssenkrupp Projekt 1 GmbH, Essen, to thyssenkrupp Decarbon Technologies GmbH, Essen.

€1,363 million

Investment income

Investment income of €1,363 million was recorded (prior year: €974 million). This mainly comprised the withdrawal of profit by thyssenkrupp AG in the amount of €826 million as the general partner of thyssenkrupp USA Holding AG & Co. KG, Essen, and in the amount of €210 million as the limited partner of thyssenkrupp Austria GmbH Co. KG, Austria.

In addition, it included a dividend of €200 million from thyssenkrupp Nederland Holding B.V., Netherlands, and two dividend distributions of €64 million and €63 million from thyssenkrupp (China) Ltd., China.

The net interest of €(141) million (prior year: €(58) million) contains income from loans of €27 million (prior year: €23 million), interest income of €463 million (prior year: €424 million) and interest expense of €631 million (prior year: €505 million).

Write-downs of financial assets for impairment expected to be permanent decreased by €37 million to €294 million in fiscal year 2023 / 2024. This mainly comprised €152 million on the shares in thyssenkrupp Austria GmbH & Co. KG, Austria, €77 million on the shares in thyssenkrupp Italia S.r.l., Italy, €43 million on the shares in Vertical Topco I S.A., Luxembourg, and €18 million on the shares in thyssenkrupp rothe erde Germany GmbH, Dortmund. In the prior year, at €225 million, most of the impairments related to the shares in thyssenkrupp Steel Europe AG, Duisburg. These were transferred to thyssenkrupp Vierte Beteiligungsgesellschaft mbH, Essen, in fiscal year 2023 / 2024.

Income taxes related to corporation and trade income tax as well as comparable foreign income taxes. They comprised expenses for prior years and current taxes in the reporting period. The tax expense did not include any deferred taxes.

Financial position

Total assets declined by €163 million year-on-year to €22,894 million. As of September 30, 2024, the share of fixed assets in total assets remained constant at 52%.

Fixed assets declined by €161 million to €11,895 million. Tangible fixed assets decreased by €12 million to €136 million, while financial assets fell by €149 million to €11,758 million.

Within financial assets, shares in affiliated companies decreased by €151 million to €10,306 million. The sale of the shares in thyssenkrupp Dritte Beteiligungsgesellschaft mbH, Duisburg, to EP Corporate Group, a.s., Czech Republic, led to the disposal of the carrying amount of the shares of €190 million.

Impairment losses on shares in affiliated companies were reversed in an amount of €323 million and write-downs of €250 million were recognized on shares in affiliates for impairment expected to be permanent. Details can be found in the subsection “Results of operations.”

When it sold the Elevator Technology business, thyssenkrupp AG received an equity investment and an interest-free loan as part of the total purchase price. An impairment loss of €43 million was recognized on this investment following the valuation of the shares; as a result, the carrying amount of the investment on the reporting date was €426 million. The loan was recognized at its amortized cost of €900 million (prior year: €815 million).

Receivables from and liabilities to affiliated companies are significant items in the balance sheet of thyssenkrupp AG. They reflect the central importance of thyssenkrupp AG in the group's cash management system.

As of September 30, 2024 receivables from affiliated companies increased by €1,493 million to €6,591 million, with higher receivables both on group finance accounts and from profit and loss transfer agreements.

thyssenkrupp AG bears liability from the internal transfer of pension obligations. Due to the elimination of liability for some of these obligations in the past fiscal year, the indemnification right created by transfer of responsibility for meeting the obligations, which was recognized under other assets, decreased by €166 million to €15 million. The offsetting transaction was recognized under pension obligations.

As of the reporting date, money market funds in the amount of €1,000 million (prior year: €2,660 million) were recognized in other securities. Investments in money market funds were reduced due to the redemption of the bond, which matured in February 2024. This was the main reason for the year-on-year reduction of €1,660 million.

Cash on hand and cash at banks increased by €273 million to €3,271 million as of September 30, 2024.

Total equity decreased by €250 million to €5,814 million as of September 30, 2024. The unappropriated income increased slightly from €95 million in the prior year to €100 million after offsetting the loss of €156 million against the profit of €1 million carried forward from the prior year and the reversal of other revenue reserves of €255 million resolved by the Executive Board and the Supervisory Board. The equity ratio dropped to 25% (prior year: 26%).

25%

Equity ratio

The €64 million reduction in accrued pension and similar obligations was mainly due to the utilization of provisions in the amount of €67 million and the net reversal of €7 million. This was offset above all by accrued interest of €18 million. Within other provisions, particularly the provision for taxes increased by €7 million (taking account of a reduction of €17 million in income tax receivables). This mainly related to income taxes for prior years.

A €1,500 million bond that had been issued by thyssenkrupp AG was redeemed at maturity on February 22, 2024.

Liabilities to affiliated companies were mainly deposits by subsidiaries in the central financial clearing system and loss transfers under profit and loss transfer agreements. The year-on-year increase of €1,553 million was due to a rise of €2,615 million in liabilities on group finance accounts. This was offset by a decline in the assumption of losses by €1,002 million. More information on the financial position of thyssenkrupp AG is contained in the Notes to the financial statements.

Unappropriated profit and proposal for the appropriation of the profit

The legal basis for distribution of a dividend is the unappropriated profit of thyssenkrupp AG determined in accordance with the German Commercial Code (HGB). This comprises the net loss of thyssenkrupp AG in the amount of €156 million, plus the profit of €1 million carried forward from the prior year and the reversal of other revenue reserves of €255 million resolved by the Executive Board and the Supervisory Board. The financial statements therefore show an unappropriated profit of €100 million.

It will be proposed to the Annual General Meeting that the unappropriated profit for fiscal year 2023 / 2024 in the amount of €100 million be used as follows: for the distribution of a dividend of €0.15 per no-par share entitled to the dividend, with the remaining amount being carried forward to the new account.

Balance sheet of thyssenkrupp AG

ASSETS

million €	Sept. 30, 2023	Sept. 30, 2024
Fixed assets		
Intangible assets	2	1
Tangible fixed assets	148	136
Financial assets	11,907	11,758
	12,056	**11,895**
Operating assets		
Receivables and other assets	5,341	6,726
Other securities	2,660	1,000
Cash on hand and cash at banks	2,998	3,271
	10,999	**10,998**
Prepaid expenses and deferred charges	**2**	**1**
Total assets	**23,057**	**22,894**

EQUITY AND LIABILITIES

million €	Sept. 30, 2023	Sept. 30, 2024
Total equity		
Subscribed capital	1,594	1,594
Capital reserves	2,703	2,703
Other revenue reserves	1,672	1,417
Unappropriated profit	95	100
	6,064	**5,814**
Provisions		
Provisions for pensions and similar obligations	1,057	994
Other provisions	118	141
	1,175	**1,134**
Liabilities		
Bonds	2,100	689
Liabilities to financial institutions	3	3
Liabilities to affiliated companies	13,519	15,072
Other liabilities	195	177
	15,817	**15,941**
Deferred income	**1**	**4**
Total equity and liabilities	**23,057**	**22,894**

STATEMENT OF INCOME

million €	2022 / 2023	2023 / 2024
Net sales	471	219
Cost of sales	(12)	(16)
Gross profit	**460**	**203**
General administrative expenses	(304)	(301)
Other operating income	146	400
Other operating expense	(211)	(316)
Income from investments	(1,466)	306
Net interest	(58)	(141)
Write-downs of financial assets and securities classed as operating assets	(331)	(294)
Income taxes	(18)	(13)
Earnings after taxes / Net loss	**(1,783)**	**(156)**
Profit appropriation		
Net loss	(1,783)	(156)
Profit carried forward	488	1
Withdrawal from other revenue reserves	1,390	255
Unappropriated profit	**95**	**100**

Climate, energy and environment

thyssenkrupp attaches great importance to climate and environmental protection and energy efficiency – at all levels of the value chain, from upstream supply chains to internal production and manufacturing processes through to our products. With our solutions we want to contribute to satisfying rising global demand for goods and services in a resource-efficient way. Climate and environmental protection are therefore core components of our sustainability approach and thus our corporate strategy – and also a basis for sustainable success in our markets.

www.thyssenkrupp.com > Company > Sustainability > Environment > Environmental and Energy Management

thyssenkrupp Climate Action Program for Sustainable Solutions (CAPS)

Ambitious climate targets in line with the Paris Climate Agreement

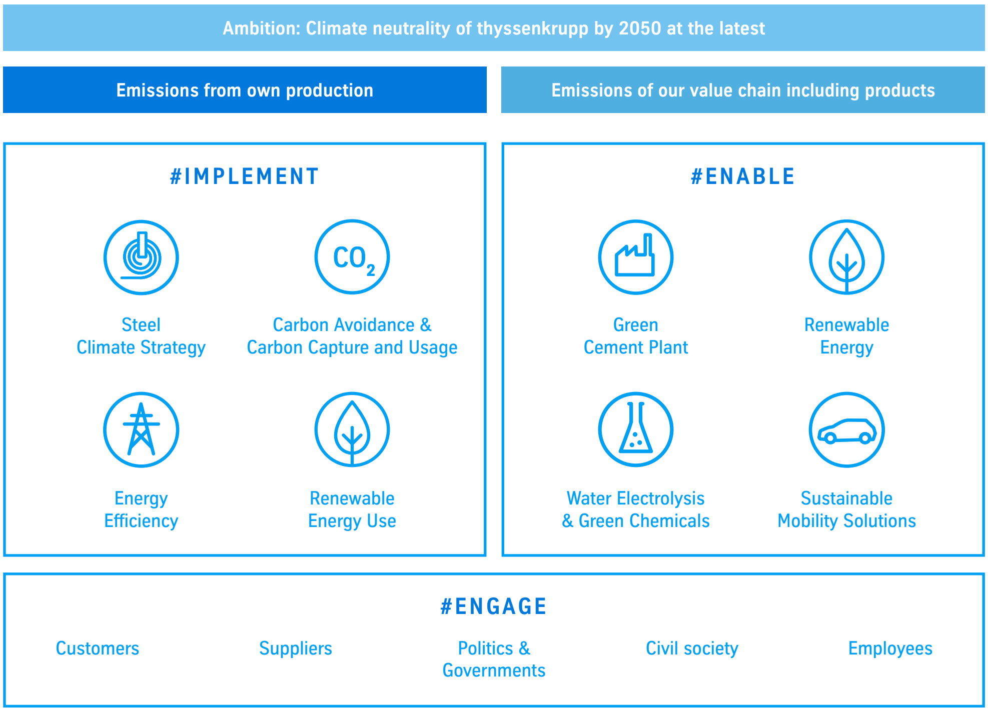
thyssenkrupp has set itself ambitious targets on the path to greenhouse gas neutrality. Our long-term target is to be climate-neutral by 2050. We are already striving to achieve this by 2045 in some businesses and countries, such as Germany, in line with the requirements of the German Climate Change Act. In fiscal year 2023 / 2024, we again significantly raised our ambitions on the path to this long-term target so that we can achieve emission reductions in line with the 1.5-degree target of the Paris Climate Agreement. We submitted this commitment to the SBTi and will have our reduction targets validated by this organization in line with climate science and the SBTi Corporate Net-Zero Standard.

Our businesses have developed roadmaps and action plans for meeting these ambitious targets. Success in meeting thyssenkrupp's climate targets was integrated into long-term compensation for the Executive Board and top-level management in fiscal year 2021 / 2022. Further information can be found in the "Compensation report" and in the section "Fundamental information about the group" in the subsection "Targets" under "Sustainability and non-financial targets."

Work towards achieving our climate targets is continuing in the context of the thyssenkrupp CAPS program (Climate Action Program for Sustainable Solutions). Regarding the emissions associated with our own production, we are counting on a continuous improvement in energy efficiency in all businesses. Especially in steel production with its high share of process-related emissions, we are focused on avoiding carbon emissions by using hydrogen (known as carbon direct avoidance, CDA). It is also possible to use any carbon dioxide that is unavoidably produced by way of carbon capture and usage (CCU). In steel production we want to use CDA technologies to successively replace carbon by hydrogen as a reducing agent and thus avoid the emission of carbon dioxide altogether. Here, we are relying on a new process which combines a 100% hydrogen-capable direct reduction plant with an integrated electrical melting unit in order to produce climate-friendly pig iron. Operating with hydrogen, the direct reduction plant with production capacity for 2.5 million tons direct reduced iron will avoid 3.5 million tons CO_2 a year. Through this innovative concept we can continue offering our customers the full range of high-quality steel grades and thereby contribute to making the downstream stages in the value chain climate-neutral. In addition, the slag generated in the melting units can be used in the production of cement analogously to blast furnace slag – a further contribution to the decarbonization of the construction and cement industries. CCU projects (e.g., Carbon2Chem®) treat unavoidable residual emissions for further industrial use as climate-friendly base chemicals.

Furthermore, we are continuously working on solutions for the green transformation of various industries, especially in the areas of wind energy and production plants for “green” chemical products, such as ammonia. Other solutions are production plants for more sustainable cement products and electrolysis plants to ramp up a sustainable hydrogen economy. In addition, we are constantly working on innovative solutions for sustainable mobility. Further information on these can be found in the “Technology & innovations” section, in the “Strategy” subsection in “Fundamental information about the group,” in the “Segment review” subsection in the “Report on the economic position” and on our website.

THYSSENKRUPP CLIMATE ACTION PROGRAM FOR SUSTAINABLE SOLUTIONS (CAPS)



In the reporting period thyssenkrupp’s greenhouse gas emissions – i.e., Scope 1 and Scope 2 emissions as per the Greenhouse Gas Protocol – came to around 23.2 million tons CO_2e.

CDP listing for outstanding climate performance for the eighth year in succession

We have been working for many years to systematically improve the energy and climate efficiency of our production operations and to develop efficient solutions to reduce greenhouse gases for our customers. In 2023 thyssenkrupp was included on the “A” list compiled by the non-profit organization CDP (formerly Carbon Disclosure Project) for the eighth year in succession; according to CDP that makes us an international leader with regard to climate transparency and management.

Environmental management at our sites

Internationally acknowledged standards for environmental management implemented globally

Our environmental, climate and energy management systems are based on the group's global environmental and energy policy and a corresponding group regulation. This regulation requires all companies with environmentally relevant activities, for example, because they operate plants that are subject to environmental permits, to implement and maintain an environmental management system in accordance with ISO 14001. With the aid of certified environmental management systems, we are continuously improving the environmental performance of our sites in order to fulfill our ambitious environmental targets. Throughout the life cycle of our products and processes, we raise efficiency in the use of resources and minimize harmful emissions. We are aware of our ecological and social responsibility. Our binding obligations include both compliance with legal and regulatory requirements and respecting environmentally relevant due diligence obligations.

Activities regarded as environmentally relevant are defined in our group regulation. Since fiscal year 2019 / 2020 many environmentally relevant thyssenkrupp group companies within the meaning of this regulation have had an environmental management system certified in accordance with ISO 14001. In the reporting period around 74% of thyssenkrupp sites – in terms of the total workforce – had an environmental management system that was implemented and certified in accordance with ISO 14001.

Continuous improvements in energy efficiency and energy management

Significant increase in energy efficiency thanks to the global energy program GEEP

thyssenkrupp's energy consumption came to around 69 terawatt hours (TWh) in fiscal year 2023 / 2024.

Energy efficiency plays an important role at thyssenkrupp. For nine years, the global Groupwide Energy Efficiency Program (GEEP) has included measures such as process optimizations, better use of waste heat and the replacement of plant components and lighting systems. In the reporting year we set ourselves the target of increasing energy efficiency in the group by 205 GWh. We significantly exceeded this target with an improvement of some 360 GWh. Taking into account the specific emissions of each energy source, these efficiency gains add up to the avoidance of about 100,000 tons of greenhouse gas emissions. The goal for fiscal year 2024 / 2025 is to achieve further efficiency gains of at least 125 GWh. Since fiscal year 2019 / 2020, many group companies with energy-relevant activities have implemented an energy management system and had it externally certified in accordance with ISO 50001. Among other things this includes setting specific energy targets for each relevant company, measuring energy consumption and optimizing organizational and technical processes. In terms of groupwide energy consumption this means around 99% of energy management activities at thyssenkrupp met the ISO 50001 standard in fiscal year 2023 / 2024.

Further information on climate, energy and environment can be found in the section "Technology and innovations" in the "Opportunity and risk report" and on our website.

www.thyssenkrupp.com > Company > Sustainability > Sustainability Strategy and Targets

Technology and innovations

Innovation strategy

With their experience and know-how, the companies in the thyssenkrupp group can develop solutions for the challenges of the future. Focal areas are technologies for the green transformation, digitalization and future mobility.

www.thyssenkrupp.com > Company > Innovation

We conduct our research and development activities with more than 3,900 employees. In many cases, this is done in collaboration with external partners such as universities, research institutes and other industrial enterprises. In the reporting period we registered around 1,300 new patents and utility models. As a result our patent portfolio now contains some 16,900 patents and utility models. The trademark portfolio comprises 9,260 property rights.

Total spending on research and development came to around €690 million in the reporting year, a decrease of 1% compared with the prior year (€698 million). The adjusted R&D intensity was 2.9% (prior year: 2.8%) and therefore in the company's target range of around 3.0%; this figure refers to R&D costs as a proportion of sales, without trading and distribution.

In fiscal year 2023 / 2024 we capitalized development costs of €35 million (prior year: €26 million). The capitalization ratio – capitalized costs as a proportion of overall R&D costs – was therefore 12% (prior year: 10%).

RESEARCH AND DEVELOPMENT

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %
Research and development cost	239	257	8
Amortization of capitalized development costs	12	7	(42)
Order-related development costs	447	425	(5)
Group	**698**	**690**	**(1)**

Green transformation

Reduction of emissions in production and processes

As well as continuing to drive forward the green transformation of our own processes, we deliver numerous innovative solutions that offer our customers support in implementing their own climate- and resource-saving processes and introducing more sustainable products.

The most prominent example of our green transformation is our target of climate-neutral steel production by 2045 at the latest. The key element in achieving this target is the construction of our first direct reduction plant and two smelters at the Duisburg site.

The two electricity-powered smelting units enable the direct reduction plant to be integrated smoothly into the existing production network. This has the big advantage that all established, tried and tested processes at the oxygen steelworks in Duisburg can be retained. This is where the liquid product is processed into the well-known steel grades. You can find further information in the section “Segment review,” subsection “Steel Europe.”

In a project partnership with a customer and an industrial partner, Uhde is developing sustainable solutions for the chemical industry from laboratory scale to industrial maturity. The manufacture of phosphoric acid for use in phosphate fertilizers generates large amounts of phosphogypsum as a by-product. Uhde is developing a process to purify and process the phosphogypsum for use in the construction industry, for example. This avoids the need for land-based storage or dumping at sea. In addition, the phosphogypsum can be reacted with CO_2 from industrial processes to produce calcium carbonate for use in cement production.

In April 2024, ground was broken for the construction of one of the world’s first carbon-neutral cement plants. As part of the EU-funded Carbon2Business project, we are working with partners on the climate-friendly conversion of the plant operated in Lägerdorf by construction material producer Holcim with the aim of achieving the large-scale decarbonization of the cement industry. Polysius supplies the key technology for capturing the CO_2 from cement clinker production. The pure oxyfuel technology enables the capture of almost all the greenhouse gas from the waste air stream. As a result, around 1.2 million tons CO_2 will be captured each year when the plant comes in operation in 2028. After treatment, the CO_2 can be reused sustainably as a valuable raw material, thus creating new value chains.

With its water electrolysis technology, thyssenkrupp nucera is creating innovative solutions for green value chains and a decarbonized industry. The alkaline water electrolysis (AWE) process is an industrial-scale solution for producing green hydrogen. Research and development activities in this area remain focused on developing and testing technologies for the large-scale serial production of electrolyzers. This is necessary to raise production capacities in order to meet growing demand for plants for the production of green hydrogen and, at the same time, to reduce production costs.

In order to further expand its position as one of the world's leading suppliers of electrolysis technology for the production of green hydrogen, the company is adding to its technology portfolio with the innovative solid oxide electrolyzer cell (SOEC) from the Fraunhofer Institute for Ceramic Technologies and Systems IKTS. thyssenkrupp nucera and the Fraunhofer Institute have entered into a strategic partnership to continue developing SOEC technology for industrial use on the basis of the work already conducted.

Materials Services is working on the use of alternative drive systems for trucks as a way of reducing the emissions produced in road freight transport. In Germany, hydrogen-powered trucks are already being deployed for one of our subsidiaries. Especially in trucks with a high annual mileage, hydrogen makes it possible to reduce CO_2 emissions substantially. British company thyssenkrupp Materials UK uses trucks fueled by hydrated vegetable oil (HVO). This reduces greenhouse gas emissions by as much as 95% compared with conventional diesel. In North America, some of the vehicles in the Materials Services truck fleet already use biodiesel (R99). The use of trucks fueled by renewable natural gas (RNG) is also being tested.

Digitalization of supply chains and processes

Digital platforms create value in materials trading.

Materials Services is working on end-to-end data collaboration solutions aimed at further improving transparency in supply chains. In respect of the digital supply chain, this means that all participating companies must share data. The main intention of this data collaboration is to collect information that enables all market participants to make value-adding decisions. Forward Sensing is a platform being developed by Materials Services for data collaboration across all stages of the supply chain. The goal is to share transaction data and information in real time in order to improve forecasts, avoid supply bottlenecks and boost the security of materials supply.

Materials Services has developed a solution for the smart.processing platform that digitalizes and automates the calculation of prices for pre-cut materials. The system operates smartly to position the desired geometries on steel sheets in a way that minimizes material costs. The price of the pre-cut materials is calculated within seconds, replacing the manual process (including the preparation of offers) and achieving large time savings. The platform is integrated into a Materials Services online store which can be used by customers to order materials in any geometry at any time with a simple mouse click.

thyssenkrupp and shipping group Wilhemsen are collaborating in the Pelagus 3D joint venture, based in Singapore, to develop a digital platform for shipping managers and manufacturers to offer spare parts for the maritime and offshore industries worldwide. Thanks to a global network of partners, the parts are manufactured where they are needed by means of 3D printing. In this way, Pelagus 3D aims to ensure the seaworthiness and operational reliability of ships and to counter high transport and warehousing costs as well as lengthy manufacturing processes in the maritime industry.

Mobility of the future

Innovative solutions for steering systems

The Automotive Technology steering experts have achieved a milestone with the development of steer-by-wire (SbW) technology. Having concluded the intensive development process, the company has now received the first customer order for the SbW system. Demand for innovative steering solutions is being driven by the growing trend in the automotive market for self-driving vehicles. This order has confirmed thyssenkrupp's position as one of the leading manufacturers of steering systems.

Automotive Technology's ongoing development activities on steer-by-wire technology have led to a new collaboration with the automotive supplier BWI Group to develop future-oriented brake-by-wire technology BWI Group produces and markets the brake-by-wire system. The partnership combines the expertise of both companies and is aimed at driving the future development of innovative chassis architectures and solutions for self-driving vehicles.

Batteries are one of the main components of electromobility. Automation Engineering has further improved its range of automation solutions for cell formation in battery assembly. Cell formation is an energy-intensive and time-consuming battery assembly process. The fast formation solution from Automation Engineering makes it possible to shorten this process by as much as 45%. The optimized formation chamber that is part of the battery assembly plant provides customers with innovative solutions for various cell formats.

Purchasing

thyssenkrupp buys in a wide variety of products, product groups and services. We strive to achieve an optimum balance between various aspects such as quality, price and supplier assessments.

www.thyssenkrupp.com > Company > Procurement

Materials expense

Materials expense comprises the group's total spend on products and services. In the reporting year, compared with 2022 / 2023, it decreased by 9% to €24 billion due to price- and volume-induced declines. Materials expense as a percentage of sales therefore came to 68% (prior year: 70%). Depending on the business model, the percentages of the individual businesses ranged between 43% (Marine Systems) and 82% (Materials Services). The following table shows the materials expense of each individual business in absolute figures:

68%

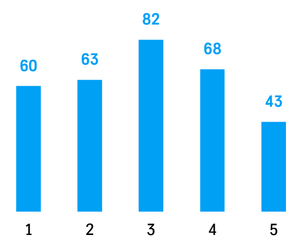
Materials expense in relation to sales

MATERIALS EXPENSE

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Change in %
Automotive Technology[1]	4,946	4,535	(8)
Decarbon Technologies[1]	1,990	2,428	22
Materials Services	11,523	9,898	(14)
Steel Europe	8,822	7,303	(17)
Marine Systems[1]	596	905	52
Corporate Headquarters	1	0	(98)
Reconciliation[1]	(1,679)	(1,355)	19
Group	**26,198**	**23,713**	**(9)**

[1] See preliminary remarks.

Materials expense of the segments
as % of sales 2023 / 2024



1	Automotive Technology	60 %
2	Decarbon Technologies	63 %
3	Materials Services	82 %
4	Steel Europe	68 %
5	Marine Systems	43 %

In the period under report, the purchasing departments of our companies, on the whole, have ensured a reliable supply of materials and services for our operations and projects in the required scope – despite limited availabilities within some commodities. More information is provided in the Opportunity and risk report under "Procurement risks."

Sustainability in supplier management

As an international corporation, we develop technologies and solutions for future market and customer needs. To secure our customers' lasting success with innovative product and service solutions we purchase raw materials, goods and services from around the world. We integrate suppliers directly into our sustainability strategy with the goal of ensuring responsible corporate governance aligned with long-term value creation.

We have summarized our expectations of suppliers in our Supplier Code of Conduct. This addresses possible risks and negative impacts along the supply chain and requires our suppliers, in particular, to safeguard human rights, ensure fair working conditions, actively protect the environment and avoid human right violations caused by environmental harm, combat corruption, and create transparency on the origin of certain raw materials (so-called conflict minerals).

In order to satisfy the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), thyssenkrupp maintains a risk management system for certain human rights and environment-related risks.

Based on the risks described in the LkSG, we subject our immediate suppliers to a basic risk analysis and identify their risk potential. We weight the individual LkSG risks and take into account in our ongoing risk analysis factors such as risk indices from an external provider, the supplier's location and industry, the scope of business activities (our purchasing volume), the type of goods supplied and the severity and reversibility of potential events. Based on the results of our risk analysis of specific suppliers, each supplier is allocated to a risk category. At the same time, prioritization takes place on the basis of the established risk, our contribution to the cause and the degree of our influence, and taking into account the characteristics of the business in question. Our group companies refer to this risk category to take appropriate preventive measures to mitigate the supplier risk. Findings on indirect suppliers are included in our risk analysis on an ad hoc basis.

If thyssenkrupp becomes aware of any violations of a human rights or environment-related obligation at a direct or indirect supplier, immediate and appropriate measures should be initiated by thyssenkrupp aimed at ending this violation.

We have implemented a catalog of measures for reducing sustainability risks in our supplier portfolio. The objective of these measures is to reduce the share of suppliers that continue to be classified as high risk – even after risk-mitigating measures – in the total number of potentially high-risk suppliers. Risk categorization is based on the risk analysis required by the LkSG. In fiscal year 2023 / 2024, the share of suppliers classified as high risk was reduced to 57.0% of the total.

Employees

Employees in figures

thyssenkrupp had 98,120 employees as of September 30, 2024. That was a decrease of 1,861 people or -1.9% compared with September 30, 2023.

www.thyssenkrupp.com > Company > Sustainability > Social Responsibility > Employees at thyssenkrupp

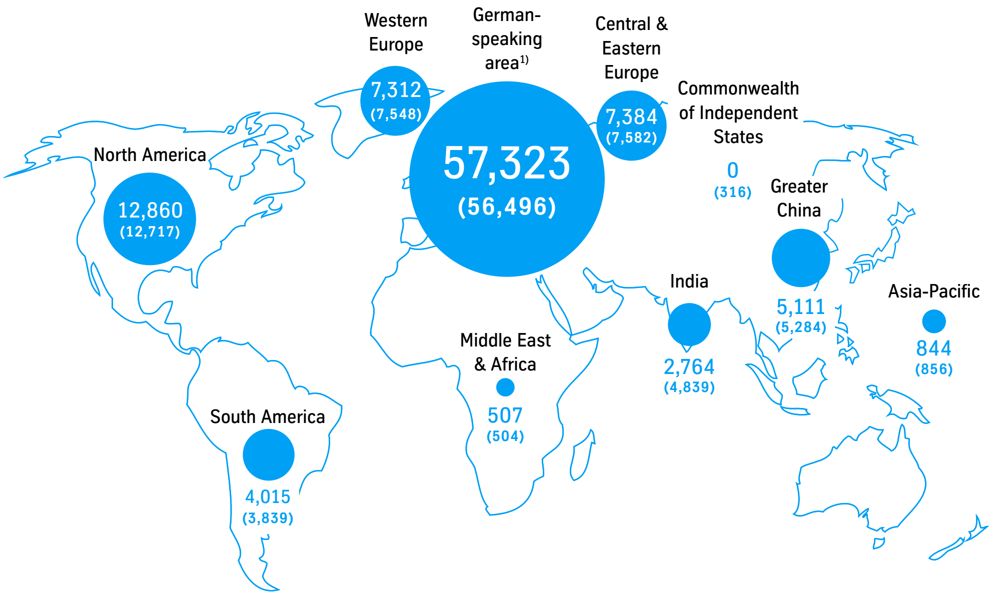
EMPLOYEES

	Sept. 30, 2023	Sept. 30, 2024	Change in %
Automotive Technology[1]	31,689	31,633	0
Decarbon Technologies[1]	15,101	12,678	(16)
Materials Services	16,329	16,003	(2)
Steel Europe	26,822	27,478	2
Marine Systems[1]	7,745	8,041	4
Corporate Headquarters	625	639	2
Reconciliation[1]	1,670	1,648	(1)
Group	**99,981**	**98,120**	**(2)**
Germany	53,238	54,235	2
Other countries	46,743	43,885	(6)

[1] See preliminary remarks.

EMPLOYEES BY REGION

(prior-year figures in brackets)



[1] Germany, Austria, Switzerland, Liechtenstein combined; in Germany 54,235 (53,238)

Priorities in HR work in fiscal year 2023 / 2024

The occupational safety and health of employees remained an important element of thyssenkrupp's HR work in the past fiscal year. Also of key significance are the personnel-related measures accompanying the transformation of the businesses and the strategic development of thyssenkrupp. In light of the current labor market situation, recruiting and retaining employees remains very important as well. In addition, we are continuing to drive the transition towards new ways of working and a productive working environment.

We give the highest priority to occupational health and safety at the workplace.
Occupational safety and health issues are a priority at thyssenkrupp and are consolidated in the Occupational Safety and Health (OSH) department. Our goal is to continuously improve our occupational safety and health management, thus avoiding accidents, work-related illnesses and stress.

Focus on the resilience of employees and managers extended for three years

Our managers have a special role in this. OSH will continue to focus on the resilience of employees and managers for a further three years. The "leaders care" initiative especially supports managers in exercising their responsibility to ensure safe and healthy working conditions, healthy self-management and good conduct towards employees.

In the interest of continuously improving occupational safety, thyssenkrupp monitors the company's accident situation. The accident frequency rate[2] is the key indicator used here. It is recorded each month by all units worldwide and is a regular subject at Supervisory Board and Executive Board meetings. The value of 2.4 did not meet our target for the past fiscal year. We did not record any fatal accidents involving thyssenkrupp employees in the reporting period. Nevertheless, unplanned events occurred and we continue to work with our partners to avoid these in the future.

At thyssenkrupp, we are not only concerned for our own employees. In the area of occupational safety we also keep an eye on the contractors working for us. The declared aim is to apply our own standards at contractors as well. To further enhance management of our contractors, we continued the cross-segment focus dialog initiated in 2022. The primary goal here is to identify potential and define measures for improving the selection of contractors and for monitoring their activities on site. We expect to complete the focus dialog in fiscal year 2024 / 2025.

This year, too, we will be using the "we care" days to focus on important occupational safety and health topics. The 2023 motto "Your health matters – Keep on going" was enhanced and some new modules were added for the topics of medical screening and preventive care examinations, nutrition, exercise, resilience & stress management, and "we stop reloaded" that were the focus of the "we care" days. Group companies in 20 countries took advantage of the global offering. 38 teams entered the annual "we care Award" for outstanding occupational safety and health initiatives and three of them were honored.

[2] Occupational accidents of own employees that result in at least one day lost time per million hours worked.

HR measures in connection with the transformation

Providing operational support for transformation processes and reorganizational measures remained a focus of HR work in fiscal year 2023 / 2024. We also largely concluded the extensive restructuring program within the businesses initiated in fiscal year 2019 / 2020. Based on our planning, this program involved a total of around 13,000 job reductions. The main focus of the restructuring was on Germany. By September 30, 2024 thyssenkrupp had completed more than 95% of the planned job reductions. Most of the measures concerned the Automotive Technology, Materials Services and Decarbon Technologies segments. The regional focus was on Germany, which accounted for over 30%.

In connection with the refocusing of the portfolio, various M&A, restructuring and reorganizational measures were examined, prepared and in some cases realized in fiscal year 2023 / 2024. These measures were accompanied by activities required by labor and codetermination law, e.g., the conclusion of special collective agreements and other agreements with the employees.

Where necessary, our businesses are systematically implementing additional restructuring measures to enable an optimal response to changing markets. This has not only been done in the steel business but also for individual businesses in other segments. The goal is to make the group and its businesses more profitable and resilient in the long term. To this end, the HR teams for the segments are working on new solutions that enable them to implement that necessary workforce adjustment measures in the most socially responsible way possible. thyssenkrupp sees itself as a fair employer that is conscious of its social responsibility to its employees.

A key component in this regard is the internal job market. Alongside other measures, the option of placing employees in other positions within the company is a key element of group HR policy. To this end, thyssenkrupp has agreed regulations with the Group Works Council to strengthen the company's internal HR placement platform.

Attracting and retaining employees

Attracting and retaining employees is currently one of the major labor market challenges. We address this with measures that aim to position thyssenkrupp as an attractive employer and thus strengthen our employer branding.

Employer branding: green transformation and diversity in practice

In fiscal year 2023 / 2024, thyssenkrupp continued to work on its position as an attractive employer. This is based above all on authenticity, diversity and democratic values, which are also key aspects of our corporate culture. The aim is for these aspects to characterize our employer branding in the long term and further strengthen employee identification with the company.

In 2024, as an active member of the Business Alliance, we joined over 30 other companies and organizations in Germany to develop an extensive campaign under the banner "We stand for values" in the context of the European elections. This campaign continues to create an effect. It focuses on promoting democratic values and strengthening diversity within companies, thus demonstrating both internally and externally that thyssenkrupp has taken a clear stand. The campaign not only served to raise awareness for the significance of political participation but also to highlight the importance of diversity as a central pillar of our corporate culture.

thyssenkrupp as a member of the "Business Alliance" promoting democratic values at enterprises

The “Be active. Join #GENERATIONTK” campaign launched in summer 2023 remained a key HR strategy element in 2024. With this employer branding campaign, we aim to underscore our role as an employer in a green future. In the past fiscal year, we refined the campaign’s focus in respect of the segments and targeted its implementation.

Establishment of a brand ambassador program to provide authentic insights into day-to-day working

In fiscal year 2023 / 2024, an important initiative as part of our employer branding strategy was the expansion of our multi-stage brand ambassador program. This is aimed at offering employees a platform to authentically share their individual stories and experiences at thyssenkrupp on the LinkedIn social media platform; participation is voluntary. Through personal insights into their working day, our internal ambassadors communicate thyssenkrupp’s values and culture in a way that transcends traditional corporate communications.

Targeted communication is essential for attracting future apprentices to thyssenkrupp. In order to fill our apprenticeship jobs each year, we have continued refining our measures including a cross-segment video, digital channel advertising focused on TikTok and guidance on more than 60 types of apprenticeship in the training section of our website.

thyssenkrupp Academy: a reliable partner for the present challenges

In fiscal year 2023 / 2024, the thyssenkrupp Academy prioritized strengthening and developing the organizational skills of the businesses with the goal of improving their performance. In addition, the wide range of individual development opportunities, with 242 programs in the open curriculum and specific solutions for individual internal teams, supported 5,034 employees in their daily challenges.

In the past fiscal year, the Academy’s offering concentrated on the Focus 5 Performance Enablers defined in the context of the APEX performance program. These are the behaviors and mindsets backed by specific methods and tools that serve as the framework for a forward-looking organization. The focus was on the five enablers referred to: (1) strategic clarity and KPI-based management; (2) added value for and from customers; (3) autonomous employees; (4) an innovative and agile organization; and (5) continuous improvement. The starting point of the Focus 5 process was an analysis of the status quo for these enablers in each business – the Focus 5 Assessment. The findings of this assessment were then discussed with the businesses to define action areas and specific measures. Other formats based on the Focus 5 Performance Enablers are planned for fiscal year 2024 / 2025 in support of the transformation.

As well as supporting the transformation, the thyssenkrupp Academy has developed courses on artificial intelligence (AI), the topic of the future that has a firm place on thyssenkrupp’s strategic agenda. Managers and employees can choose from a varied range of training, including videos on the principles of AI, online impulse sessions and classroom formats.

As we are aware of the critical challenges presented by the new ways of working, the topics of healthy leadership and resilience were a further focus of the thyssenkrupp Academy in fiscal year 2023 / 2024.

The high quality of the programs offered by the thyssenkrupp Academy is shown by renewed certification in conformance with ISO 29993. The products and courses offered by the thyssenkrupp Academy therefore still meet the highest international standards of training and continuing professional development outside a formal education setting.

Talent development and specific networking formats

In the past fiscal year, thyssenkrupp once again identified more than 1,600 talents worldwide (i.e., employees with the potential for more senior specialist and leadership roles). We aim to develop the potential of these employees and give them more challenging roles. The main responsibility for this lies with the businesses. Intensive sharing of best practices and various networking formats within the personnel development community enable us to leverage synergies and secure the high standard of the programs. Some of the courses specifically address female talents in order to foster their development and further improve their career opportunities. This provides a varied development landscape for talented employees with opportunities to network, raise their visibility within the organization and prepare for future specialist and leadership tasks. Targeted development is supported by regular development dialogs, feedback and the use of diagnostic methods to determine their status quo.

Cross-segment networking formats such as the Talent Summit, various forums and workshops contribute to the development and retention of this important target group.

Apprentice training – still a central element for securing skilled employees

Apprentice training is a particular priority at thyssenkrupp which is why we organized a company-wide training event in Essen in the reporting year. The thyssenkrupp training team consulted apprentices with the goal of making the company's apprenticeship training more attractive.

In the reporting period, thyssenkrupp had more than 2,700 apprentices in Germany (prior year: more than 2,600) training for 67 different occupations. In Germany, the apprentice training rate – the ratio of apprenticeship places to the total workforce – remained constant at 5.0% (prior year: 4.9%). thyssenkrupp offers people the option of either a classic apprenticeship or an integrated degree course.

2,731 apprentices in 67 different occupations at the German sites

Since filling our apprenticeship places is very challenging, we use a wide range of measures to interest young people in an apprenticeship. These include employer branding advertising campaigns, simplifying the application process and organizing digital parents' evenings in collaboration with the Federal Employment Agency. Our activities to counter the shortage of skilled workers are strengthened by a regular exchange with companies outside the thyssenkrupp group, for example, through what we refer to as the "Allianz der Chancen," the initiative for new ways of working in which currently 71 companies address topics such as strengthening vocational training.

Creating a productive working environment

If we are to achieve our corporate targets, it is important to facilitate the continuing professional development of thyssenkrupp employees. With the measures described below, we have created an environment that makes this possible.

Feedback as the key element of a productive working environment

To increase the alignment of individual action with the company's success, we have amended the bonus system for our managers in graded positions to focus exclusively on financial target achievement in respect of the ongoing transformation. This means that individual target agreements and the associated annual reviews are no longer elements in determining the annual bonus. However, an open and constructive feedback culture remains essential at thyssenkrupp to ensure that employees can participate in continuing professional development. The assessment of individual performance and the associated feedback reviews are therefore integrated as a separate process in the lead2perform system for our managers.

Employee Pulse Check: results of the annual employee survey a key instrument for targeted improvements

Participation of all segments and increased reach of the fourth Employee Pulse Check

In fiscal year 2023 / 2024, we conducted our fourth groupwide Employee Pulse Check. This is a brief online survey of employee satisfaction and success factors for change such as leadership and communication. All segments participated once more, thus increasing the survey's reach compared with the prior year. The interest of employees and their willingness to participate in the Employee Pulse Check are a clear indication of the survey's central role as a continuous improvement tool and an expression of thyssenkrupp's feedback culture. The results reveal employees' continuing loyalty to and identification with thyssenkrupp. However, the mood across thyssenkrupp did not improve year-on-year. The business-specific findings are analyzed locally and serve as the basis for a more in-depth dialog. This enables the businesses to identify areas of action and develop specific improvement measures.

Diversity and inclusion

Record participation in this year's CSD reflects a clear stance against discrimination.

Openness, equal opportunities and mutual respect are among the central values of our corporate culture. In the past fiscal year we used a wide range of formats to raise awareness of diversity, both internally and externally, and strengthen inclusion, psychological safety and a sense of belonging, for example, on Diversity Day and International Women's Day and in many internal open discussion meetings ("klartext"). We want everyone who works for us to feel free and be able to reach their full potential – irrespective of origin, gender, skin color, religious beliefs, political or other convictions, disabilities, age, sexual orientation and identity and other factors.

Our public commitment to tolerance and diversity was underscored by renewed participation in Christopher Street Day in Cologne, with the highest registration rate to date: more than 270 colleagues took part. For thyssenkrupp it is and remains important that both we as a company and society as a whole consistently take a clear stance against discrimination. That is why we consider our various internal employee networks to be so important and worthy of our support. They include the newly established Power of Cultures community in which all employees can get involved (please refer to the "New ways of working" subsection below for information about the communities). We also aim to use gender-neutral language in all areas of the company.

With a view to equal representation of women, in 2011 thyssenkrupp set itself a voluntary target to increase the proportion of women in leadership positions (proportion of women at management levels A to L3, which cover the top 1,300 specialist and management positions at thyssenkrupp). The increase of this share from just 8% in 2011 to 16.1% as of September 30, 2024 shows that thyssenkrupp has made progress. Indeed, it already exceeds the target of 16% by the end of the next fiscal year 2024 / 2025. At the time the target was set, the figure of 16% was the share of women in thyssenkrupp's total workforce. To take account of the importance of women in management, the target of increasing the proportion of women in management positions to 17% by fiscal year 2025 / 2026 has once again been integrated into the Long Term Incentive Plan for the Executive Board of thyssenkrupp AG. Details about the targets to be defined in accordance with Germany's Act on the Equal Participation of Women and Men in Executive Positions are contained in the corporate governance statement. Various measures have been introduced, mainly in Germany, to support our own targets and those set by law. In particular, we want to improve the compatibility of working and family life, for example, by providing support in childcare through company-owned childcare facilities at two sites, access to family-related services and an app-based tutoring service.

The proportion of women in management positions increased from 13.1% in the prior year to 16.1% as of September 30, 2024.

New ways of working: continuing along the path to a new world of work

Company-wide networking, cross-functional collaboration and sharing knowledge remain central issues that thyssenkrupp is working on intensively. The company's we.match networking platform contributes to this; it is a modular platform to which a third application was added in the past fiscal year. Alongside the "people2projects" module for company-wide temporary project deployments and the "Call a Colleague" module that enables employees to support each other in dealing with specific issues, a third module named "Communities" was launched. This new module helps employees to identify each other easily and come together when they face similar issues or are working on similar topics. For example, this may result in the establishment of regular discussion groups in which functional experts address cross-segment topics.

Launch of the new we.match "Communities" module

The we.match platform was launched in May 2023 and currently encompasses 6,900 users, 68 projects, 288 "Call a Colleague" profiles and 15 communities.

In the future, we will be focusing more on artificial intelligence (AI) as a key technology and its use in operational and production processes. It will play an important role in securing our competitive advantages. To ensure the responsible use of AI systems, we have developed an AI policy that applies worldwide to the introduction and deployment of AI systems by the company. It provides everyone involved with a value-based framework for leveraging the opportunities of artificial intelligence while minimizing any potential (legal) risks, thereby facilitating the efficient and successful use of AI as a key future technology.

AI policy facilitates introduction and use of AI systems

Mobile and hybrid working is another key topic in the changing world of work. The introduction of the hybrid working agenda in the past fiscal year facilitated mobile working for employees in suitable jobs. This not only responds to employees' changed expectations but also gives the company the opportunity to deploy new space concepts that offer considerable scope for optimization and cost benefits.

Since the fall of 2023, in order to remain an attractive employer and to attract and retain talented employees, thyssenkrupp has offered those employees in Germany who already use mobile and hybrid working models a further option for mobile working abroad to increase their locational flexibility. Requests are reviewed on a case-by-case basis because of the complexity of country-specific and individual tax, social security and labor law issues and the range of operational and activity-related matters that have to be considered. We use an online advisory tool for this purpose. The new option allows mobile working for up to 20 working days per calendar year within the EU, the EEA, Switzerland, the United Kingdom and Turkey.

Lean&Agile: stronger focus on artificial intelligence

Launch of thyssenkrupp's collaborative AI journey

The segments and Corporate Headquarters continued to work together on continuous improvements through Lean&Agile projects in fiscal year 2023 / 2024. In this fiscal year, the focus was on artificial intelligence. Working with the segments, the Lean&Agile team launched thyssenkrupp's collaborative AI journey. This started with five workshops at which more than 500 managers and AI experts discussed and assessed specific ideas for making better use of the potential of AI at thyssenkrupp. In parallel, a survey of the AI ecosystem was conducted in all thyssenkrupp segments. This analyzed the status quo and was used to define targets for fiscal year 2024 / 2025 as well as joint areas of action. Lean&Agile projects were initiated for four cross-segment areas of action: AI expertise, AI tools, collaboration on AI issues and AI product portfolio.

Preparation for CSRD reporting in respect of our own workforce

In a cross-segment HR project, we analyzed and operationalized the sustainability reporting requirements in respect of our own workforce that result from the CSRD. We are currently creating the system prerequisites for central reporting and implementing local data collection processes. The new key indicators pursuant to the CSRD will be reported from fiscal year 2024 / 2025 For further details, please refer to the “Targets” subsection in “Further information about the group.”

Social responsibility

thyssenkrupp regards itself as an active corporate citizen. The company wants to engage positively with the communities around its locations and support the people who live there. We want to help solve the challenges currently faced by society and use our entrepreneurial skills for the common good. Accordingly, group companies are actively engaged in various local projects, collaborations, multi-stakeholder initiatives and associations.

www.thyssenkrupp.com > Company > Sustainability > Social responsibility

In our corporate citizenship activities, we are guided by our slogan “engineering.tomorrow.together.” For this reason thyssenkrupp promotes enthusiasm for technology and innovation, education, and local engagement. To ensure we maintain our high compliance standards in all our work, among other things we have a global documentation and approval system for corporate citizenship activities. Around 370 measures were documented worldwide in the reporting year.

Local engagement in educational, cultural and social projects

In the reporting period, group companies at various locations once again supported projects, associations and organizations on the basis of the opportunities and needs on the ground. For example, Rothe Erde India financed an 18-kilowatt photovoltaic system combined with ten instantaneous water heaters in the dormitories of the Sanjivani Ashram School for underprivileged children in Igatpuri, India. thyssenkrupp Metalúrgica Campo Limpo based in Campo Limpo Paulista, Brazil, once again facilitated theater and choir workshops for children, young people and adults. Employees of thyssenkrupp Materials North America donated to United Way, a private aid organization that funds education, financial mobility and health in underserved communities. The company matches the amounts donated via voluntary wage deductions.

In order to foster education, especially in the scientific and technical field, thyssenkrupp Presta supports the Liechtenstein STEM initiative. Its pepperMINT experimental laboratory enables children and young people from kindergarten through to high school to discover, invent and experience – both during and after school hours. thyssenkrupp Steel Europe has been hosting the regional heats of the “Jugend forscht” youth research competition at the Duisburg site for more than 40 years. At this event, many young researchers present their projects to the jury and the public. Through its vocational orientation training, Steel Europe gives year 7 students at all Duisburg high schools the opportunity to test their skills, discover their talents and set goals for their vocational choices.

During the annual “Social Days”, thyssenkrupp Steel Europe enables its employees to engage in corporate social projects. In 2024, more than 500 colleagues participated in over 40 projects. In addition, the Hüttenhelden e.V. sponsorship association profiles and fosters employees’ private engagement.

Donations to political parties in Germany or abroad, to organizations affiliated with or resembling political parties, to individual politicians or candidates for elected office are generally incompatible with the thyssenkrupp’s corporate values and so are not permitted.

Compliance

compliance

thyssenkrupp[3] has a broad understanding of compliance: compliance with the law, legislation and internal regulations is a must for us and part of our corporate culture. The strict observance of applicable laws and regulations is the basis for our responsible conduct. Compliance therefore has the utmost priority for our company. As well as providing comprehensive support for the core compliance areas corruption prevention, antitrust law, data protection, anti-money laundering, and trade compliance, compliance work in fiscal year 2023 / 2024 focused on the following main tasks:

- communication of strong values as the foundation of our internal collaboration, also in the context of thyssenkrupp's transformation process, in a challenging and rapidly-changing macroeconomic environment by measures such as updating the thyssenkrupp Code of Conduct,
- external review of our compliance management system,
- reiteration by the Executive Board, newly constituted in the reporting year, of the thyssenkrupp Compliance Commitment and the entrepreneurial compliance responsibility of our executives as tone-from-the-top and renewal of the Board's commitment to the compliance program,
- antitrust law advice for portfolio measures,
- continuous enhancement of the compliance management systems for the core topics of corruption prevention, data protection and the prevention of money laundering,
- a special focus on trade compliance in view of stricter international sanctions in connection with the war in Ukraine,
- updating and supporting the ongoing development of further compliance topics in the group, especially the implementation of the German Act on Corporate Due Diligence Obligations in Supply Chains,
- implementation of the new legislation to protect whistleblowers in EU member states,
- event-driven investigations following reports by whistleblowers, and proactive compliance audits.

Embedding compliance in our corporate culture

www.thyssenkrupp.com > Company > Compliance

We at thyssenkrupp are convinced that responsibility, respect and compliance with laws and regulations are the foundation of all collaboration. We set ourselves the highest standards – something our business partners worldwide can rely on. However, we also expect our business partners to act in the same way. Compliance is a key aspect of our Code of Conduct, which we updated in the reporting year. Our Code of Conduct provides guidance to all employees of our company. It applies worldwide at all our sites and summarizes the key principles and rules of our actions as well as our conduct towards business partners and the public.

Our compliance strategy is aimed at embedding a sustainable value culture at thyssenkrupp – a culture in which reliability, honesty, credibility and integrity are the cornerstones of our actions. Because to us compliance is much more than just abiding by the law: compliance is a question of mindset. This includes our clear commitment that thyssenkrupp stands exclusively for fair and straight business. We would rather forgo a business opportunity or fail to meet our internal goals than act against the law. The Executive Board, newly constituted in the reporting year, also makes

[3] The quantitative information in this section applies to thyssenkrupp group excluding thyssenkrupp nucera; thyssenkrupp nucera has its own compliance management system (CMS).

that clear in the thyssenkrupp Compliance Commitment, which it renewed in the reporting year. In this context, our managers have a special role as they have entrepreneurial responsibility for compliance. The Executive Board also renewed its resolution on entrepreneurial compliance responsibility in the reporting period. This states that all executives in the thyssenkrupp group have a duty and a responsibility to ensure compliance with the law and internal regulations in their area of responsibility and to work to ensure compliance. The active involvement of all managers and employees in implementing the thyssenkrupp compliance program in their area of responsibility is vital to strengthen the confidence of customers, suppliers, shareholders and the civil society in thyssenkrupp. In a healthy corporate and management culture, commitment and action based on shared values go hand-in-hand. Violations of the law or internal rules are not compatible with our understanding of compliance. The following rules therefore apply unequivocally:

- We systematically investigate all reports of violations of the law and clear up the facts.
- We treat all information received confidentially and use all appropriate measures to protect whistleblowers from any disadvantages arising from their notification. When clarifying such reports, we protect the legitimate interests of the people affected by the allegations.

Compliance program

In its mission statement, code of conduct and compliance commitment, thyssenkrupp has given a clear commitment that it will comply with internal and external laws and regulations. This obligation applies to all group companies, managers and employees.

thyssenkrupp has given a clear commitment to complying with internal and external laws and regulations.

Specific areas of risk are covered by the compliance program, for which the Legal & Compliance group function is responsible. This is based on three elements: “inform and advise,” “identify” and “report and act.”

This program is closely interlinked with risk management and with our internal control system. In this way we ensure that compliance is an integral component of every single business process. The core topics of the program are corruption prevention, antitrust law, data protection, anti-money laundering and trade compliance.

Focus of compliance work

Compliance work in fiscal year 2023 / 2024 focused in particular on external review activities and on the continued strengthening and development of the compliance management system.

In the reporting year, thyssenkrupp had those areas of its groupwide[4] compliance program relating to data protection, anti-money-laundering and trade compliance audited for the first time by KPMG AG in accordance with Auditing Standard 980 of the Institute of Public Auditors in Germany (IDW AsS 980). KPMG completed the audit on April 19, 2024. Also in the reporting year, the effectiveness of the compliance program in respect of the core topics of corruption prevention and antitrust law was reviewed. On July 31, 2024, KPMG completed the review of the appropriateness, implementation and effectiveness of the compliance management system for the delineated areas of corruption prevention and antitrust law. The findings, which are positive from the perspective of thyssenkrupp, are contained in the KPMG reports for the individual areas that can be accessed on the thyssenkrupp website.

[4] Excluding thyssenkrupp nucera

In order to strengthen the compliance management system, thyssenkrupp performed an extensive global compliance risk assessment that focused on key compliance issues and was completed in the past fiscal year. Following this assessment, further insights were gained into potential compliance risks, the results were discussed in workshops, and, as necessary, risk-mitigation measures were agreed upon with the company.

We see compliance as a question of mindset: reliability, honesty, credibility and integrity are integral to our DNA.

The Executive Board's compliance commitment is an important element in reinforcing the tone-from-the-top within the group. This compliance commitment reflects the clear understanding that, in line with our positive compliance mindset, we abide by the rules out of conviction. We see compliance as a question of mindset: reliability, honesty, credibility and integrity are integral to our DNA.

In the area of antitrust law, the focus in the reporting year remained on providing support for portfolio measures.

Also in the past year, our compliance work concentrated on corruption prevention and data protection. We again worked intensively on continuously enhancing the maturity of the individual compliance management systems.

We strengthened the prevention of money laundering and the financing of terrorism by integrating the whistleblower system into the business processes of the companies headquartered in Germany.

Due to the ongoing war in Ukraine, trade compliance was accorded particular importance. Rules and processes in connection with sanctions and export control requirements were updated on a continuous basis, especially regarding the potential risks of circumvention.

Compliance function acts as advisor, coordinator and consolidator of the further compliance topics

In addition, the Compliance function acts as groupwide advisor, coordinator and consolidator to the organizational units that are directly responsible for further compliance topics such as occupational safety, management of external workforce, equal treatment, information security, supplier compliance, the Supply Chain Act as well as the environment, energy and climate. The further compliance topic relating to the Supply Chain Act, the focus of which is on implementing human rights and environment-related due diligence obligations pursuant to the German Act on Corporate Due Diligence Obligations in Supply Chains, was added in the reporting year and the existing further compliance topics of environment, energy, and climate were further developed. Substantive responsibility for the further compliance topics remains with the competent corporate group functions or the relevant segment. The Compliance function and the people responsible for the content engage in an intensive dialog and utilize synergies which arise in particular within the organization and in processes and methodology. It also means that the Compliance function works with the responsible contact persons in the functions to adapt the reporting system and responsibilities for the respective topics.

Further activities in the reporting year relating to each of the three elements of the compliance program can be summarized as follows:

- “Inform & advise”: Our compliance officers trained, informed and advised employees around the world on applicable statutory requirements and internal groupwide policies and also advised on concrete individual cases. In the reporting year, more than 4,800 employees gained awareness of compliance issues in training courses (both face-to-face and remote formats). These training courses cover all the core topics in the thyssenkrupp compliance program. The compliance e-learning program on corruption prevention and antitrust law ran for the fifth time. In the past fiscal year, after adjustment for reductions due to portfolio changes and employees leaving the company, a total of more than 32,000 courses (including e-learning formats) had been completed on compliance in procurement and on data protection. The Compliance@thyssenkrupp e-learning course covers basic information on compliance at thyssenkrupp and is sent to all employees who have an email address. Unlike the other courses mentioned here, participation is voluntary; around 5,700 employees completed the course in the fiscal year.

- “Identify”: In the reporting year our compliance officers once again conducted proactive and event-driven compliance audits and investigations on the core topics. The aim of these is to regularly examine critical business operations based on a risk-oriented, structured audit process. Key channels in connection with the identification of compliance risks are the whistleblower system and direct contact to supervisors or the Compliance function which enable employees and external persons to report possible violations of laws or policies and regulations. We offer a number of channels for reporting violations – also anonymously if desired. Details can be found in the Rules of Procedure that can be accessed on the thyssenkrupp website.

- “Report & act”: As well as regular reports to the Supervisory Board and Audit Committee, our intensive compliance reporting covers all levels of our group: the Executive Board of thyssenkrupp AG, the segment boards, management of group companies, those responsible in the regions and project managers with market responsibility. In the event of proven violations, our “zero tolerance” policy applies: where necessary sanctions are systematically imposed on those concerned.

4,800

More than 4,800 employees gained awareness of compliance issues in training courses (both face-to-face and remote formats).

Implementation of the German on Act on Corporate Due Diligence Obligations in Supply Chains

Within our additional compliance topics, a particular focus in the reporting period was the German Act on Corporate Due Diligence Obligations in Supply Chains, which came into effect on January 1, 2023. The objective of this law is to improve national and international compliance with human rights by defining the duty of due diligence to be respected by companies in the area of human rights. Starting from this, it defines requirements for companies to ensure responsible management of supply chains on the one hand and of their own business areas on the other.

thyssenkrupp developed a groupwide concept and a corresponding organizational structure to create a sustainable culture for compliance with human rights and environment-related due diligence obligations. To make sure this is achieved, various corporate functions work together on an interdisciplinary basis. In collaboration with further experts, they are responsible for implementing the due diligence requirements of the legislation in their own business area.

The Supply Chain Act (SCA) Council Group oversees the implementation of the concept to ensure compliance with human rights and environment-related due diligence obligations in the group. The members of this body – representatives of the various corporate functions, organizational units and segments – meet regularly and on an ad hoc basis. The SCA Council Group is coordinated by the SCA Officer Group, who acts as spokesperson for the SCA Council Group and reports to the Executive Board.

The legally required oversight of risk management for thyssenkrupp AG is performed by the Corporate Function Legal & Compliance. These tasks have been delegated to the Group General Counsel and Chief Compliance Officer.

To ensure early action to prevent violations of laws and internal group regulations and breaches of human rights and environment-related rights and legal interests and reduce damage for employees and business partners, thyssenkrupp has set up a complaints procedure for all group companies. This procedure enables us to take up and process information on such violations submitted by thyssenkrupp group employees and external third parties such as our direct and indirect suppliers or their employees. The complaints procedure can be used worldwide. Details of this are also contained in the Rules of Procedure.

Compliance organization

As well as the management and constant development of the compliance program, our Compliance function has the important role of acting as a strategic business partner to provide our group functions and businesses with advice on relevant strategic decisions at an early stage. This requires a needs-based and appropriately staffed organization with clearly allocated roles and responsibilities, effective and efficient steering, and in particular a task allocation which is structurally in line with the requirements of the thyssenkrupp group.

thyssenkrupp employs more than 90 full-time compliance employees worldwide, around 30 of whom also have other legal tasks. They are supported by a network of more than 240 compliance managers. The latter are usually the managing directors of group companies who ensure the operational implementation of the compliance program in their sphere of responsibility. Together they play a key role in permanently embedding compliance in the thyssenkrupp group and are available to employees seeking advice.

240

More than 240 compliance managers promote compliance at work and act as our mouthpiece in the businesses around the world.

EU Taxonomy

The European Union's Taxonomy Regulation (Regulation (EU) 2020 / 852, hereinafter referred to as the EU Taxonomy) is a key component of the Green Deal and the Action Plan on Financing Sustainable Growth to reach the environmental objectives adopted by the European Union by 2050. The EU Taxonomy aims to use standardized evaluation criteria to create transparency on environmentally sustainable economic activities for capital market participants and establish a common understanding as a basis for directing financial flows and investments to the activities that are most urgently needed for the transition to a more sustainable economy in order to achieve the environmental objectives.

ENVIRONMENTAL OBJECTIVES ACCORDING TO ARTICLE 9 OF THE EU TAXONOMY

Code	Description
CCM	Climate change mitigation
CCA	Climate change adaption
WTR	Sustainable use and protection of water and marine resources
CE	Transition to a circular economy
PPC	Pollution prevention and control
BIO	Protection and restoration of biodiversity and ecosystems

In accordance with Article 8 (1) of the EU Taxonomy, as part of its Non-Financial Statement, which is integrated into this Management Report, thyssenkrupp provides information on how and to what extent its business activities qualify as environmentally sustainable based on this classification system. As in the prior year, this reporting relates to the environmental objectives "climate change mitigation" and "climate change adaptation" and provides information on taxonomy-eligible, taxonomy-non-eligible, and taxonomy-aligned turnover, capital expenditure (CapEx), and operating expenditure (OpEx). In the case of business activities assigned to an economic activity as defined in Delegated Regulation (EU) 2023 / 2485 or (EU) 2023 / 2486, reporting is restricted to taxonomy-eligible and taxonomy-non-eligible turnover, CapEx and OpEx. At thyssenkrupp, this concerns disclosures in connection with the manufacture of automotive and mobility components and aircraft, as well as all business activities that can be assigned to non-climate-related environmental objectives.

56%

of thyssenkrupp's sales are taxonomy-eligible and are achieved with business activities and products that can make a substantial contribution to achieving the European Union's environmental objectives.

KEY DATA ON EU TAXONOMY

	2022 / 2023						2023 / 2024					
million €	Sales	in %	CapEx	in %	OpEx	in %	Sales	in %	CapEx	in %	OpEx	in %
thyssenkrupp total	37,536	100	1,779	100	1,562	100	35,041	100	1,269	100	1,595	100
Taxonomy-eligible	11,380	30	909	51	1,154	74	19,661	56	919	72	1,361	85
thereof Taxonomy-aligned	262	1	266	15	23	1	306	1	(111)	(9)	20	1
thereof not Taxonomy-aligned	11,117	30	643	36	1,132	72	19,355	55	1,030	81	1,341	84
Taxonomy-non-eligible	26,156	70	870	49	408	26	15,381	44	350	28	233	15

Due to unclarified legal terms, uncertainty still exists regarding the interpretation of the EU Taxonomy and associated delegated acts. We explain our interpretations of these terms below.

Taxonomy-eligible business activities

Business activities are taxonomy-eligible if they are consistent with the descriptions of the economic activities contained in the delegated acts in respect of the environmental objectives of the EU Taxonomy. It is not significant that they satisfy the technical screening criteria defined there for each economic activity. By contrast, business activities that are not consistent with the description of an economic activity may not be classified as taxonomy-eligible.

Determining taxonomy-eligible business activities

In order to determine thyssenkrupp's taxonomy-eligible business activities, the delegated acts issued in respect of the environmental objectives of the EU Taxonomy were analyzed at group level by a team of experts. Those group business activities that are consistent with the description of an economic activity are assigned to the economic activities listed in the delegated acts. The resulting list of potential taxonomy-eligible business activities is then assessed and finalized by experts from the segments and operating entities that perform the respective activity. This process also validates the conditions for the taxonomy eligibility of business activities that were already reported as taxonomy-eligible in previous reporting periods. In fiscal year 2023 / 2024, the following business activities of thyssenkrupp were reported as taxonomy-eligible:

TAXONOMY-ELIGIBLE BUSINESS ACTIVITIES OF THYSSENKRUPP

Code	No.	Economic activity according to the delegated acts	Business activity or product	Segment	Unit
CCM	3.1	Manufacture of renewable energy technologies	Slewing bearings for wind turbines	Decarbon Technologies	Rothe Erde
CCM	3.2	Manufacture of equipment for the production and use of hydrogen	Water electrolysis technology	Decarbon Technologies	nucera
			Green chemicals	Decarbon Technologies	Uhde
CCM	3.6	Manufacture of other low carbon technologies	Oxygen-depolarised cathode (ODC)	Decarbon Technologies	nucera
			EnviNOx® technology	Decarbon Technologies	Uhde
			PLAneo® technology Biopolymers	Decarbon Technologies	Uhde
			Clean ammonia (fertiliser)	Decarbon Technologies	Uhde
			Gas scrubbing technology	Decarbon Technologies	Uhde
			polysius® pure oxyfuel	Decarbon Technologies	Polysius
			polysius® activated clay	Decarbon Technologies	Polysius
			meca-clay (mechano-chemical activation)	Decarbon Technologies	Polysius
CCM	3.9	Manufacture of iron and steel	Steel production	Steel Europe	–
CCM	3.18	Manufacture of automotive and mobility components	Automotive components	Automotive Technology	–
			Automotive components	Decarbon Technologies	Rothe Erde
			Automotive components	Materials Services	–
CCM	3.21	Manufacturing of aircraft	Aircraft parts	Decarbon Technologies	Rothe Erde
			Aircraft parts and services	Materials Services	Aerospace
CCM	5.9	Material recovery from non-hazardous waste	Slag processing	Materials Services	MillServices & Systems
CCM	6.6	Freight transport services by road	Logistics services	Materials Services	Supply Chain Services
CCM	6.14	Infrastructure for rail transport	Steel sleepers / ties	Materials Services	Schulte
CE	4.1	Provision of IT/OT data-driven solutions and software	Digital Products	Decarbon Technologies	Uhde
			toii®	Materials Services	Materials IoT

Power plant operation by Hüttenwerke Krupp Mannesmann (HKM)

In the reporting period, the power plant operation by Hüttenwerke Krupp Mannesmann (HKM) was allocated to its core economic activity (CCM 3.9 Manufacture of iron and steel) due to the direct technical and economic linkage between steel production and the formation of by-products which are used in this power plant operation, rather than reporting it as a separate power plant activity (CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels) pursuant to the Commission Delegated Regulation (EU) 2021 / 2139. This decision was also taken based on the immateriality of the underlying amounts.

CCM 3.18 Manufacture of automotive and mobility components

The activity description refers to the manufacture of automotive components for vehicle categories M, N, and L in accordance with the EU classification which, according to the delegated act, meet “the criteria set out in this Section and which are essential for delivering and improving the environmental performance of the vehicle.” However, assessing the taxonomy eligibility using technical screening criteria contradicts Commission Notice 2022 /C 385 / 01, No. 3, which states that an economic activity is eligible irrespective of whether it meets the technical screening criteria laid down in the delegated acts. For this reason, we classify the manufacture of all automotive components for these vehicle classes as taxonomy-eligible. Technical screening criteria are used only to review the taxonomy alignment. We classify slit strip manufactured for the automotive industry as taxonomy-eligible because it is consistent with the definition of a component in accordance with Regulation (EU) 2018 / 858 and Regulation (EU) No. 168 / 2013.

thyssenkrupp classifies all its business activities in connection with the production of automotive components as taxonomy-eligible.

CCM 3.21 Manufacturing of aircraft

As well as the manufacturing of aircraft, the description of the activity includes the manufacturing of parts and equipment for aircraft, the "provision of related services, as well as Maintenance, Repair and Overhaul (MRO), to the extent that these can be linked to an eligible aircraft type and improves or maintains the level of efficiency of the aircraft." The "efficiency of the aircraft" is an ambiguous legal term because it is not explained in more detail in the delegated act. For this reason, the term is interpreted as all cost-benefit relationships that can be associated with an aircraft. That is why we define the recyclability at the end of the life cycle of the aircraft components manufactured in the context of this economic activity as a criterion for efficiency.

CHANGE IN TAXONOMY-ELIGIBLE BUSINESS ACTIVITIES COMPARED TO THE PREVIOUS YEAR

Already reported as taxonomy-eligible in the previous year	Newly classified as taxonomy-eligible[1)]	New economic activity according to (EU) 2023 / 2485 or (EU) 2023 / 2486
Slewing bearings for wind turbines	Green chemicals	Automotive components
Water electrolysis technology	PLAneo® technology Biopolymere	Aircraft parts and services
Oxygen-depolarised cathode (ODC)	Clean ammonia (fertiliser)	Digital Products
EnviNOx® technology	Gas scrubbing technology	toii®
Steel production	polysius® pure oxyfuel	
Slag processing	polysius® activated clay	
Logistics services	meca-clay	
	Steel sleepers / ties	

[1)] On the basis of the expert assessment in the course of determining taxonomy-eligible business activities

Taxonomy-aligned business activities

Business activities are taxonomy-aligned if they meet the technical screening criteria specified in the delegated acts and therefore make a substantial contribution to achieving one or more of the environmental objectives of the EU Taxonomy, do no significant harm to one or more environmental objectives pursuant to Article 17 of the EU Taxonomy (DNSH criteria) and also meet the minimum social safeguards pursuant to Article 18.

Determining taxonomy-aligned business activities

To determine the taxonomy-aligned business activities, profiles of the requirements are created for each economic activity on the basis of the delegated acts adopted for the environmental objectives of the EU Taxonomy. The qualitative and quantitative screening criteria are extracted from the delegated acts and translated into documentation requirements for the segments and entities that perform the activities. The profiles also include the documentation requirements resulting from the minimum safeguards pursuant to Article 18 of the EU Taxonomy. The evidence for the business activities that must be considered in the screening procedure for taxonomy alignment in a reporting year is compiled in accordance with these profiles of requirements. This process is managed centrally by a team of experts and representatives of the corporate functions. It is then implemented in cooperation with the thyssenkrupp segments and operating entities that perform the activities. Below is a list of the profiles of requirements for the business activities that were screened for their taxonomy alignment in the reporting period with a positive outcome. It explains the specific screening criteria for each economic activity, i.e., the criteria for making a substantial contribution to at least one environmental objective of the EU Taxonomy and special DNSH criteria. By contrast, the review of general DNSH criteria in accordance with the annexes of the delegated acts for the environmental objectives and the assessment of the availability and application of certain processes to promote the circular economy are explained in the respective DNSH-specific sections.

thyssenkrupp reviews compliance with the conformity criteria systematically and in collaboration between the corporate functions and business areas.

CCM 3.1 Manufacture of renewable energy technologies

To make a substantial contribution to the environmental objective “climate change mitigation,” the technical screening criteria for business activities in this category require that the technologies manufactured by this activity are used for the generation of renewable energy, as defined in Article 2 (1) of Directive (EU) 2018 / 2001, namely energy from renewable non-fossil sources. Outgoing invoices to certain customer groups provide evidence that the bearings manufactured by this activity are used in facilities for the generation of wind power. Fulfillment of the DNSH criteria in the performance of these business activities was reviewed in accordance with the general procedures and verification documents outlined in the specific sections.

CCM 3.2 Manufacture of equipment for the production and use of hydrogen

To make a substantial contribution to the environmental objective “climate change mitigation,” the technical screening criteria for business activities in this category require that the plants manufactured by this activity produce hydrogen or hydrogen derivatives that achieve the greenhouse gas emissions savings across their life cycle as specified in Annex V of Regulation (EU) 2018 / 2001. For the plant engineering projects to manufacture water electrolysis plants that were considered in the screening procedure for taxonomy alignment in the reporting year, the tender documents issued by the EU Innovation Fund are used to determine achievement of the specified emissions savings. Fulfillment of the DNSH criteria in the performance of these business activities was reviewed in accordance with the procedures and verification documents outlined in the DNSH-specific sections.

CCM 5.9 Material recovery from non-hazardous waste

To make a substantial contribution to the environmental objective "climate change mitigation," the technical screening criteria for business activities in this category require that at least 50% by weight of the separately collected and processed non-hazardous waste is converted into secondary raw materials. Moreover, the resulting recycled materials must be able to substitute virgin materials in production processes. The slag treatment performed in the course of this activity achieves recycling rates that exceed the minimum requirements. In addition, the secondary raw materials obtained can substitute both virgin construction materials and fertilizers. Evidence of this is provided by an analysis of the production and use of slag from iron and steel works by a research institute specializing in construction materials. Fulfillment of the DNSH criteria in the performance of this economic activity was reviewed in accordance with the procedures and verification documents outlined in the specific sections.

DNSH criteria "Climate change adaptation"

The DNSH criteria relating to "Climate change adaptation" require the performance of a climate risk and vulnerability analysis and the assessment and possible implementation of adaptation solutions that can mitigate the climate risks identified. In the case of business activities that are considered in the screening procedure for taxonomy alignment in a reporting year, the climate risk potential is analyzed for sites of relevance to the performance of these activities on the basis of climate scenarios such as Representative Concentration Pathways RCP2.6 and RCP8.5. If this analysis identifies an elevated risk potential, representatives of the affected sites are informed so that they can validate their actual vulnerability to potential climate risks by means of local sensitivity analyses. In this connection, the actual vulnerability is the likelihood that a site will actually suffer any damage due to climate risks once local conditions have been taken into account. On the basis of the climate risk analyses and vulnerability assessments, adaptation solutions to mitigate potential climate risks are assessed on a site-by-site basis and implemented if necessary.

DNSH criteria "Sustainable use and protection of water and marine resources"

The DNSH criteria relating to "Sustainable use and protection of water and marine resources" require an assessment of the risks relating to water quality and the avoidance of water shortages as well as the elimination of such risks if these have not already been identified and eliminated in the environmental impact assessments pursuant to Directive 2011 / 92 / EU. For operations in third countries, risks analyses of this type must be performed in accordance with the applicable national laws or international standards, with the proviso that the aspirational level for good quality water resources is comparable to that of the European regulations. In the case of business activities that are considered in the screening procedure for taxonomy alignment in a reporting year, suitable evidence is obtained for the sites of relevance to the performance of these activities, on the basis of which it can be established that such risk analyses have been performed and any necessary mitigation measures have been implemented. Such evidence includes, for example, operating permits, preliminary reviews in respect of environmental impact assessments or the environmental impact assessments themselves, environmental audits or specific risk analyses in respect of the requirements described in this section.

DNSH criteria "Transition to a circular economy"

As a rule, the DNSH criteria in respect of "Transition to a circular economy" require an assessment of the availability and, where feasible, adoption of techniques that support the following practices:

- Use of secondary raw materials and reused components in manufactured products
- Design for high durability, recyclability, easy disassembly and adaptability of products
- Waste management that prioritizes recycling over disposal in the manufacturing process
- Information on and traceability of substances of concern in products

In the case of business activities that are considered in the screening procedure for taxonomy alignment in a reporting year, suitable evidence is obtained for the sites of relevance to the performance of these activities, on the basis of which it can be established that an assessment of the availability of processes in support of the circular economy has been performed or that such practices are already used in the context of this business activity. Such evidence includes, for example, operating permits, compliance audits relating to waste disposal law, environmental audits or product-specific documents that provide information about the composition of materials or other properties of the products manufactured in the course this business activity that are relevant to this matter.

DNSH criteria "Pollution prevention and control"

The DNSH criteria relating to "Pollution prevention and control" require that economic activities do not lead to the manufacture, placing on the market or use of substances or groups of substances, whether on their own, in mixtures or in articles, that are subject to European regulation. These include:

- Persistent organic pollutants listed in Annexes I and II to Regulation (EU) 2019 / 1021
- Mercury and mercury compounds or mercury mixtures as defined in Article 2 of Regulation (EU) 2017 / 852
- Ozone-depleting substances as defined in Annexes I and II to Regulation (EC) No. 1005 / 2009
- Hazardous substances in electrical and electronic appliances as defined Annex II to Directive 2011 / 65 / EU
- Chemical substances as defined in Annex XVII to Regulation (EC) No. 1907 / 2006
- Substances in a concentration of more than 0.1 percent by mass which satisfy the criteria defined in Article 57 of Regulation (EC) No. 1907 / 2006 by at least 18 months and were determined in accordance with Article 59 (1)

Exemptions

Persistent organic pollutants are exempted if they occur as unintentional trace contamination. Hazardous substances in electrical and electronic appliances as defined in Annex II to Directive 2011 / 65 / EU are exempted if the provisions of Article 4 (1) of Directive 2011 / 65 / EU are complied with in full. Chemical substances as defined in Annex XVII to Regulation (EC) No. 1907 / 2006 are exempted if the conditions defined in that Annex are complied with in full. Also exempted are substances in a concentration of more than 0.1 percent by mass which satisfy the criteria defined in Article 57 of Regulation (EC) No. 1907 / 2006 by at least 18 months and were determined in accordance with Article 59 (1) if it is established and documented that no suitable alternative substances or technologies are available and these substances are used under controlled conditions.

In the case of business activities that are considered in the screening procedure for taxonomy alignment in a reporting year, suitable evidence is obtained for the sites of relevance to the performance of these activities, on the basis of which it can be established that none of the aforementioned substances, on their own, in mixtures or in articles, are manufactured, placed on the market or used or that this is done only in accordance with the exemptions described above. Such evidence includes, for example, lists of substances with a CLP classification in accordance with Regulation (EC) No. 1272 / 2008, declarations of conformity, safety data sheets and declarations of RoHS compliance from the sites that perform the activities.

DNSH criteria "Protection and restoration of biodiversity and ecosystems"

The DNSH criteria relating to "Protection and restoration of biodiversity and ecosystems" require the completion of an environmental impact assessment or screening in accordance with Directive 2011 / 92 / EU, together with the implementation of the required mitigation and remedial measures resulting from the impact assessment or screening. For activities located in or near biodiversity-sensitive areas (e.g., the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment must be conducted in accordance with Directives 2009 / 147 EC or 92 / 43 / EEC and the necessary mitigation measures must have been implemented to avoid negative impacts on the protection objectives of such areas. In the case of activities in third countries, these requirements must be implemented on the basis of comparable national laws or international standards requiring the completion of an environmental impact assessment or screening. In the case of business activities that are considered in the screening procedure for taxonomy alignment in a reporting year, suitable evidence is obtained for the sites of relevance, on the basis of which it can be established that such assessments or screening have been completed and the necessary mitigation measures have been implemented. Such evidence includes, for example, operating permits, preliminary reviews and environmental impact assessments, environmental audits or specific risk analyses in respect of the requirements described above.

Compliance with the minimum safeguards

Governance mechanisms at thyssenkrupp support compliance with the minimum safeguards in accordance with the EU Taxonomy.

Article 18 of the EU Taxonomy specifies minimum safeguards that companies are required to fulfill in order to disclose taxonomy-aligned turnover, capital expenditure and operating expenditure. These require companies to have implemented procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises, including the requirements for responsible business contact in the areas of taxes, competition and fighting corruption, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. At thyssenkrupp, the minimum standards for human and workers' rights addressed in the EU Taxonomy and the principles of good corporate governance are embedded in binding corporate policies and regulations such as the Code of Conduct, the principles of compliance with human rights and due diligence obligations, and the corporate governance statement. Moreover, the group has implemented various mechanisms such as the compliance, risk management and internal control systems to ensure that these minimum safeguards are met and to take mitigating action where necessary (see also the sections "Compliance" and "Forecast, opportunity and risk report" in this Annual Report). Moreover, these processes are audited regularly.

Special aspect of the CapEx plan

One special aspect in determining taxonomy-aligned business activities relates to capital expenditures contained in a CapEx plan (see also "CapEx plan to expand taxonomy alignment") because all the evidence of these in respect of compliance with the technical screening criteria will only be available in the future.

Methods and calculations in respect of the EU Taxonomy

Turnover, capital expenditure and operational expenditure are the three main parameters for the monetary assessment of relevant matters in the context of the EU Taxonomy. They consist of the individual items listed in the following table. To calculate the parameters within the meaning of the EU Taxonomy, an expert team of representatives from the corporate functions and business areas analyzes recording processes and posting accounts. This information is initially compiled at business level and then aggregated and validated at group level.

SALES, CAPITAL EXPENDITURE AND OPERATING EXPENDITURE ACCORDING TO EU TAXONOMY

Sales
Revenue from contracts with customers (IFRS 15)
Revenue from leases (IFRS 16)
CapEx
Additions to property, plant and equipment (IAS 16)
Additions to investment property (IAS 40)
Additions to intangible assets (IAS 38)
Additions to right-of-use assets from leases (IFRS 16) excluding amortisation and revaluations, including those from reversals of impairment losses and impairments[1]
Additions to abovementioned assets due to business combinations
OpEx
Research and development costs
Expenses for short-term or low value leases
Expenses for building renovations and maintenance and repair measures for property, plant and equipment

[1] This also applies to addition as defined by IAS 16, IAS 40 and IAS 38

Avoidance of double counting

Avoidance of double counting through the clear allocation of amounts or the use of appropriate allocation criteria

Double counting of amounts is avoided when calculating KPIs across several economic activities in accordance with Annex I, point 1.2.2.1 of Delegated Regulation (EU) 2021/2178 by allocating amounts directly to economic activities. If direct allocation is not possible, allocation is done with the aid of appropriate allocation criteria. For all parameters, turnover with certain customer groups can be used as an allocation criterion. In the case of the turnover parameter, allocation can be based on representative samples, taking local market conditions into account; for the capital expenditure and operating expenditure parameters, unit-based allocation criteria can be used. By contrast, in accordance with Annex I, point 1.2.2.2 of Delegated Regulation (EU) 2021/2178, double counting of amounts that contribute to several environmental objective is ruled out by directly allocating the amounts in calculations to just one environmental objective of the EU Taxonomy.

Other methodological principles

The disclosures for turnover, capital expenditure and operating expenditure for the 2022 / 2023 reporting year do not include data for business activities that were reclassified as taxonomy-eligible or allocated to the new economic activities pursuant to Delegated Regulation (EU) 2023 / 2485 or Delegated Regulation (EU) 2023 / 2486.

Materiality for reporting purposes

The condition for including taxonomy-eligible business activities in EU Taxonomy reporting is that external turnover is generated by a business activity that is consistent with the description of an economic activity in accordance with the delegated acts. If a business activity is allocated to a research and development-related economic activity, this must either generate external turnover or be associated with a capital expenditure (CapEx) and/or operating expenditure (OpEx). A materiality threshold of €1 million applies in both cases. In the first case, it must be satisfied by turnover associated with a business activity and, in the second case, either by turnover associated with a business activity or by capital expenditure or operating expenditure for this activity.

The materiality threshold for the inclusion of activities in EU Taxonomy reporting is €1 million.

Turnover-based technical screening criteria

Turnover is the main parameter used as the basis for technical screening criteria for assessing the taxonomy alignment of business activities. This applies analogously to capital and operating expenditures associated with these business activities, irrespective of their intended purpose. For example, on the basis of their intended purpose, capital expenditures for a business activity could potentially be allocated to a different economic activity listed in the delegated acts, which in turn could involve different screening criteria. This is ruled out by applying the principle that turnover has the priority. In the case of business activities allocated to a research and development-related economic activity on the basis of turnover, the technical screening criteria are derived from capital and operating expenditure.

Reporting units that are not fully consolidated or not included in the consolidated financial statements on a pro rata basis

The business activities of units that are not fully consolidated or not included in the consolidated financial statements of thyssenkrupp on a pro rata basis are excluded from EU Taxonomy reporting. This concerns, for example, joint ventures and associated companies accounted for using the equity method.

Calculation of taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx

The taxonomy-eligible turnover, CapEx and OpEx of thyssenkrupp cover the parameters and their individual items explained at the start of this section which, during a reporting period, are assigned to the group's taxonomy-eligible business activities directly or using the allocation mechanisms described. Likewise, the taxonomy-aligned turnover, CapEx and OpEx cover the parameters and their individual items which, during a reporting period, are assigned to the group's taxonomy-aligned business activities directly or indirectly. Moreover, taxonomy-aligned turnover, CapEx and OpEx may also include amounts that are part of a CapEx plan or are incurred for special individual measures, as explained in more detail in the following paragraphs. Taxonomy-non-eligible turnover, CapEx and OpEx are those that cannot be allocated to any of the economic activities listed in the delegated acts.

The EU Taxonomy KPIs in conjunction with thyssenkrupp's taxonomy-aligned economic activities in accordance with Article 2 and Article 8 of Delegated Regulation (EU) 2021 / 2178 are determined on the basis of the disclosure rules set out in Annex I to the delegated act. The numerators and denominators used in calculating the turnover, CapEx and OpEx KPIs are formed as shown in the following table.

CALCULATION OF THE KEY PERFORMANCE INDICATORS OF THE EU TAXONOMY

Key performance indicator	Numerator	Denominator
Sales	Group external sales from taxonomy-aligned economic activities	Total Group external sales
CapEx	a) Capital expenditure on taxonomy-aligned economic activities b) Capital expenditure that is part of a CapEx plan c) Capital expenditure in accordance with (EU) 2021 / 2178 Annex I No. 1.1.2.2. lit. c	Total capital expenditure
OpEx	a) Operating expenditure on taxonomy-aligned activities b) Operating expenditure that is part of a CapEx plan c) Operating expenditure in accordance with (EU) 2021 / 2178 Annex I No. 1.1.3.2. lit. c	Total operating expenditure

Turnover

Consideration of only external turnover in respect of the EU Taxonomy

Total external turnover corresponds to the total sales reported by the thyssenkrupp group in the statement of income (see “Statement of income” section in this Annual Report). In accordance with Annex 1, point 1.1.1 of Delegated Regulation (EU) 2021 / 2178, this amount forms the denominator for calculating the turnover KPI. The group's total turnover is based on the external revenues from contracts with customers (IFRS 15) and from leases (IFRS 16). The proportion of this amount that is taxonomy-aligned in accordance with the EU Taxonomy is determined, taking into account the technical screening criteria and compliance with the minimum safeguards. In accordance with the Delegated Regulation, this proportionate amount is used as the numerator to calculate the turnover KPI.

Capital expenditure (CapEx)

The thyssenkrupp group's total capital expenditure within the meaning of the EU Taxonomy comprises additions from outside the group of property, plant and equipment in accordance with IAS 16 and investment property in accordance with IAS 40, intangible assets in accordance with IAS 38 and right-of-use assets under leases in accordance with IFRS 16, in each case less depreciation, amortization and remeasurements, including those from impairments and reversals of impairments (see Note 04 Intangible assets and Note 05 Property, plant and equipment (including investment property) to the consolidated financial statements). Additions to the above assets due to business combinations are also included. In accordance with Annex I, point 1.1.2.1 of Delegated Regulation (EU) 2021 / 2178, this amount is used as the denominator in calculating the CapEx KPI. The proportions of this amount that are taxonomy-aligned in accordance with the EU Taxonomy are determined, taking into account the technical screening criteria and compliance with the minimum safeguards. This amount is included in the numerator of the CapEx KPI. In addition to capital expenditure for business activities that are already taxonomy-aligned, e.g., for production machinery or buildings, the numerator also includes capital expenditure which is used to expand taxonomy-aligned business activities or to allow taxonomy-eligible business activities to become taxonomy-aligned and which is part of a CapEx plan in accordance with Annex I, point 1.1.2.1 of the Regulation as well as capital expenditure in accordance with Annex I, point 1.1.2.2 (c).

Operating expenditure (OpEx)

The total operating expenditure of thyssenkrupp within the meaning of the EU Taxonomy comprises certain expenditures that cannot be capitalized under IFRS. These include research and development expenses, expenditures for short-term or low-value leases, for the renovation of buildings and for regular or unplanned maintenance and repairs as well as other expenditures for the day-to-day servicing of assets to safeguard their functioning. In accordance with Annex I, point 1.1.3.1 of Delegated Regulation (EU) 2021 / 2178, the total amount of operating expenditure is used as the denominator in the calculation of the OpEx KPI. The proportion of this amount that is taxonomy-aligned is determined in accordance with the EU Taxonomy, taking into account the technical screening criteria and compliance with the minimum safeguards. In accordance with the Delegated Act, this amount forms the numerator in the calculation of the OpEx KPI. In addition to operating expenditure for business activities that are already taxonomy-aligned, the numerator also includes operating expenditure which is used to expand taxonomy-aligned business activities or to allow taxonomy-eligible business activities to become taxonomy-aligned and which is part of a CapEx plan in accordance with Annex I, point 1.1.3.2 of the Regulation as well as operating expenditure in accordance with Annex I, point 1.1.3.2 (c).

Performance in respect of the EU Taxonomy

In fiscal year 2023 / 2024, the turnover generated by taxonomy-eligible economic activities amounted to €19,661 million, which was 56% of the group's total turnover. This increase by 26 percentage points resulted mainly from the first-time classification of the economic activities "Manufacture of automotive and mobility components" and "Manufacturing of aircraft" as taxonomy-eligible in the reporting year; it was offset primarily by declines in turnover in the steel business. Taxonomy-eligible CapEx of €919 million in the reporting year accounted for 72% of total capital expenditure, which was 21 percentage points higher than in the prior year. Taxonomy-eligible OpEx in the reporting year amounted to €1,361 million, which was 85% of total operating expenditure and 11 percentage points higher than in the prior year. The increases in taxonomy-eligible CapEx and OpEx resulted mainly from the first-time classification of the economic activity "Manufacture of automotive and mobility components" as taxonomy-eligible in the reporting year.

€19.7 billion

Taxonomy-eligible turnover of €19.7 billion

TAXONOMY ELIGIBILITY AND ALIGNMENT PER ENVIRONMENTAL OBJECTIVE

			2022 / 2023					
			Sales		CapEx		OpEx	
Code	Objective		Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned
CCM	Climate change mitigation	%	30	1	51	15	74	1
CCA	Climate change adaptation	%	0	0	0	0	0	0
WTR	Sustainable use and protection of water and marine resources	%	-	-	-	-	-	-
CE	Transition to a circular economy	%	-	-	-	-	-	-
PPC	Pollution prevention and control	%	-	-	-	-	-	-
BIO	Protection and restoration of biodiversity and ecosystems	%	-	-	-	-	-	-

			2023 / 2024					
			Sales		CapEx		OpEx	
Code	Objective		Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned
CCM	Climate change mitigation	%	56	1	72	(9)	85	1
CCA	Climate change adaptation	%	0	0	0	0	0	0
WTR	Sustainable use and protection of water and marine resources	%	0	-	0	-	0	-
CE	Transition to a circular economy	%	0	-	0	-	0	-
PPC	Pollution prevention and control	%	0	-	0	-	0	-
BIO	Protection and restoration of biodiversity and ecosystems	%	0	-	0	-	0	-

In fiscal year 2023 / 2024 taxonomy-aligned turnover was €306 million, which as in the prior year was 1% of thyssenkrupp’s total turnover. For the most part, the taxonomy-aligned capital expenditure resulted from the construction of the direct reduction plant in the Steel Europe segment and amounted to a negative figure of €111 million. The main reason for this negative figure was the increase in government grants, which were higher than the acquisition costs incurred in the reporting year. In arithmetic terms, this resulted in a negative share of 9% of total group capital expenditure in the reporting year, after a positive share of 15% in the prior year. The taxonomy-aligned operating expenditure totaled €20 million in the reporting year, which as in the prior year was 1% of the group’s total operating expenditure. Further background information on the KPIs is presented in the tables below.

CONTEXTUAL INFORMATION ON THE KEY PERFORMANCE INDICATOR RELATED TO CAPITAL EXPENDITURE (CAPEX)

million €	2022 / 2023	2023 / 2024
CCM 3.1 Manufacture of renewable energy technologies	**11**	**10**
Thereof additions related to taxonomy-aligned business activities	11	10
Thereof additions as part of a CapEx plan	0	0
Thereof additions due to business combinations	0	0
CCM 3.2 Manufacture of equipment for the production and use of hydrogen	**-**	**0**
Thereof additions related to taxonomy-aligned business activities	-	0
Thereof additions as part of a CapEx plan	-	0
Thereof additions due to business combinations	-	0
CCM 3.9 Manufacture of iron and steel	**255**	**(123)**
Thereof additions related to taxonomy-aligned business activities	0	0
Thereof additions as part of a CapEx plan	255	(123)
Thereof additions due to business combinations	0	0
CCM 5.9 Material recovery from non-hazardous waste	**0**	**2**
Thereof additions related to taxonomy-aligned business activities	0	2
Thereof additions as part of a CapEx plan	0	0
Thereof additions due to business combinations	0	0

CONTEXTUAL INFORMATION ON THE KEY PERFORMANCE INDICATOR RELATED TO OPERATING EXPENDITURE (OPEX)

million €	2022 / 2023	2023 / 2024
Operating expenditure related to taxonomy-aligned business activities	22	20
Operating expenditure as part of a CapEx plan	0	0
Operating expenditure in accordance with (EU) 2021 / 2178 Annex I No. 1.1.3.2. lit. c	0	0
Total	**22**	**20**

CapEx plan to expand taxonomy alignment

A CapEx plan in accordance with Delegated Regulation (EU) 2021 / 2178 exists if its objective is to expand the taxonomy alignment of the thyssenkrupp group. This can be achieved by enabling taxonomy-eligible business activities to become taxonomy-aligned or by expanding business activities that are already taxonomy-aligned. A CapEx plan is reported at the level of economic activities and must be approved directly by the Executive Board of thyssenkrupp or a delegated body.

CAPEX PLAN TO FURTHER ALIGN WITH EU-TAXONOMY

Code	Environmental objective	No.	Economic activity	Lever		2022 / 2023	2023 / 2024	2024 / 25 – 2026 / 27	Total
CCM	Climate change mitigation	3.9	Manufacture of iron and steel	Upgrading	million €	255	(123)	632	764

The CapEx plan of thyssenkrupp includes capital expenditures intended to allow the taxonomy-eligible steel production activities of the thyssenkrupp group to become taxonomy-aligned with respect to the environmental objective “Climate change mitigation.” The purpose of the capital expenditure is the construction and operational capability of a 100% hydrogen-capable direct reduction (DR) plant, allowing low-carbon manufacture of iron and steel by thyssenkrupp. The Executive Board of thyssenkrupp approved the planned capital expenditure on February 10, 2023 and the DR plant is scheduled to come into operation by the end of 2026. The taxonomy alignment of the activity associated with operating the plant is likely to be achieved in fiscal year 2026 / 2027. The capital expenditure disclosed both for the reporting period and for the entire period of the CapEx plan has been reduced by the government grants thyssenkrupp received and receives for this project, see Group financial statements, Note 05 Property, plant and equipment and Note 12 Other non-financial assets.

Overall, a negative CapEx figure resulted for fiscal year 2023 / 2024 because the government grants the figure contains exceeded the acquisition costs incurred in the reporting year.

€764 million

is the amount of capital expenditure for the direct reduction plant that will be disclosed for the entire period of the CapEx plan and is aimed at allowing the steel production activities of thyssenkrupp to become taxonomy-aligned with respect to climate change mitigation.

EU Taxonomy KPI reporting tables

The reporting tables for the EU Taxonomy in accordance with Annex II of the Delegated Regulation (EU) 2023 / 2486 are presented below.

PROPORTION OF SALES FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING FISCAL YEAR 2023 / 2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code	Sales	Share	CCM	CCA	WTR	PPC	CE	BIO	CCM	CCA	WTR	PPC	CE	BIO	MS	N-1	Category	
A. TAXONOMY-ELIGIBLE ACTIVITIES A.1. Environmentally sustainable activities (Taxonomy-aligned)		million €	%	Y; N; N/EL						Y/N						Y/N	%	E	T
Manufacture of renewable energy technologies	CCM 3.1	204	1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	87	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
Material recovery from non-hazardous waste	CCM 5.9	16	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0		
Sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)		306	1														1		
Thereof enabling activities		290	1														1		
Thereof transitional activities		0	0														0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	223	1																
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	502	1																
Manufacture of other low carbon technologies	CCM 3.6	243	1																
Manufacture of iron and steel	CCM 3.9	9,126	26																
Manufacture of automotive and mobility components	CCM 3.18	8,520	24																
Manufacturing of aircraft	CCM 3.21	622	2																
Material recovery from non-hazardous waste	CCM 5.9	3	0																
Freight transport services by road	CCM 6.6	102	0																
Infrastructure for rail transport	CCM 6.14	12	0																
Provision of IT/OT data-driven solutions and software	CE 4.1	1	0																
Sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		19,355	55																
Sales of taxonomy-eligible activities (A.1 + A.2)		19,661	56																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of Taxonomy-non-eligible activities (B)		15,381	44																
Total (A + B)		35,041	100																

PROPORTION OF CAPITAL EXPENDITURE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING FISCAL YEAR 2023 / 2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code	CapEx	Share	CCM	CCA	WTR	PPC	CE	BIO	CCM	CCA	WTR	PPC	CE	BIO	MS	N-1	Category	
A. TAXONOMY-ELIGIBLE ACTIVITIES		million €	%	Y; N; N/EL						Y/N						Y/N	%	E	T
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	10	1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
Manufacture of iron and steel	CCM 3.9	(123)	(10)	Y	N/EL	N/EL	Y/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14	E	
Material recovery from non-hazardous waste	CCM 5.9	2	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		(111)	(9)														15		
Thereof enabling activities		(113)	(9)														15		
Thereof transitional activities		0	0														0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	17	1																
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	14	1																
Manufacture of other low carbon technologies	CCM 3.6	2	0																
Manufacture of iron and steel	CCM 3.9	628	49																
Manufacture of automotive and mobility components	CCM 3.18	346	27																
Manufacturing of aircraft	CCM 3.21	22	2																
Material recovery from non-hazardous waste	CCM 5.9	1	0																
Freight transport services by road	CCM 6.6	0	0																
Infrastructure for rail transport	CCM 6.14	0	0																
Provision of IT/OT data-driven solutions and software	CE 4.1	0	0																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,030	81																
CapEx of taxonomy-eligible activities (A.1 + A.2)		919	72																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		350	28																
Total (A + B)		1,269	100																

PROPORTION OF OPERATING EXPENDITURE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING FISCAL YEAR 2023 / 2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code	OpEx	Share	CCM	CCA	WTR	PPC	CE	BIO	CCM	CCA	WTR	PPC	CE	BIO	MS	N-1	Category	
A. TAXONOMY-ELIGIBLE ACTIVITIES		million €	%	Y; N; N/EL						Y/N						Y/N	%	E	T
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	16	1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0	0	Y	N/EL	Y/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
Material recovery from non-hazardous waste	CCM 5.9	4	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		20	1														1		
Thereof enabling activities		17	1														1		
Thereof transitional activities		0	0														0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	8	1																
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	34	2																
Manufacture of other low carbon technologies	CCM 3.6	3	0																
Manufacture of iron and steel	CCM 3.9	1,133	71																
Manufacture of automotive and mobility components	CCM 3.18	138	9																
Manufacturing of aircraft	CCM 3.21	10	1																
Material recovery from non-hazardous waste	CCM 5.9	1	0																
Freight transport services by road	CCM 6.6	13	1																
Infrastructure for rail transport	CCM 6.14	0	0																
Provision of IT/OT data-driven solutions and software	CE 4.1	0	0																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,341	84																
OpEx of taxonomy-eligible activities (A.1 + A.2)		1,361	85																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		233	15																
Total (A + B)		1,595	100																

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Overview of non-financial disclosures

The non-financial statement pursuant to § 289b ff. and § 315b ff. of the German Commercial Code (HGB) is integrated into the various sections of the management report as this information is important for understanding the business performance and position of the group.

In fiscal year 2021 / 2022 thyssenkrupp AG was exempt from the obligation to present a non-financial statement as an individual company. The information in the non-financial statement nevertheless still applies equally to the group and thyssenkrupp AG. Since the last reporting year, we are required to make additional disclosures within the framework of the EU Taxonomy on the taxonomy alignment of our economic activities. These disclosures are part of our non-financial statement and are therefore also integrated into the management report.

In compiling the non-financial statement, elements of various frameworks, such as the UN Global Compact, were used as guidance. Furthermore, risks resulting from negative impacts of thyssenkrupp's business activities on non-financial aspects such as the environment and society are addressed in various sections of the management report. Based on our risk analysis, no additional material non-financial risks that have to be reported in accordance with § 289c of the German Commercial Code (HGB) have been identified. The aspects "respect for human rights" and "social issues" are addressed as crosscutting issues. Here, there are large overlaps both between these issues and with "employee issues." "Social issues" is an important aspect for thyssenkrupp but was not identified as material within the meaning of the non-financial statement. Therefore, the non-financial disclosures on social issues are reported on a voluntary basis.

OVERVIEW OF NON-FINANCIAL DISCLOSURES

	Environmental issues	Employee issues	Respect for human rights	Social issues	Anti-corruption and prevention of bribery
Section	Sustainability and non-financial targets Climate, energy and environment Sustainability in supplier management EU Taxonomy Opportunity and risk report	Sustainability and non-financial targets Sustainability in supplier management Employees EU Taxonomy Opportunity and risk report	Sustainability and non-financial targets Sustainability in supplier management Employees EU Taxonomy Opportunity and risk report	Social responsibility	Sustainability and non-financial targets Sustainability in supplier management Compliance EU Taxonomy Opportunity and risk report Key corporate governance principles and practices

Events after the reporting date

The reportable events that occurred between the reporting date for the consolidated financial statements (September 30, 2024) and approval of the report for publication (November 8, 2024) are presented in Note 36 to the consolidated financial statements.

Forecast, opportunity and risk report

2024 / 2025 forecast

Despite continuing macroeconomic uncertainties, the overriding focus remains on portfolio, performance and the green transformation (see also the “Strategy” subsection in “Fundamental information on the group”).

The forecast for 2024 / 2025 is based on the current composition of the group. It does not take account of the effects of potential portfolio measures, especially those in connection with possible stand-alone solutions for Steel Europe and Marine Systems. The expected economic conditions and the main assumptions on which our forecast is based can be found in the section headed “Macro and sector environment” in the “Report on the economic position.” For the corresponding opportunities and risks see the “Opportunity and risk report,” which follows this section.

We expect the market environment to remain challenging overall, for example due to uncertainties about future global economic growth. The development of our key performance indicators could therefore be exposed to corresponding fluctuations. In light of the expected economic conditions as of the date of this forecast and the underlying assumptions, we consider the following view on fiscal year 2024 / 2025 to be appropriate.

EXPECTATIONS FOR THE SEGMENTS AND THE GROUP

			Fiscal year 2023 / 2024	Forecast for fiscal year 2024 / 2025
Automotive Technology	Sales	million €	7,536	+1% to +4% compared with the prior year
	Adjusted EBIT	million €	245	Between €200 million and €300 million
Decarbon Technologies	Sales	million €	3,850	(3) % to 0% compared with the prior year
	Adjusted EBIT	million €	(54)	Between 0 and €100 million
Materials Services	Sales	million €	12,126	+2% to +5% compared with the prior year
	Adjusted EBIT	million €	204	Between €150 million and €250 million
Steel Europe	Sales	million €	10,736	0% to +3% compared with the prior year
	Adjusted EBIT	million €	261	Between €250 million and €500 million
Marine Systems	Sales	million €	2,118	(7) % to (4) % compared with the prior year
	Adjusted EBIT	million €	125	Between €100 million and €150 million
Group	Sales	million €	35,041	0% to +3% compared with the prior year
	Adjusted EBIT	million €	567	Between €600 million and €1,000 million
	Capital spending including IFRS 16	million €	1,323	Between €1,600 million and €1,800 million
	Free cash flow before M&A	million €	110	Between €(400) million and €(200) million; incl. around €250 million in cash outflows for restructuring
	Net income	million €	(1,450)	Between €100 million and €500 million
	tkVA	million €	(2,476)	Between €(800) million and €(400) million
	ROCE	%	(8.0) %	Between 4% and 8%

- **Sales** are likely to increase by 0% to +3%. The main contributions are expected to come from the planned increase in sales at Automotive Technology, Materials Services and Steel Europe, resulting from factors including a planned stabilization in demand in the 2nd half of the fiscal year (for example in automotive and machinery production). Sales are forecast to decline at both Decarbon Technologies (declining order intake in the past fiscal year) and Marine Systems (shifts due to fluctuations in recognizing sales that is customary for the industry).

- We anticipate **adjusted EBIT** of between €600 million and €1,000 million, based on the planned improvements in all businesses. The development of the individual businesses will be supported by ongoing measures within the context of the APEX performance program, which is aimed at countering the persistently challenging market environment and sustainably improving operational performance.

- **Capital spending** is likely to be between €1,600 million and €1,800 million. The year-on-year increase will come mainly from the planned higher net payments in connection with the construction of the direct reduction plant at Steel Europe. In addition, investments for targeted growth initiatives in our other businesses are planned. Overall, investments will be approved on a restrictive basis, depending on the performance of the businesses and the group.

- We expect **free cash flow before M&A** to be between €(400) million and €(200) million. This figure includes around €250 million in cash outflows for restructuring and the higher investments compared with the prior year. In addition, the payments profiles in the project businesses (especially prepayments at Marine Systems) have a major influence on the forecast development.

- As a result of the developments described above, we expect **net income** of between €100 million and €500 million. In this connection, the **tkVA** is likely to be in the range of €(800) million to €(400) million and **ROCE** between 4% and 8%.

We will take into account the development of our key performance indicators – also keeping in mind economic justifiability – in preparing our dividend proposal to the Annual General Meeting.

Opportunity and risk report

Opportunities

thyssenkrupp defines opportunities as events or developments that enable us to exceed the group's forecasts or other targets. Opportunity management encompasses all measures required for the systematic and transparent management of opportunities. As it is integrated with the strategy, planning and reporting processes, opportunity management is an important element of the strategic and value-based management of the group.

Overall assessment by the Executive Board: thyssenkrupp has opportunities derived from the green transformation

Opportunities open up for thyssenkrupp if we use the transformation to continue aligning our company specifically to future-oriented areas for our technologies. We consider that the green transformation offers enormous potential for further growth both now and, in particular, in the medium and long term, for example, in the areas of hydrogen, green chemicals, renewable energy, e-mobility and supply chains.

Opportunity management process

In the annual planning process the segments describe bands, for instance for their earnings and liquidity targets (adjusted EBIT, free cash flow before M&A) in the planning period. In this way, they take account of the opportunities and risks of their businesses. The assessment addresses, among other things, market and technology trends which in some cases remain relevant far beyond the forecast period. In the subsequent monthly reports the segments update the earnings and liquidity projections as well as the corresponding opportunities and risks in the current fiscal year. The graphic "Opportunity and risk reporting at thyssenkrupp" in the "Risks" section of this report shows how these elements are integrated into the standard reporting system.

Management of our opportunities is a task shared by all relevant decision makers – from the Executive Board of thyssenkrupp AG to the segment management boards and the management of the companies through to officers and project leaders with local market responsibility. This structured involvement of numerous experts in decision-making processes within the group ensures that opportunities are reliably identified and systematically exploited.

Opportunities for the group

Opportunities arise if we continue to transform thyssenkrupp into a high-performing and sustainable company with a lean management model and a portfolio geared to growth opportunities. The framework for this comprises our brand and values and our three areas of action: portfolio, performance and green transformation.

The green transformation is a big opportunity for thyssenkrupp.

To optimally develop the businesses of thyssenkrupp AG, the company is continuing to focus its transformation specifically on the opportunities for our technologies arising from future-oriented issues. We can already see that the green transformation offers enormous potential for further profitable growth both now and, in particular, in the medium and long term, for example, in the areas of hydrogen, green chemicals, renewable energy, e-mobility and supply chains.

We have set ourselves the goal of using our products and our state-of-the-art digital technologies to support our customers in the green transformation and achieving their sustainability targets. Thanks to our expertise in sustainable solutions in various sectors, we are well positioned to drive forward the decarbonization of industry and benefit from the associated business opportunities. By establishing the new Decarbon Technologies segment, thyssenkrupp aims to position itself as a technology leader for the energy transition and ensure full visibility of its extensive expertise for the green transformation.

The next step is to drive forward the transformation of the business models – for example, through increased modularization and standardization of products in plant engineering especially and by extending the profitable service business. This will open up additional opportunities for our businesses.

The overarching goal of the transformation process is still to boost the performance and competitiveness of all our businesses. The aim is for the businesses to raise their profitability to the competitive level and to make optimal use of their market opportunities. The opportunities in connection with the APEX holistic performance program that was launched at the start of fiscal year 2023 / 2024 and then optimized result from optimizing net working capital, with a stricter alignment of all businesses to competitive levels, stricter return and value creation criteria for investment decisions, continued development of our business models and an improvement in performance culture.

Alongside the (further) development of products and solutions for our customers and partners, we are working intensively on our own decarbonization strategy. The investment in a 100% hydrogen-capable direct reduction plant makes thyssenkrupp a pioneer in climate-neutral steel production and thus a significant stakeholder in the European hydrogen economy, opening up additional business opportunities.

Further details of our corporate strategy, our global research and development activities and the related opportunities can be found in the “Strategy” subsection of the section “Fundamental information on the group” and in the “Technology and innovations” section.

In our initiatives and development projects we are also always guided by the group’s financial scope. Unfavorable economic conditions may prevent us from fully or directly exploiting existing opportunities. More on this and on other risks can be found in the “Risks” section.

Operational opportunities of the businesses

All businesses have operational opportunities in their specific markets.

Automotive Technology – A key determinant of the future business performance of Automotive Technology is the development of the global economy and personal mobility. Despite the prevailing economic and political risks, we expect the new business booked to result in growing demand for our products and technologies. In the wake of the automotive sector's ongoing transformation, size and innovative strength are increasingly becoming key success factors.

The consolidated measures of our APEX performance program are aimed at enhancing efficiency and performance at Automotive Technology. The segment is also exploring, evaluating and pursuing strategic options to develop the automotive components business in alliances and development partnerships. Working with partners, we aim to be agile, innovative and cautious in our use of capital in developing competitive solutions for our customers. To achieve this, we leverage technology and cost synergies.

We are convinced that Automotive Technology is in a position to meet customers' future requirements, based on further investments, increased standardization and focusing of research and development, new products, and increasing digitalization, including at the production locations.

We operate worldwide as an engineering and production partner for components, modules and systems for the automotive industry. With our products we want to support the global trend towards an efficient and environmentally friendly form of mobility that also meets challenging political targets to reduce vehicle emissions. In the relevant areas of weight reduction and optimization of powertrain technologies, we want to offer our customers state-of-the-art solutions and are working to steadily extend our position. With the further development of our chassis systems we are creating the conditions for new approaches and solutions. We want to actively shape the shift towards increasingly automated or self-driving vehicles and contribute to making driving safer. We see growth opportunities here across all vehicle classes.

Another key factor for the future performance of our forgings business (Forged Technologies) is the development of the global truck market and the construction machinery sector.

In the automotive plant engineering sector, we are a long-standing partner for sophisticated assembly solutions, for example, for electric powertrains and battery modules. Opportunities arise from improving competitiveness and internationalizing value chains and purchasing activities.

Decarbon Technologies – Rothe Erde (bearings) has positive growth prospects, in particular in view of the development of the (onshore and offshore) wind energy market, driven by long-term global climate targets. Despite short-term fluctuations in demand, the growth trend will remain in place in the medium to long term. Most of the growth is attributable to the increasing size and technological requirements of wind energy installations, which are increasingly being installed offshore.

We are convinced that Rothe Erde is well-positioned for this market trend with its machinery, specialist technical knowledge and global production network. In some industrial applications, current demand for our bearings has weakened; this trend is cyclical for the most part. We again predict moderate growth in the industrial business in the medium- to long-term. We aim to continue improving our cost position. Alongside internal factors, the prices of primary materials and energy play a key role here.

The aim of our plant engineering business is to contribute to the green transformation of industry and help shape it through technological advancements. To this end we are working on research into technologies and innovations that can significantly reduce the greenhouse gases generated in production processes. In this way, we aim in particular to enhance and further extend our position as a partner for planning, development and services for industrial plants and systems.

In the chemical plant engineering business at Uhde there are opportunities above all in the area of green ammonia, which is required both as a basic infrastructure element for the hydrogen value chain and for the sustainable production of fertilizers. Further opportunities may result from the ongoing expansion of our high-margin service business.

In the Polysius cement engineering business, carbon concentration solutions have been integrated successfully into a large number of projects. We see good prospects for establishing this pure oxyfuel technology on the market and thus reducing carbon emissions (see also the “Technology and innovations” section). In addition, we want to drive forward our market position in service and automation and see good opportunities for a further increase in the proportion of sales generated by high-margin services.

Thanks to our water electrolysis technologies, which are assigned to our majority investment thyssenkrupp nucera, we see good opportunities to benefit from the strong demand for production processes for green hydrogen.

Materials Services – In light of the successive transformation of the global economy, three trends offer opportunities for our Materials Services segment: 1. the (re)location of steps in the value chain to strategic neighboring countries; 2. the need for stronger and more resilient supply chains; and 3. the growing demand for products and solutions that are demonstrably sustainable. We prepared for this early on with our “Materials as a Service” strategy in order to leverage potential from these trends for our own business.

With regard to point 1., we leverage the advantage that our sites in Europe and North America are already favorably distributed in geographical terms. Intelligent networking of all relevant partners and parameters is a critical success factor for the goal of resilient supply chains. Thanks to our global market access and extensive sector and process know-how, we have enormous flexibility and scope – from procurement through processing to supply chain management – to manage even complex flows of goods in an intelligent and resource-saving manner. We are convinced that our innovative approach will enable us to achieve higher profitability and stronger market growth than conventional materials wholesaling.

In the light of rising customer requirements, supply chain management in particular opens up wide-ranging opportunities for the segment. We are already building digital supply chain solutions for our customers which cover all elements in the supply of materials, ensure transparency and allow real-time adjustments. By offering customized solutions and enabling customers to access our products and services 24 / 7 via customer portals, online shops and ordering apps, we aim to increase customer retention. Artificial intelligence (AI) can also be used to meet specific customer requirements, for example, with regard to speed of delivery, material quality or pricing, and to optimize internal logistics and production processes.

In addition, Materials Services is systematically extending its portfolio of sustainable products and services in the context of its BEYOND sustainability strategy. The aim is to reduce physical goods in the supply chains, shape transportation routes without efficiency losses and thus reduce CO_2 emissions. In this way, we are helping our customers to achieve their own decarbonization targets. Materials Services sees sustainability as an opportunity to work even more closely with its customers and for further innovations.

By implementing a new organizational structure that realigns the operating units according to their business models, Materials Services aims to become faster, more efficient and more customer-focused. In addition, the expansion of agile working methods, the decentralization of operational decision-making processes, the more targeted use of external and internal data and optimized executive talent managements is intended to support the structuring of growth options.

Under the umbrella of the groupwide APEX performance program, Materials Services is using transformation and efficiency measures to improve its cost and earnings situation. Since we are gradually implementing the identified potential, we are confident that we will achieve the targets set.

Steel Europe – The Steel Europe segment is focused on the market for premium flat carbon steel; here the development depends to a large extent on the European economy.

Due to the persistently challenging market environment, the first concept for the planned realignment of the steel business was prepared. Key elements of the existing Strategy 20-30 have been confirmed for the new organization. They deliver opportunities as a result of systematically aligning the business to attractive future markets and profitable steel grades, improving production performance and product quality and achieving climate-neutral steel production. Alongside the structural measures aimed at enabling the segment to finance itself in the long-term on the basis of its own earnings power, measures from the current performance program are being intensified and implemented to achieve the necessary earnings effects. Target achievement is being support additionally by the APEX performance program in which all corresponding programs are consolidated. Examples include especially efficiency improvements in production operations and in the areas of energy and logistics, further cost improvements and procurement successes.

Key focus areas of our Strategy 20-30, such as the implementation of the investment program, are judged to be still right and work on these will continue. The extensive new and maintenance investments that have already been implemented provide opportunities for specifically accessing new market potential, at the same time supporting cost-reducing structural measures. Following the start-up of the first units such as the additional walking beam furnace at hot strip mill 2 in Duisburg and the hot-dip coating line 10 in Dortmund at the end of 2022, the next step involved a double reversing mill that came into operation in October 2023. This facility can be used to roll high-performance steel for electromobility as well as high-strength multi-phase and lightweight steels for our automotive customers. In addition, the installation of an annealing and isolating line was completed in the 3rd quarter of 2023 / 2024. This is aimed at further expanding our expertise in steel for electromobility, thereby supporting the development of this market segment.

Also connected with this is the production of our powercore® brand of grain-oriented electrical steel which achieves highly efficient current transformation thanks to its very low hysteresis losses. Looking ahead, the bluemint® powercore® variant is to be used in some 700 transformers for offshore wind turbines, making it part of a stable and sustainable supply chain for the energy transition.

Based on the aforementioned advantages associated with the investment program and new products, we will be able to strengthen our market and competitive position in terms of technology and quality.

In connection with the European Green Deal and the goal of decarbonization in Germany by 2045, increasing the share of renewable energy and accelerating the expansion of photovoltaic output to 215 GWp by 2030 have a major role to play. Thanks to their durability, robustness and sustainability, the high-performance, zinc-magnesium-coated steels of our ZM Ecoprotect® Solar brand are already being used to produce PV mounting systems. Here, too, we see opportunities for continuing to participate in this attractive market in the future.

Despite the lack of reliable market perspectives, the transformation towards climate neutrality still offers attractive opportunities. Almost all our customers are displaying interest in CO_2-reduced steel in connection with their own decarbonization strategies. From calendar year 2025, we expect a significant increase in deliveries for automotive applications. Already today, bluemint® Steel is being marketed successfully to the energy and packaging industries and for a range of industrial applications. Here, too, we expect an increase in the use of CO_2-reduced steel in the years ahead.

In connection with the "tkH2Steel" decarbonization project that is being funded with €2 billion of public money, further progress has been made in the dismantling work and preparation of the site for construction of the direct reduction plant with two integrated electric smelters in Duisburg. The supply of green electricity to the plant complex is already covered by a long-term supply agreement. This, alongside the supply of hydrogen produced using energy from renewable sources – currently the subject of a public tender process – is at the heart of the transformation strategy for climate-neutral production. As a result, the innovative plant technology is 100% hydrogen-capable and will permit the early switch away from natural gas. If the framework conditions are right, it will thus provide the opportunity to participate in and actively shape the new, growing and profitable market for green products in the long term. In the past fiscal year, we continued to increase the volumes for future supplies of bluemint® Steel from the direct reduction plant agreed in the letters of intent with customers. Thus, a large proportion of the production capacity of our direct reduction plant is already reserved for our most important customers.

Marine Systems – Based on the good overall level of orders on hand, which safeguards long-term capacity utilization, Marine Systems is pursuing various routes to strengthen its market and competitive position in the present favorable environment. Although order intake was below the prior year's exceptionally high level, further relevant projects are expected to be acquired in the short and medium term. Orders on hand now cover around six years, bringing Marine Systems' submarine production in Kiel to its medium-term capacity limits.

We believe that the rising demand forecast for our core areas of business in the next 10 years, the long-term geostrategic developments, the shift in German policy known as the "Zeitenwende" and the present political situation offer growth opportunities for our established product range as well as opportunities to market new products that are at an advanced stage of development.

In addition, we are working to develop and expand our portfolio, especially in the commercial sector (for example, with our entry into the construction of converter platforms). Our goal here is to use the technologies we have developed and our marine expertise.

Integration of the Wismar site is of particular importance to securing and processing the good order situation at Marine Systems. Work to switch this site over to the Marine Systems product portfolio is progressing to schedule. In order to identify opportunities and risks, we consider various scenarios in relation to the demand and manufacturing options for civilian and military surface and submarine systems.

We have continued implementing the extensive concept for the Kiel site as planned. The production facility for fuel cell modules has come into operation and we have already produced the first modules successfully.

Risks

thyssenkrupp defines risks as events or developments that reduce our ability to achieve our forecasts and targets. Our holistic definition of risks also includes possible negative impacts on non-financial aspects such as environmental and climate protection.

Risk management encompasses all measures involved in the systematic and transparent management of risks. With its link to planning and reporting processes in controlling, it is an important element of value-based management and goes beyond the early identification of risks required by law. Efficient, forward-looking risk management therefore also serves the interests of our capital providers and other stakeholders.

Overall assessment by the Executive Board: no risks that threaten thyssenkrupp's ability to continue as a going concern.

Our transparent and systematic risk management system with structured processes contributes to efficient management of the group's overall risks. From the present standpoint, supported by the outcome of an analysis of risk bearing capacity at group level, there are still no risks that threaten the company's ability to continue as a going concern.

No risks that threaten thyssenkrupp's ability to continue as a going concern

Risk strategy and risk policy

Our risk strategy is focused on securing the existence of thyssenkrupp in the long term and sustainably increasing the value of the company. The precondition for us to be successful as a company is identifying and evaluating the risks and ensuring that all employees manage them optimally. Risks threatening the company's ability to continue as a going concern must be avoided.

Our Governance, Risk and Compliance (GRC) Policy defines basic principles for corporate governance and risk management at thyssenkrupp. The universally applicable principles of the group's risk policy as a framework for meeting the requirements of proper, consistent and proactive risk management in the group are set out in the group regulation Risk and Internal Control. The objectives of risk management at thyssenkrupp enshrined in these principles include increasing risk awareness in all group companies and establishing a value-based risk culture. For this, it is important to analyze risks and opportunities transparently and to systematically incorporate them into business decisions.

Binding principles defined for risk strategy and risk policy

Risk management process

We continuously enhance thyssenkrupp's risk management system, align it with the internationally recognized COSO model and integrate it with our internal control system and other management systems. Our corporate governance statement outlines the interaction of the individual governance systems at thyssenkrupp on the basis of our GRC Policy. Details of individual responsibilities in the risk management process and other requirements are defined uniformly in the binding group regulation Risk and Internal Control.

The efficient design of our various risk management tools ensures that the sub-processes are integrated in a continuous risk management loop and all risk managers are involved appropriately in the risk management process. Our methods and tools to identify, assess, control and report risks are implemented throughout the group and we continually develop them when new requirements arise.

Risk management throughout the group is based on standardized sub-processes and procedures.

The organizational anchoring of corporate risk management in controlling facilitates holistic risk management integrated with planning and reporting processes. The following graphic outlines our approaches:

OPPORTUNITY AND RISK REPORTING AT THYSSENKRUPP

	Operational opportunities and risks		Event risks		Procedural risks
	in estimation	**in budget**	**Risk inventory**	**Provisions for risks**	**Internal Control System**
Goal / content	Identification and assessment of opportunities and risks not included in current estimation	Identification and assessment of opportunities and risks not included in budget	Identification, assessment and management of risks in all operating units not included in estimation and budget planning	Analysis of main provisions for risks / measures monitoring	Self assessment as well as control documentation and testing
Time horizon	Current fiscal year	Following fiscal year	Planning period	Current fiscal year	Independent of fiscal year
Interval	Monthly	Yearly	Twice yearly	Four times yearly	Yearly

Standard reporting		Risk and Internal Control Committee and Audit Committee
Monthly reporting	Budget reporting	**Interval** Four meetings yearly

Risk identification

Customized procedures are used to identify risks.

The operational opportunities and risks not included in the updated monthly projections or in the annual budget are part of standard segment reporting. Regular discussion of opportunities and risks in established controlling talks, which include the CFO, makes an important contribution to integrated business management during the year and to corporate planning because it highlights bands for the key performance indicators adjusted EBIT and free cash flow before M&A related to the current and the subsequent fiscal year in a systematic and standardized way.

All consolidated companies worldwide use a standardized IT risk management application for structured documentation of risks and to prepare risk maps. The assessment period used for the risk map goes beyond the period covered by the forecast and covers the entire three-year operational planning period; this provides transparency in the local risk assessments over several years. The process-based regular reporting and updating of risks at local level also ensures that risk awareness remains high at thyssenkrupp.

Risks that have already been taken into account through provisions are also part of the standardized analyses and groupwide risk management reporting. This ensures systematic management of these risks as well.

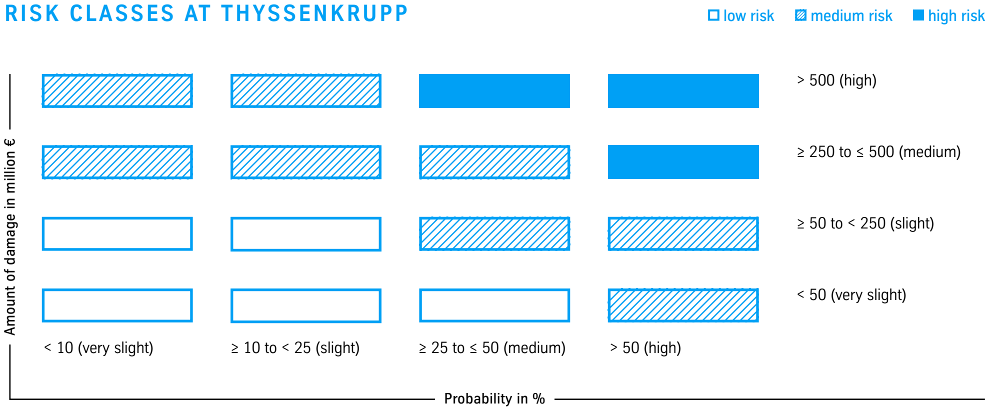
Our internal control system is designed to reduce process risks in business workflows. Further details can be found in the section on risk control.

Risk assessment

Risk assessment is based on clearly defined criteria.

The identified risks are assessed uniformly using central principles. We define risk classes on the basis of probability of occurrence and impact on the key performance indicators adjusted EBIT and free cash flow before M&A in the planning period. If there are variances in the earnings and liquidity perspectives for individual risks, the higher assessment is used for the overall risk assessment. At the end of the fiscal year, the main individual risks are aggregated at group level and bundled in defined risk classes, which we address in the following sections. They are then assigned to the risk classes “high,” “medium” or “low” as shown in the following graphic.

RISK CLASSES AT THYSSENKRUPP



Furthermore, we conduct a qualitative assessment of the possible negative impacts of our own actions on non-financial aspects such as environmental and climate protection.

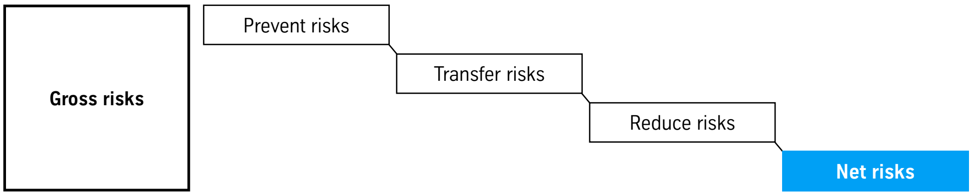
Risk control

All consolidated companies are required to formulate risk control measures for the individual risks, systematically track their implementation and monitor their effectiveness.

Risk control measures defined for all risks

Risk presentation at thyssenkrupp is by the net method, i.e. taking into account already realized, effective risk control measures that reduce gross risk.

RISK MANAGEMENT MEASURES AT THYSSENKRUPP



We prevent risks arising by following the risk policy principles and not entering into transactions that infringe codes of conduct or other groupwide policies.

We transfer risks in cases where the financial scale of a risk can be minimized by measures such as insurance policies. More information is contained in the section below on risk transfer.

We reduce risks by taking appropriate targeted measures and for example by continuously improving our internal control system. More information on the individual initiatives can be found in the sections “Internal control system” and “Operational risks of the businesses.”

Risk transfer

Risk transfer to insurers is handled centrally at thyssenkrupp AG. The scope and design of insurance cover are determined on the basis of structured risk assessments in which insurable risks in the group of companies are identified, evaluated and reduced or eliminated through specific protection plans. The balanced insurer portfolio ensures risks are spread appropriately across the insurance market.

The insurance department at thyssenkrupp manages the transfer of risk.

Binding standards are in place for all group companies to ensure risk prevention always stays at an appropriately high level. These standards are developed by experts from all areas of the group under the leadership of thyssenkrupp AG and are updated as required. Internal and external auditors regularly check compliance with these standards.

Internal control system

The internal control system reduces process-related risks.

The internal control system comprises all the systematically defined controls and monitoring activities aimed at ensuring the security and efficiency of business management, the reliability of financial reporting, and compliance of all activities with laws and policies. An effective and efficient internal control system is key to managing risks in our business processes successfully. The structure of the internal control system at thyssenkrupp covers all material business processes and goes beyond the controls for the accounting process.

For example, various monitoring measures and controls within the accounting process help ensure compliant financial reporting. For consolidation we use a system based on standard software. In this way we ensure consistent procedures, which minimize the risk of misstatements in our accounting and external reporting. Appropriate segregation of functions and application of the dual-control principle reduce the risk of fraudulent conduct but cannot rule this out entirely. These coordinated processes, systems and controls ensure that our accounting is reliable and complies with IFRS, the German Commercial Code (HGB) and other relevant standards and laws.

We perform regular system backups on relevant IT systems in order to avoid data losses and system failures. The security strategy also includes system controls, manual spot checks by experienced employees, and custom authorizations and access controls.

We continuously develop the requirements placed on the internal control system, for example, on the basis of new regulatory requirements, and adapt the control landscape to changing processes using a standardized risk control matrix and a structured self-assessment process. In the interests of comparable groupwide transparency of the local internal controls, the use of uniform IT software is mandatory.

To conclude the monitoring activities performed during the year, at the end of the fiscal year the segments confirm the correctness and completeness of the documentation of the internal control system for their sphere of responsibility through an In Control Statement.

Roles and responsibilities

The risk management system contains top-down and bottom-up elements.

We have organized risk management at thyssenkrupp as a combined top-down/bottom-up process. The binding process and system standards formulated centrally at group level apply to all operating entities. Responsibility for recording, measuring and controlling risks along the value chain lies at local level with the functional managers in the operating entities.

The group's material risks are discussed and validated in meetings of the interdisciplinary Risk and Internal Control Committee (RICC) held once every quarter and chaired by the CFO. At the same time this forms the preparation for risk reporting to the Executive Board and Audit Committee. The RICC meetings are attended by all key officers responsible for governance, risk and compliance in the group. This interdisciplinary approach at committee level makes a key contribution to strengthening the high level of the group's corporate governance processes.

Employees responsible for risk management and the internal control system receive training as required. We also use our groupwide web-based IT applications to deliver targeted information and training material.

Internal Auditing regularly checks the effectiveness of the internal control and risk management systems and is integrated in the overall process. Internal Auditing uses the results of the risk inventory, the risk-control matrix and the self-assessment process as the starting point for its risk-based audit plan. The internal audits structured on this basis are designed to contribute to the efficient monitoring of the risk management system and internal control system and to deliver insights to further improve risk management at thyssenkrupp.

Our standardized risk management processes are vital to ensure that the Executive Board and Supervisory Board are informed promptly and in a structured way about the group's current risk situation. Nevertheless, despite comprehensive risk analysis, the occurrence of risks cannot be entirely ruled out. For our assessment of the appropriateness and effectiveness of the risk management system and the internal control system, please refer to the information in the corporate governance statement.

Risk categorization

We have pooled the types of risks relevant to thyssenkrupp in the following categories:

- Risks from external parameters
- Financial risks
- Legal risks and compliance risks
- Risks from operating activities

We deal in detail with these categories and provide a risk assessment in the following sections. In fiscal year 2023 / 2024, we reported and assessed investment risks separately for the first time. Compared with the prior year, the risk assessments revealed changes for valuation risks and order risks.

Risks from external parameters

The external risks mainly include macroeconomic risks and regulatory risks.

Macroeconomic risks – Economic risks for our business models exist when positive impetus is not forthcoming from the global economy and markets of relevance for thyssenkrupp and the macroeconomic development may be below the economic forecasts.

The outlook for future global economic growth remains beset by uncertainty. Failure to implement the interest rate cuts announced could further dampen consumer and capital expenditure, putting pressure on export nations especially.

Economic forecasts are highly uncertain due to a wide range of unpredictable factors.

Added to this, a further escalation of the war in Ukraine could continue to greatly hamper economic development, especially in Western Europe. A possible intensification of trade conflicts, such as the EU's introduction of customs tariffs on Chinese car imports, could result in macroeconomic fluctuations. In addition, there are geopolitical risks from a potential further escalation of the Middle East conflict, the China-Taiwan conflict and other armed unrest.

Risks also exist for a number of key sectors because energy, material and commodity prices remain vulnerable to fluctuations and are significant economic factors in industrial regions especially. Moreover, floods and natural disasters as a result of global climate change represent a growing risk in many regions.

If economic growth were weaker than forecast in our plans as a result of these risks, the assessment of the individual economic risks for thyssenkrupp would be "high," reflecting the persistently high uncertainty in a highly volatile environment.

We continuously monitor economic development and corresponding country-specific conditions based on wide-ranging early warning indicators. In a negative-case scenario integrated into the planning process, we simulate the impacts of continued weakening of the economy on our business models to enable us to take action and minimize risks at an early stage when necessary.

Our current economic assessment is presented in detail in the section "Macro and sector environment" in the report on the economic position. Further details on specific market risks in our businesses can be found in the section "Operational risks of the businesses."

New legislative requirements could entail risks for our business model.

Regulatory risks – New laws and other changes in the legal framework at national and international level could harbor risks for our business activities if they lead to higher costs or other disadvantages for thyssenkrupp compared with our competitors, either directly or with regard to our value chain. Overall the regulatory risks for thyssenkrupp are still classified as "medium."

In our energy-intensive operations, we face regulatory risks on the global markets if additional costs are imposed under energy- and climate-related rules which we are unable to pass on to our customers on the international market in full or at all, or if there is no longer demand for products and technologies in the long term. thyssenkrupp supports effective climate protection efforts and a sustainable energy transition in which climate protection, security of supply, and competitiveness are equal priorities. We support the relevant discussion processes on regulatory efforts through close working contacts with the relevant national and international institutions and cooperate with industry associations at all levels to reduce possible risks. Concrete risks in particular for Steel Europe in this connection are described in the section "Operational risks of the businesses."

Financial risks

Financial risks are limited by centrally controlled measures.

The central responsibilities of thyssenkrupp AG include coordinating and managing finance requirements within the group and securing the financial independence of the company as a whole. This involves optimizing financing and limiting the financial risks.

Default risks – To minimize default risks from operating activities and the use of financial instruments, such transactions are only conducted with contractual partners who meet our internal minimum requirements. The credit risk management function defines minimum requirements for the selection of contractual partners. The credit standing information is subject to appropriate, continuous monitoring which permits the credit risk management function to intervene at an early stage to minimize risks. Outstanding receivables and default risks in connection with supplies and services are constantly monitored by the subsidiaries; in some cases they are additionally insured under commercial credit policies. The credit standing of key account customers is monitored particularly closely. Further details are reported in Note 22.

Liquidity risks – To secure the solvency and financial flexibility of the group at all times, we maintain committed credit facilities and cash funds on the basis of multi-year financial planning and rolling monthly liquidity planning. We use the cash pooling system to allocate resources to group companies internally according to requirements.

Market risks – To hedge market risks (currency, interest rate and commodity price risks) we use derivative hedging instruments.

To contain the risks of our numerous payment flows in different currencies – in particular in US dollars – we have developed groupwide policies for foreign currency management. All group companies are required to hedge foreign currency positions at the time of their inception. They mainly use our central hedging platform for this. Translation risks arising from the translation of foreign currency positions are generally not hedged.

Central interest rate management concentrates on controlling and optimizing the risk of changing interest rates on funds invested and borrowed. For this, regular interest rate risk analyses are prepared, the results are fed into our risk management system.

Taking into account the control measures selected, the financial risks outlined above are still assessed as “low.”

Portfolio measures and restructuring involve execution risk.

Valuation risks – For the success of our strategic realignment it is important to have an organization in which the businesses can develop optimally. Therefore, portfolio measures and restructuring of existing business activities are possible; these are generally associated with execution risks. In addition, our strategic businesses are regularly tested for impairment. The risks identified in this category, which do not affect the key performance indicators adjusted EBIT and free cash flow before M&A and only become visible in net income, are currently considered to be “high” and provisions are recognized in the balance sheet as needed.

Legal risks and compliance risks

Legal and compliance risks include litigation risks, compliance risks and risks from trade restrictions.

Litigation risks – We define litigation risks as risks in connection with pending or imminent lawsuits or regulatory or administrative court proceedings brought against thyssenkrupp. thyssenkrupp uses a software tool with which litigation risks are systematically identified, categorized, evaluated and reported to the Executive Board and the Audit Committee on a quarterly basis as part of the established risk management process. We carefully examine claims asserted by third parties for merit.

Legal disputes in and out of court are supported by our in-house counsel and where necessary external counsel.

Currently we still classify the litigation risks both individually and cumulatively as "medium." Cumulative litigation risks are combined risks from lawsuits brought by numerous claimants and from regulatory proceedings against thyssenkrupp which relate to the same matter and can be classified as a single litigation risk. Information on further litigation risks for which we have recognized provisions or which are classified as contingent liabilities is provided in Notes 16 and 21.

Compliance risks – We operate a strict compliance program focused on reducing risks in the areas of corruption prevention, antitrust law, data protection, prevention of money laundering and trade compliance because these offenses have enormous potential to cause financial and reputational damage. Details of the compliance program and further information on the compliance organization can be found in the "Compliance" section.

A strict compliance program guards against the high potential for damage in the event of violation of the regulations.

We continue to classify general compliance risks overall as "high."

Risks from trade restrictions – Due to the global nature of its business thyssenkrupp is exposed to possible risks stemming from trade restrictions such as anti-dumping/anti-subsidy tariffs, special monitoring measures, far-reaching economic sanctions against certain countries, persons, businesses and organizations, as well as other protectionist or politically motivated restraints.

These restrictions can impede our business activities in individual national markets. Moreover, violations could lead to severe penalties, sanctions, reputational damage and claims for compensation. We therefore take strict care to comply with the applicable customs regulations and other trade restrictions and consider the probability of occurrence to be low.

Risks from operating activities

Risks from operating activities include procurement risks, production risks, sales risks, order risks, risks associated with information security and personnel risks.

Procurement risks – To manufacture our products, we procure raw materials and other starting materials and also require energy. The purchase prices for key products may vary considerably depending on the market situation and could have a significant impact on our cost structures in the future as well. The availability of individual energy sources, preproducts and transportation routes for raw materials could be restricted. Disruption to suppliers or transportation capacities could affect our production and jeopardize our ability to meet our contractual obligations to our customers. We consider the individual risks identified in this category to be "medium."

Supply chain risks and the development of prices for energy and starting materials are monitored continuously.

We counteract procurement risks through margin-securing measures and alternative procurement sources. The risk of rising energy prices is mitigated by structured energy procurement. In addition, in all our businesses we are working to reduce our dependence on gas, save energy and reuse residual materials.

In case, despite this, energy or starting products should not be available or not be available on time, we have developed business-specific contingency plans as part of our business continuity management in order to minimize the consequences. Further information on specific procurement risks in our businesses can be found in the section "Operational risks of the businesses."

We address the risk of human rights and environment-related violations in the supply chain, which is take up in German Act on Corporate Due Diligence Obligations in Supply Chains, by undertaking a systematic risk analysis of our suppliers. Suitable preventive measures must be taken if the risk assessment of individual suppliers is elevated.

Regular maintenance and investment in production facilities reduce business interruption risks.

Production risks – Unfavorable constellations and developments at our sites could expose us to a risk of business interruptions and property damage. In addition to the cost of repairing damage, there is above all the risk that a business interruption might result in production losses and thus jeopardize the fulfillment of our contractual obligations towards our customers. We work to counter these risks through regular preventive maintenance measures and through modernization and investment in our machinery and production facilities. In addition, we take out appropriate insurance and therefore transfer risks to external service providers. The remaining financial risks in this category are still classified as "medium."

Accident risks and the related risk of harming people cannot be completely ruled out in the production, installation, maintenance and use of our products. A safety-oriented corporate culture and the extensive occupational health and safety measures implemented by our occupational safety organization are intended to help minimize the accident risks faced by our employees and subcontractors.

In our production plants and during transportation, there are process-related environmental risks relating to air and water pollution. Furthermore, some of the group's real estate no longer used for operations is subject to risks from past pollution and mining subsidence. To minimize risks thyssenkrupp invests continuously and sustainably in environmental protection and scheduled remediation and maintains a close dialog with authorities, local communities and political representatives. We recognize adequate provisions for dealing with past pollution.

Further details on production risks in our businesses can be found in the section "Operational risks of the businesses."

Sales risks – The risks described in the section "Macroeconomic risks" may diminish our business prospects on individual markets and therefore lead to sales risks. When developments become established, we carry out market-oriented adjustments or relocate capacities.

We counter sales risks resulting from dependence on individual markets and industries by focusing our businesses systematically on the markets of the future. As a company with leading engineering expertise, thyssenkrupp operates globally, maintains good, long-term customer relationships, and pursues active strategic market and customer development. Our diversified product and customer structures help ensure that we remain largely independent of regional crises on our sales markets.

Product and process quality and meeting the corresponding quality requirements of our customers have top priority for us. However, we cannot rule out the possibility that we will not always be able to meet these quality standards. We still classify the risks arising from this as "low" and we counter them with extensive measures in connection with production and quality assurance systems.

Further details on specific sales risks in our businesses and on our receivables management system, which is designed to counter the risk of bad debt, are provided in the section "Operational risks of the businesses."

Order risks – Particularly in the plant engineering and marine businesses, one of the core challenges is the execution of major contracts involving a high degree of complexity and long project run times. Cost overruns and/or delays in individual project phases and differences in the interpretation of contracts cannot be ruled out. We classify individual identified risks in aggregate as "low."

In the contractual terms and calculations for new orders, we endeavor to anticipate possible risks in the project period when the order is placed so that we can respond flexibly to changes in the underlying framework. We continuously improve our management tools so that we have better information on order status at all times and can take project-specific measures more quickly if required.

We check the credit standing of our customers carefully before entering into contracts for major orders and deploy experienced project managers for order execution. Through transparent monitoring of order status we ensure that payments are made promptly on the basis of order progress and minimize payment defaults.

We establish a separate risk management process for major investment projects.

Investment risks – In the course of executing major investment projects with a long run time, cost overruns and/or delays in individual project phases and differences in the interpretation of the contracts concluded in connection with the investments cannot be ruled out. We classify individual identified investment risks as "medium."

When planning major investment projects, we seek to anticipate as many risks as possible in the course of the project and take account of these in risk provisions. We establish an investment-related risk management process that delivers better information about the current status of the investment project and enables specific measures to be implemented quickly if necessary. As far as possible, we also deploy experienced technical and commercial project managers for project execution.

Further details on investment risks in connection with the construction of a direct reduction plant for Steel Europe can be found in the section "Operational risks of the businesses."

Cybersecurity remains a permanent challenge.

Risks associated with information security – Our IT-based business processes are exposed to various risks associated with information security, which are still classified as "medium" – based on our key performance indicators adjusted EBIT and free cash flow before M&A. Human error, organizational or technical processes and/or security vulnerabilities in information processing can create risks that threaten the confidentiality, availability and integrity of information. For this reason we continually review our processes and technologies. Systems are updated and processes modified immediately as necessary. The IT-based integration of our business processes is subject to the condition that the risks involved for our companies and business partners are continuously minimized. This is all the more important when entire value chains are transformed as a result of increasing digitization.

The number of attacks on the IT infrastructure of German companies, including thyssenkrupp, continues to increase. In this connection we have introduced measures to further improve our information security management and security technologies. One focus is protecting our production operations from unauthorized access for the purpose of espionage or sabotage. A group of IT security experts provides cross-segment support in the early identification of risks; the number of experts is steadily being increased. In addition, the thyssenkrupp Cyber Defense Center regularly verifies the security of the infrastructure and if necessary takes corrective action.

Sensitizing our employees to the risks involved in handling business-related information is very important. In this context we conduct internal communication and training drives and are working to ensure that the confidentiality of information is ensured through the corresponding technical support.

Together with the group's data protection officers and coordinators, our experts ensure that personal data are processed in accordance with the rules of the EU General Data Protection Regulation and the applicable local laws.

All these measures are intended to protect the group's business data as well as the privacy of our business partners and employees, and to respond appropriately to potential new risks.

Personnel risks – In all areas of business, we need committed and motivated employees and managers in order to achieve our strategic and operational targets. There is a risk of not being able to find enough key personnel or specialists with the necessary qualifications to fill vacancies or of losing competent employees. Extreme events, such as natural catastrophes, pandemics, terrorist attacks and serious accidents could also cause the loss of employees. Overall, we still consider the extent of these individual personnel risks to be "low."

thyssenkrupp continues to position itself on the highly dynamic labor markets as an attractive employer – for example, through employer branding campaigns aimed at specific target groups – and promotes the long-term retention of employees in the group. That includes targeted management development, career prospects and attractive incentive systems, including fringe benefits and modern working conditions. We inform interested young people about career opportunities at thyssenkrupp from an early stage and support apprentices as they start their working life. We cooperate with key universities and establish contact with students from an early stage to secure the quality and number of talented youngsters we need.

We address the risk of human rights violations at thyssenkrupp companies in the context of the German Act on Corporate Due Diligence Obligations in Supply Chains through a systematic risk analysis of our areas of business. On this basis, we can take appropriate preventive measures in the event of elevated risks. To comply with the statutory due diligence obligations, we run mandatory training sessions for defined employee groups. In addition, we have set up a whistleblowing system for reporting possible violations of human rights at thyssenkrupp.

Operational risks of the businesses

Automotive Technology – The performance of Automotive Technology is directly linked to the performance of the automotive markets around the world. In connection with powertrain diversification, it is more important than ever to win contracts for the right platform models. In recent years, Automotive Technology has won a number of contracts for electric vehicle platforms and is therefore dependent on the success of electromobility in the respective customer markets.

Further diversification of Automotive Technology's suppliers and distribution channels

In order to minimize the risks that might arise in connection with military hostilities or other disruptions to the supply chain in the form of bottlenecks, increasing prices for raw materials and intermediated and higher transportation costs, we are increasing our focus on localization on both the supply side and production side, further diversification of suppliers and distribution channels, the establishment of direct strategic and long-term relationships with suppliers and the increase of our own inventories.

Our Dynamic Components and Forged Technologies business units are concerned with the manufacture and sale of crankshafts, camshafts and hood modules. These businesses are jeopardized by the increasing trend towards electrification in automotive engineering. To counter this we are developing alternative products that are not only used in combustion engines.

Additional risks could come from further future restrictions on multinational trade such as possible tariffs on automobile exports or auto parts. Crucial factors here are the further political developments in China and the USA in particular. In an attempt to lessen dependency on individual markets Automotive Technology is expanding its customer base, developing technical innovations and strengthening its international presence.

In addition to these risks, both auto component and production equipment suppliers are exposed to risks from consolidation processes and strong levels of competition. Moreover, a growing number of Chinese suppliers are pushing onto the market, resulting in overcapacities and increasing price pressure. Automotive Technology is seeking to counter this development by way of stringent performance measures, the relocation of capacities to best-cost countries and, where necessary, capacity adjustments – in addition to its continuous optimization and long-term efficiency improvement measures.

On the procurement side there are risks that rising raw material prices cannot be passed on in full to customers or only with delays. We endeavor to counter these risks by framing contracts with customers accordingly. The development of electricity and gas prices caused by the transition to an energy system dominated by renewables has created major challenges for the entire energy-intensive industry and especially for our forgings locations in Germany and Italy. In addition to the price risk there are also risks of logistics and supply chain disruption. In the area of procurement, supplier insolvencies, poor quality, production problems at some suppliers and a general shortage of certain starting materials and components could also cause production stoppages at our facilities and, as a knock-on effect, at our customers' facilities.

Moreover, there are risks relating to the availability of transportation capacities (trucks, ships, containers) and infrastructure. We counter these risks through systematic supplier and logistics management, taking into account sustainability requirements.

With regard to ongoing technological innovations and improvements and the ramp-up of new plants, risks from unplanned earnings impacts cannot be ruled out. Furthermore, there is a risk of organizational weaknesses in newly implemented or modified processes. On top of this there are potential risks from unexpected yield and quality problems and the associated warranty and product liability obligations. Moreover, operational development in automotive plant engineering is dependent on the efficiency of order processing. Automotive Technology takes measures as part of its production and quality assurance systems to avoid or limit such risks as far as possible. It goes without saying that all our production plants operate in accordance with sustainability requirements.

In view of the shift in the automotive industry towards e-mobility and digitalization, Automotive Technology is exposed to the risk of a growing labor and skills shortage. We mitigate this through systematic training and continuing professional development of our employees and employee retention programs. As well as systematic succession planning and talent development models, this involves, first and foremost, training enough young people. We are also continuously improving our attractiveness as an employer in line with changing market conditions. In Germany we have introduced extensive hybrid working models and additional employee benefits. Filling vacancies is supported by our internal groupwide job portal and recruiting processes, which we are continuously optimizing to reflect current labor market conditions. Due to changed market conditions and the associated fluctuations in order call-offs, the deployment of flexibilization measures and restructuring measures is necessary in some areas of the segment. We use various communication and cultural measures to counter possible impacts on employee motivation.

Automotive Technology counters the persistent and intensive IT security threat situation with periodically updated technical and organizational measures as part of the internal “Accelerate IT Security” program. The goal is to achieve an industry-leading level of cybersecurity that enables us to adequately protect our IT against threats from the internet and successfully defend against possible cybersecurity incidents. Extensive certifications in compliance with the TISAX standard (Trusted Information Security Assessment Exchange), which are aligned to the specific requirements of the automotive industry, round off the information security measures.

Decarbon Technologies – The risks to which our bearings business is exposed arise principally from the volatility of the economic environment, which has increased as a result of political crises. This could dampen economic expectations in its main markets: Germany, Europe and China. In the wind energy sector, moreover, there are demand risks as a result of some dependence on political objectives, national incentive programs for renewable energies or the actual implementation of national climate targets. Intense competition and the auctioning of projects may impact prices in the relevant sales markets. Other risks come from the potential postponement of some major orders. Any disruption of the global investment climate, in particular in the areas of infrastructure and general machinery manufacture, could also jeopardize our targets in these markets. Wherever possible we mitigate market, price and cost risks through continuous improvements, efficiency enhancements and increased flexibilization of our processes. We are also investing in extending our technology leadership and optimizing our global production network.

The plant engineering market is challenging, especially because of its volatility. The reasons for this are the differing regulatory approaches (e.g., laws, guidelines), material price trends and central bank interest rate policies, which result in customers delaying investment decisions. By contrast, the services business is mostly robust.

In the plant engineering business, risks in connection with the execution of long-term and technically complex orders are countered by professional and result-oriented project management based on standardized processes (which may include advice from external consultants), the increased use of project management measures and the leveraging of our experience from past projects. Technological risks are associated in particular with a small proportion of “first of their kind” contracts.

Materials Services – The global materials and service business of Materials Services is exposed to cyclical swings in demand and prices on the procurement and sales sides. This influences the segment’s earnings situation and net working capital. The economy remained sluggish in this reporting year. In Germany in particular, this is evidenced by depressed demand, lower prices and poorer margins

A broad customer base and high diversification cushion demand risks.

We mitigate risks from the demand side through our broad international customer base – in terms of both the total number of customers and their sectors – and by our high level of diversification. Materials Services can therefore cushion a drop in demand from individual customers and specific sectors, thus diversifying risks overall. Moreover, by extending our range of more complex services, we want to reduce our dependence on the volatility of the materials market and increase our margins.

In addition, supply chain disruptions are becoming increasingly frequent and widespread – whether due to the conflict in the Middle East, the war in Ukraine, sanctions, market foreclosure or climate change. This shows even more clearly how vital strategic partnerships with suppliers are for the stability of our purchasing process. Thanks to its multi-sourcing strategy, Materials Services is able to react at short notice to possible supply chain disruption. Fastest possible delivery with minimum capital employed remains a key success factor for its business model. Therefore, the segment works continually to optimize and digitalize logistics processes and the entire supply chain.

In addition, Materials Services plans to further optimize its hedging of fluctuations in raw material prices and exchange rates with the aid of AI. We are making systematic improvements to net working capital management and efficient receivables management to counter the risk of defaults. These tools remain highly significant at present in light of the prevailing economic weakness.

Steel Europe – Our steel business is particularly exposed to the risk of fluctuating demand caused by economic development, changes in the political environment and disruption in our customers' supply chains. Price rises are putting additional pressure on our entire production chain. The Steel Europe segment is addressing these risks to sales volumes through the acquisition of new products like bluemint® Steel and through other distribution activities, cost optimizations in all areas and the concentration on market segments where competitive pressures are lower.

Steel Europe has monitoring systems to counter trading risks on our export markets and unfair competition resulting from the dumping and/or subsidization of imports. Moreover, our company is lobbying government for a more efficient and proactive use of existing trade protection instruments and for new measures to relieve the pressure caused by imports from countries with overcapacities, such as China. The EU's CO_2 border adjustment mechanism is also intended to help increase the fairness of competition. To ensure its effectiveness, we are pressuring the EU and the German government to extend application of the mechanism to processed steel-intensive products.

Steel Europe counters the increased competitive intensity on the market for premium flat carbon steel products with its technology expertise. The aim is to develop innovative products and customers solutions and bring them to the market quickly. In addition, a quality management system geared to the ever increasing requirements of the market should ensure steady improvements in product quality and help secure a competitive market position.

Steel Europe reduces the risks of exposure to customer insolvencies through intensive monitoring of business partners and appropriate hedging instruments.

Steel Europe is responding to the risk of increasing raw material prices by diversifying its supplier structure in order to avoid procurement dependencies and by taking margin-securing measures. It has a wide range of compensation measures to reduce the risks to the supply of starting products resulting from increasing extreme weather conditions, which could affect all modes of transportation. Examples are shifting some goods to transportation routes that are not affected or using additional equipment when loading and unloading.

The risk of rising wholesale electricity prices is being countered by the extensive supply of electricity produced in-house. In response to the risk of higher natural gas prices, the group is pursuing a centrally managed price hedging strategy.

The cost risk resulting from the increase in the price of emissions allowances will continue in the 4th trading period (2021 to 2030), for example due to the reduction in allowances, the implementation of the EU's climate targets by 2030 and the risk that we are unable to pass on increasing CO_2 costs in full to our customers. We use our hedging strategy to address this risk.

A range of measures to reduce risks in connection with the construction of the direct reduction plant

Should there be any delays in the construction of the direct reduction plant, there is the risk of higher CO_2 costs, especially in the year of the planned start-up, and the risk of being unable to benefit in full from funding from the German government and the state of North Rhine-Westphalia. In addition, there is a risk associated with the future procurement of green and blue hydrogen and green electricity because deliveries could be linked with the provision of substantial securities to the supplier. If we were unable to provide these securities, it might be necessary to operate the direct reduction plant with an energy mix that does not satisfy the (secondary) criteria for funding, which could result in us having to pay penalties or repay funding in accordance with the EU's state aid regulations. We are countering this risk by way of an intensive exchange with the funding provider, an active dialog on the political level and a procurement process involving a large number of energy suppliers that has been agreed with the funding provider. A rebudgeting was performed in respect of the costs of constructing the direct reduction plant; this identified possible additional costs. The risk management system that has been implemented identifies financial risks in a timely manner and continuously monitors the construction costs. In parallel, mitigation measures are identified and initiated.

To reduce business interruption risks and improve fire safety, funds are made available for ongoing preventive maintenance and for modernization and investment. There are business continuity plans and emergency and crisis plans to deal with possible business interruptions. These set out measures to remedy the damage. The segment has integrated a business and technical risk controlling system for property insurance into its risk management process.

The move towards an energy system dominated by renewables in Germany is creating major additional challenges and costs for energy-intensive industries in general and the steel sector in particular. For its green transformation the steel industry needs to be able to rely on the availability of sufficient quantities of electricity and hydrogen from renewable resources at competitive prices at all times. We are actively monitoring the current debate on budget, regulatory and distribution policy by way of the Federal Network Agency white paper on the development of industry network charges and the white paper formulated by the Federal Ministry for Economic Affairs and Climate Action on the electricity market of the future. These are of central importance to our energy-intensive industry and will substantially affect competitiveness, plannability, cost distribution, the green transformation and the long-term reliability of energy supplies. On the political front, we are advocating for competitive electricity prices to safeguard the economic stability and future viability of the industry.

Following the 2023 adoption of the German government's revised National Hydrogen Strategy, there are plans to implement numerous initiatives. For the core H_2 network, it is important to realize all relevant connection and supply lines in due time. A further risk exists in the delay in connecting neighboring European countries to Germany's core H_2 network such that international supplies can no longer be synchronized with the hydrogen ramp-up of the direct reduction plant. We are responding to this by conducting in-depth discussions with the embassies and ministries of neighboring countries and with the German government. The European steel industry is facing strong pressure from imports due to global overcapacities that are still being expanded. In June 2024, the European Union decided to extend the current tariff-based steel safeguard until June 2026. Due to WTO rules, this trade protection measure cannot be extended again. The steel industry is demanding the creation of a follow-up measure to protect the European steel market against imports from countries with overcapacities. There are risks to exports to the USA due to the temporarily resolved customs dispute between the EU and the USA. In December 2023, the US government agreed to allow the EU to retain the existing quotas for tariff-free imports from Europe until the end of 2025. The steel industry is pressuring both sides to negotiate a long-term solution before then.

Moreover, we only receive energy and CO_2-related funding from the EU if we actually invest in energy efficiency and/or climate protection measures. All measures have to be validated by an authorized external auditor. For us, this means adapting the processes of our energy management system. To implement this, we are consulting external advisors and working closely with the responsible certification bodies. If our measures are not recognized by the relevant authorities, there is a risk that we could lose any funding that we have already received.

Marine Systems – To limit technical and timing risks, in the past fiscal year we initiated a project aimed at strengthening order execution by the individual business units. In respect of risk management, we placed the focus on the operating units in order to safeguard our production capability in the long term.

The export situation of Marine Systems has stabilized. In the prior year, we reported on the delayed issue of an export permit as a risk for one contract. The German government has now extended the permit until the end of 2025, thus removing the risk for this project.

Shortages of raw materials and components – such as steel for submarine pressure hulls – and supply chain disruption are now daily occurrences as a result of the overall change in the market environment, forcing both Marine Systems and its competitors to accept altered pricing and timing conditions for deliveries. Within the long-term project horizon at Marine Systems, the impact of these risks is still manageable.

In the export business, orders where some relevant work is performed in the customer's country or in currency areas outside the euro zone require careful monitoring and management of exchange rate and inflation risks as a result of the heightened volatility of some markets.

So far, Marine Systems has managed to meet its needs well in the more difficult market for skilled employees. Despite intensive recruitment activities, it is closely monitoring the risk relating to timely sourcing of the necessary personnel. To date, it has successfully prevented significant disruption caused by a lack of expertise or specialist staff.

Takeover-related disclosures

The following information, valid September 30, 2024, is presented in accordance with §§ 289a and 315a of the German Commercial Code (HGB). Details under §§ 289a and 315a of the German Commercial Code (HGB) which do not apply at thyssenkrupp are not mentioned.

Composition of capital stock

The capital stock of thyssenkrupp AG amounts to €1,593,681,256.96 and consists of 622,531,741 no-par value bearer shares. Each share carries the same rights and grants one vote at the Annual General Meeting.

Direct shareholdings exceeding 10% of the voting rights

According to a voluntary notification submitted in September 2024, as of September 30, 2024 the Alfried von Bohlen und Halbach Foundation, Essen, had a direct shareholding of 21% of the voting rights of thyssenkrupp AG.

Appointment and dismissal of Executive Board members, amendments to the Articles of Association

The appointment and dismissal of members of the Executive Board of thyssenkrupp AG are subject to §§ 84, 85 AktG and § 31 Codetermination Act (MitbestG) in conjunction with § 6 of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the Annual General Meeting with a majority of at least three quarters of the capital stock represented; §§ 179 ff. AktG apply. Under § 11 (9) of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association which relate only to their wording. The Annual General Meeting recently amended § 14 of the Articles of Association and resolved to increase the compensation of Supervisory Board members, unchanged since fiscal year 2013 / 2014, to an appropriate level in line with market standards on the basis of an external benchmark comparison.

Authorization of the Executive Board to issue or buy back shares

By resolution of the Annual General Meeting of thyssenkrupp AG on February 4, 2022, the Executive Board is authorized until February 3, 2027

- to increase the company's capital stock once or several times in installments, by up to €300 million by issuing up to 117,187,500 new no-par bearer shares in exchange for cash and/or contribution in kind (Authorized Capital). The shareholders are in principle entitled to subscription rights. However, with the approval of the Supervisory Board, the Executive Board is authorized to exclude shareholder subscription rights in certain circumstances and within defined limits, for example, in the event of capital increases in exchange for contributions in kind or cash if the issue price is not significantly lower than the stock market price of already listed shares.

  The pro rata amount of the shares issued under this authorization with the exclusion of shareholders' subscription rights may not exceed 10% of the total capital stock. If (i) use is made of other authorizations to issue or sell shares with the exclusion of subscription rights during the term of this authorization or (ii) shares are issued or to be issued to service rights arising from other authorizations that confer a right or obligation to purchase shares, these shares are counted towards this limit.

- With the approval of the Supervisory Board, to issue once or several times in installments, including simultaneously in different tranches, bearer or registered warrant and/or convertible bonds, participation rights and/or participating bonds and combinations of these instruments with a total par value of up to €2 billion with or without limited terms and, in the case of warrant and/or convertible bonds, to grant or impose on their holders or creditors option or conversion rights or option or conversion obligations for no-par bearer shares of thyssenkrupp AG with a total share of the capital stock of up to €250 million in accordance with the conditions of these bonds. The bonds can be issued in exchange for cash and/or contributions in kind. The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights in certain circumstances and within defined limits, for example, if the bonds are issued in exchange for contributions in kind or cash if the issue price of the bonds is not significantly lower than their theoretical fair value.

  The pro rata amount of the shares to be issued in accordance with this authorization with the exclusion of shareholder subscription rights on the basis of option or conversions rights or option or conversion obligations may not exceed 10% of the total capital stock. If (i) use is made of other authorizations to issue or sell shares with the exclusion of subscription rights during the term of this authorization or (ii) shares are issued or to be issued to service rights arising from other authorizations that confer a right or obligation to purchase shares, these shares are counted towards this limit.

- Furthermore, the Executive Board is authorized to conditionally increase the capital stock by up to €250 million by issuing up to 97,656,250 no-par bearer shares (Conditional Capital). The Conditional Capital may only be used to the extent that the holders or creditors of warrant and/or convertible bonds, participation rights, participating bonds and combinations of these instruments issued by thyssenkrupp AG or a group company up to February 3, 2027 use their conversion and/or option rights or if the company exercises an option to grant no-par shares of thyssenkrupp AG in whole or in part instead of payment of the cash price.

- to purchase and use treasury shares representing a pro rata amount of up 10% of the total capital stock existing at the time of the resolution or, if this value is lower, at the time the authorization is exercised, for all purposes explicitly permitted by the resolution and all legally permitted purposes. The Executive Board was authorized in certain cases to exclude tender rights when purchasing treasury shares and shareholder subscription rights in the use of treasury shares. The resolution also includes an authorization to use derivatives (put options, call options, forward purchase agreements or combinations thereof) when undertaking purchases of treasury shares and to exclude tender and subscription rights. The Executive Board is authorized to use shares in the company, for example, to sell them, with the approval of the Supervisory Board, in exchange for cash if the selling price is not significantly lower than the stock market price for the shares at the time of sale and the arithmetic share of the capital stock of the shares used in this way does not exceed 10% of the capital stock.

Key agreements subject to conditions

thyssenkrupp AG is party to the following agreements that contain certain conditions in the event of a change of control as a result of a takeover bid:

- The company has committed, bilaterally agreed credit facilities in the amount of €1.2 billion. The banks have the right under certain conditions to cancel their credit facility and the associated outstanding loans and demand their repayment if one or more shareholders, who act in a concerted manner towards thyssenkrupp AG with shareholders other than the Alfried Krupp von Bohlen und Halbach Foundation, together hold more than 50% of the voting rights or capital stock of thyssenkrupp AG.
- The company has a bond and a private placement outstanding in the nominal amount of €0.7 billion. A change of control, i.e. cases where a third party or third parties acting in a concerted manner towards thyssenkrupp AG acquire(s) or hold(s) more than 50% of the capital stock or more than 50% of the voting shares of thyssenkrupp AG, may under certain conditions lead to the early redemption including interest.

Corporate governance statement

At thyssenkrupp corporate governance stands for responsible corporate management and control geared to long-term value creation. Good corporate governance embraces all areas of the thyssenkrupp group. Both national regulations such as the recommendations of the Government Commission on the German Corporate Governance Code and other common standards are taken into account. The corporate governance statement in accordance with § 289 f (1) Sentence 2 and § 315 d of the German Commercial Code (HGB) is the central instrument of corporate governance reporting. The Executive Board and Supervisory Board issue a joint declaration of conformity and bear joint responsibility for the corresponding sections of the report.

Declaration of conformity in accordance with § 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board of thyssenkrupp AG issued the following declaration in accordance with § 161 (1) of the German Stock Corporation Act (AktG) and published it on the company's website on October 1, 2024:

www.thyssenkrupp.com > Company > Management > Corporate governance

Declaration by the Executive Board and Supervisory Board
of thyssenkrupp AG
on the recommendations of the
"Government Commission on the German Corporate Governance Code"
in accordance with § 161 AktG

1. thyssenkrupp AG complies with all the recommendations of the German Corporate Governance Code as amended on April 28, 2022 and published by the Federal Ministry of Justice in the official section of the Federal Gazette ("Bundesanzeiger") on June 27, 2022 and will continue to comply with these recommendations in the future.

2. Furthermore, since submission of the last declaration of conformity on October 1, 2023, thyssenkrupp AG has complied with all recommendations.

Duisburg/Essen, October 1, 2024

For the Supervisory Board	For the Executive Board
– Russwurm –	– López –

The declarations of conformity issued in the past five years have been made publicly available on our website.

Our listed subsidiaries thyssenkrupp nucera AG & Co. KGaA (nucera) and Eisen- und Hüttenwerke AG (EHW AG) also comply with the German Corporate Governance Code (GCGC). The unqualified declaration of conformity of thyssenkrupp nucera was submitted in September 2024. The declaration of conformity of EHW AG dated October 1, 2024 presents and explains individual deviations relating to its inclusions in the thyssenkrupp group. The declarations of conformity are available on the subsidiaries' websites.

Compensation system and compensation of Executive Board members

The 2023 / 2024 compensation system for members of the Executive Board, which was approved by the Annual General Meeting on February 5, 2021 with a majority of 96.70% of the capital represented, and the compensation reports for the previous years, including in each case the associated audit opinion and the last resolutions of the Annual General Meeting on the compensation system and compensation report, are available on our website. The compensation report in accordance with § 162 AktG for fiscal year 2023 / 2024 can be found in the corresponding section of this Annual Report.

www.thyssenkrupp.com > Company > Management > Corporate governance > Compensation Report

In light of the planned presentation of the Executive Board compensation system to the Annual General Meeting 2025 for resolution on its approval, the Supervisory Board and its Personnel Committee reviewed the current Executive Board compensation system in respect of any necessary or meaningful amendments. At its meeting on September 12, 2024, the Supervisory Board approved a reviewed and optimized Executive Board compensation system effective October 1, 2024 and for first-time application for fiscal year 2024 / 2025. It is planned to present this reviewed Executive Board compensation system to the 2025 Annual General Meeting for resolution on its approval. The revised Executive Board compensation system is also available on the company's website.

Key corporate governance principles and practices

thyssenkrupp Code of Conduct

While the group mission statement describes our goals and standards, the concrete principles and ground rules for our work and our behavior towards business partners and the public are summarized in the thyssenkrupp Code of Conduct. We are convinced that responsibility, respect and compliance with laws and regulations are the foundation of all collaboration. We comply with the highest standards – something our business partners worldwide can rely on. However, we also expect our business partners to act in the same way. Our Code of Conduct provides guidance to all employees of our company. It applies worldwide at all our sites and summarizes the key principles and rules of our conduct as well as our behavior towards business partners and the public, serving as the basis for the following topics in particular: compliance with the law; avoiding conflicts of interest; ban on corruption and bribery; fair competition; anti-money-laundering; trade compliance; equal treatment and non-discrimination; human and workers' rights; cooperation with employee representatives; occupational health and safety; sustainable environmental and climate protection; donations; political lobbying; public appearances and communication; reporting; confidential company information / insider information; data protection and information security; and protection of company property.

In addition, thyssenkrupp has signed the United Nations Global Compact, the BME Code of Conduct and the Diversity Charter.

All these principles are implemented with the aid of the existing programs and management systems and the non-financial targets. thyssenkrupp also pursues a strategy of sustainable and responsible business in the individual operating segments. Detailed information on our sustainability agenda can be found in the sustainability report, which is integrated into the Annual Report (see "Fundamental information on the group," subsection "Targets," and "Overview of non-financial disclosures"), and on our website.

www.thyssenkrupp.com >Company > Sustainability > Sustainability Strategy and Targets

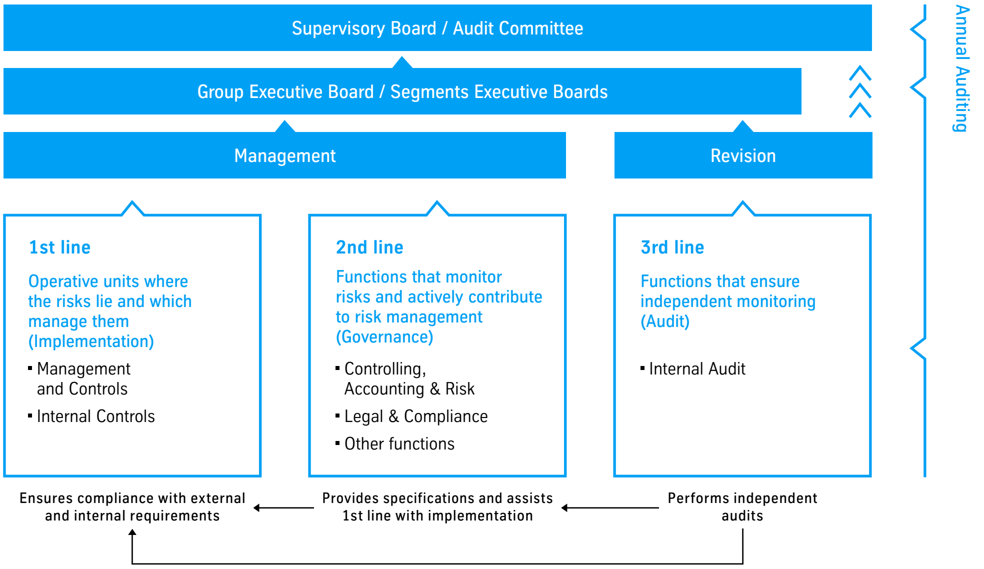
Integrated governance, risk and compliance model

Dealing responsibly with risks is part of corporate governance at thyssenkrupp, because the continuous and systematic management of business risks – but also opportunities – is fundamental to professional governance. An integrated governance, risk management and compliance (GRC) model, embedded in the GRC Policy that applies to all companies of the thyssenkrupp group, provides the basis for risk management in the group.

The structure of the risk management system is based on international standards.

The organizational framework for the integrated GRC model at thyssenkrupp is the three lines model. This shows which line is responsible for risk management in the broadest sense within the group. It helps to identify organizations, structures and processes that facilitate strong governance and strong risk management.

MODEL OF THE 3 LINES ESTABLISHED AT THYSSENKRUPP



The first line concerns activities (including risk management) and the use of resources, taking into consideration external and internal regulations. The aim is to avoid or identify and mitigate risks where they may arise, i.e., at the operational level within the businesses.

To this end, the local risk and control officers apply specific risk management and compliance measures and implement the requirements of the internal control system. All employees in the first line are required to take a responsible and risk-aware approach within their area of competence, in compliance with the law and binding internal regulations issued by thyssenkrupp to ensure that risks are managed appropriately. Constant dialog is maintained with the Executive Board of thyssenkrupp AG through the management level at the segments on planned, actual and expected outcomes related to the targets of the organization and on risks.

The second line structures governance for the thyssenkrupp group and defines corresponding minimum requirements for systems and processes for use by the first line.

It sets the framework for collaboration within the thyssenkrupp group and defines groupwide requirements for the structure of the internal control system, the risk management system and compliance, for example, through binding internal regulations. The specific features of governance are risk-oriented and decided at the discretion of the Executive Board. Management responsibility for achieving the organizational objectives covers the design of both first- and second-line roles.

Close integration of the internal control system, risk management system and compliance aims to maximize the efficiency of risk prevention and management.

Key features of our risk management and control system are described in the section "Opportunity and risk report."

Compliance, in the sense of all groupwide measures to ensure adherence to statutory requirements and binding internal regulations, is a key management and oversight duty at thyssenkrupp. In this context special responsibility is assumed by our executives, who have entrepreneurial responsibility for compliance. The Executive Board's resolution on entrepreneurial compliance responsibility (most recently updated on June 06, 2024) states that all executives at thyssenkrupp have a duty and a responsibility to ensure compliance with the law and internal regulations in their sphere of responsibility and to work to ensure compliance (obligation to set an example, compliance as a key leadership task). Any identified breaches of laws or binding internal regulations, especially those related to our core compliance areas – antitrust law, corruption prevention, data protection, anti-money-laundering and trade compliance – are halted immediately. To prevent any recurrence in the future, suitable risk-mitigation remedies are implemented without delay. In the event of proven violations, our "zero tolerance" policy applies: where necessary, sanctions are systematically imposed on those concerned. At the same time the Compliance Commitment expresses our positive compliance mindset: we stick to the rules out of conviction.

The Group General Counsel, who is also the Chief Compliance Officer, is responsible for the compliance program and reports directly to the CEO of thyssenkrupp AG.

More information on compliance at thyssenkrupp can be found in the "Compliance" section of the combined management report.

As the third line, Corporate Internal Auditing conducts independent audits to monitor the correctness, reliability, appropriateness and efficacy of the processes implemented, the internal controls and the risk management. It supports executive management in the performance of its oversight function and reports directly and independently to the Executive Board of thyssenkrupp AG and, where necessary, to the Supervisory Board. The independence of Internal Auditing ensures that it can plan and perform its work without hindrance and prejudice and has unrestricted access to the necessary persons, resources and information. The head of Corporate Internal Auditing reports on the auditing function to the Audit Committee twice a year or as needed. Internal Auditing itself is subject to an external quality assessment every five years; the last quality assessment was successfully completed in the first quarter of the fiscal year 2020 / 2021.

In the area of accounting, the three lines model is supplemented by the work of the external financial statement auditors.

Through the integrated governance, risk and compliance approach, the Executive Board has devised and implemented a framework for the management of thyssenkrupp to provide an appropriate and effective internal control and risk management system. The measures implemented within this framework are also geared to the appropriateness and effectiveness of the internal control and risk management system and are outlined in more detail in the opportunity and risk report. To establish the three lines model and statutory framework in the risk management system, for example, it is accompanied by independent oversight and audits, especially the audits conducted by Internal

Auditing and its reports to the Executive Board and the Audit Committee of the Supervisory Board and by other external audits.[1)]

From its examination of the internal control and risk management system and the reports by Internal Auditing, the Executive Board is not aware of any circumstances that undermine the appropriateness and efficacy of these systems.[1)]

Description of the method of operation of the Executive Board and Supervisory Board and the composition and method of operation of their committees

Composition and method of operation of the Executive Board

On the basis of the organizational structure it has adopted, the Executive Board bears responsibility for managing the company in the interest of the company, i.e. taking into account the concerns of the shareholders, employees and other stakeholders, with the aim of sustainable value creation. It makes provisions for compliance with the statutory requirements and binding internal regulations, and works to ensure that these are observed by the companies of the thyssenkrupp group. Significant business transactions are subject to the approval of the Supervisory Board; they are listed in § 7 (1) of the Articles of Association and Annex 2 of the Rules of Procedure for the Executive Board.

The Executive Board of thyssenkrupp AG must consist of at least two members. The age limit for Executive Board members has been defined as the statutory retirement age of the state pension scheme (or alternatively of a pension scheme of a professional association that applies to the Executive Board member). The Executive Board members bear joint responsibility for overall business management; they decide on key management measures such as corporate strategy and corporate planning. The Executive Board Chairman (CEO) is responsible for coordinating all the directorates of the Executive Board and for communicating with the Supervisory Board; he also represents the Executive Board. More detailed information on the individual members of the Executive Board and their areas of responsibility (directorates) can be found on the company's website. The Executive Board has not formed any committees. It is regularly advised by the segment management teams, the heads of the corporate functions and the representatives of the regions.

www.thyssenkrupp.com > Company > Management > Executive Board

Composition and method of operation of the Supervisory Board

The Supervisory Board advises and oversees the Executive Board in its management of the company. It determines the number of members the Executive Board has above the minimum number, appoints and dismisses the members of the Executive Board, and defines their directorates. It also determines the compensation of Executive Board members. Details of Executive Board compensation can be found in the compensation report. The Supervisory Board reviews the parent company and consolidated financial statements along with the combined management report of thyssenkrupp AG, adopts the parent-company financial statements and approves the consolidated financial statements and the combined management report. It examines the proposal for the appropriation of net income and with the Executive Board submits it to the Annual General Meeting for resolution. On the substantiated recommendation of the Audit Committee, the Supervisory Board proposes the auditors for election

www.thyssenkrupp.com > Company > Management > Supervisory Board

1) The disclosures in this paragraph are outside the scope of the audit of the management report as explained in the preliminary remarks to this management report.

by the Annual General Meeting. After the corresponding resolution is passed by the Annual General Meeting, the Audit Committee awards the contract to the auditors and monitors the audit of the financial statements together with the independence, qualifications, rotation and efficiency of the auditors. Details of the activities of the Supervisory Board in fiscal year 2023 / 2024 are contained in the report by the Supervisory Board.

The compensation of the Supervisory Board members is determined by the Annual General Meeting. Given that the compensation for Supervisory Board members governed by § 14 of the Articles of Association was last amended by the 2014 Annual General Meeting and had thus been unchanged since fiscal year 2013 / 2014, the Annual General Meeting on February 2, 2024 approved amendments to some aspects of the compensation for Supervisory Board members with a majority of 99.66% of the capital represented. As a result, individual elements of the compensation for the Supervisory Board were increased to an appropriate level in line with market standards on the basis of an external benchmark comparison. The compensation paid to the individual Supervisory Board members is presented in the compensation report.

The composition of the Supervisory Board of thyssenkrupp AG is governed by law and the detailed provisions of § 9 of the Articles of Association. In accordance with the German Codetermination Act, it is composed of ten shareholder representatives and ten employee representatives. Under the Articles of Association, the Alfried Krupp von Bohlen und Halbach Foundation is entitled to designate a Supervisory Board member.

In accordance with § 27 (1) of the Codetermination Act, the chair of the Supervisory Board is elected from among the Supervisory Board members. The task of the Supervisory Board chair is to coordinate the work of the Supervisory Board and chair the Supervisory Board meetings. Public statements by the Supervisory Board are issued by the Supervisory Board chair. At thyssenkrupp at least one member of the Supervisory Board must have expertise of financial accounting and another member must have expertise of auditing financial statements. All members of the Supervisory Board are subject to a statutory secrecy obligation. More detailed information on the individual members of the Supervisory Board and its six committees can be found on the company's website.

Composition and method of operation of the Supervisory Board committees

The Supervisory Board has formed a total of six committees. With the exception of the Nomination Committee, all committees must be composed of equal numbers of shareholder and employee representatives. The Mediation Committee formed in accordance with § 27 (3) of the Codetermination Act (MitbestG) must be composed of the Supervisory Board Chair, the Deputy Chair, one shareholder representative and one employee representative. In line with the recommendation of the GCGC, the chair of the Supervisory Board and the chair of Audit Committee are not the same person.

www.thyssenkrupp.com > Company > Management > Supervisory Board > Supervisory Board Committees

The Executive Committee and the Personnel Committee are composed of the same four members, namely Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (chair of both committees), Dr. Bernhard Günther, Jürgen Kerner and Tekin Nasikkol. As part of its activities the Personnel Committee handles the topic of succession planning, which the chair of the Supervisory Board also discusses with the Executive Board. This enables the Supervisory Board to ensure long-term succession planning together with the Executive Board. The Mediation Committee is composed of four members (Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm [Chair], Dr. Bernhard Günther, Jürgen Kerner and Tekin Nasikkol). The Audit Committee is composed of six members: (Dr. Verena Volpert [Chair], Dr. Wolfgang Colbert, Dr. Bernhard Günther, Tanja Jacquemin, Tekin Nasikkol and Ulrich Wilsberg) and the Strategy, Finance and Investment Committee has eight members (Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm [Chair], Stefan E. Buchner, Prof. Dr. Dr. h.c. Ursula Gather, Daniela Jansen, Jürgen Kerner, Thorsten Koch, Dr. Ingo Luge and Tekin Nasikkol). The Nomination Committee is composed of up to five shareholder representatives (Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm [Chair], Birgit A. Behrendt, Prof. Dr. Dr. h.c. Ursula Gather, Dr. Bernhard Günther and Dr. Ingo Luge) who are elected exclusively by the shareholder representatives on the Supervisory Board. Details of their responsibilities can be found in the rules of procedure for the committees issued by the Supervisory Board. These rules and the current members can be found on the company's website.

The chairs of the committees report regularly on the meetings and work of the committees at the Supervisory Board meetings. The main task of the committees is to prepare specific topics for discussion and decision at full meetings of the Supervisory Board, except where the Supervisory Board has granted decision-making powers to the committees. Preparatory and decision-making responsibilities are set out in the rules of procedure for the committees. Details on the tasks and method of operation of the committees in the reporting year are provided in the report by the Supervisory Board.

The Supervisory Board regularly assesses the effectiveness of the work of the full Board and its committees. In addition to qualitative criteria to be defined by the Supervisory Board, the assessment includes in particular the procedures of the Supervisory Board and the flow of information between the committees and the full Supervisory Board as well as the timely and adequate provision of information to the Supervisory Board and its committees. The most recent self-assessment was conducted in 2020; however, a follow-up self-assessment was conducted in 2023 with independent external support.

Avoiding conflicts of interest

In the reporting year there were no consulting or other service agreements between Supervisory Board members and the company. There were no conflicts of interest that Executive Board or Supervisory Board members would have had to disclose immediately to the Supervisory Board. Details of the other directorships held by Executive Board and Supervisory Board members on statutory supervisory boards or comparable German and non-German control bodies of business enterprises are provided in the sections of the same name under "Additional information." Details of related party transactions are given in Note 23 to the financial statements of the thyssenkrupp group.

Directors' dealings

Members of the Executive Board and Supervisory Board and persons close to them are required to disclose the purchase and sale of thyssenkrupp AG shares and debt certificates or related financial instruments whenever the value of the transactions amounts to €20,000 or more within a calendar year. Previous transactions reported in fiscal year 2023 / 2024 were published and are available for viewing on the company's website. As of September 30, 2024 the total volume of thyssenkrupp AG shares held by Executive Board and Supervisory Board members amounted to less than 1% of the shares issued by the company.

Shareholders and Annual General Meeting

The shareholders of thyssenkrupp AG exercise their rights at the company's Annual General Meeting. Under § 17 (6) of the Articles of Association, the Executive Board is authorized to allow for General Meetings to be held without the shareholders or their proxies being physically present at the venue of the General Meeting (virtual General Meeting). The authorization resolved at the Annual General Meeting on February 3, 2023 is applicable for two years following its entry into the commercial register of the corresponding provision of the Articles of Association and thus until the planned 2025 Annual General Meeting. The 2024 Annual General Meeting was held as an in-person event on February 2, 2024.

www.thyssenkrupp.com > Investors > Annual General Meeting

At the Annual General Meeting the shareholders regularly pass resolutions on the appropriation of net income, the ratification of the acts of the Executive Board and Supervisory Board, election of the financial-statement auditors and approval of the compensation report. As a rule, shareholders can exercise their voting rights at the Annual General Meeting in person or by proxy, for which they can authorize a person of their choice or a company-nominated proxy acting on their instructions. They can also cast their votes online on the internet or in writing by an electronic vote. The Annual General Meeting can be viewed by anyone, live and in full, on the company's website, even and in particular in the event that the General Meeting is held with physical presence. In addition, we make all legally required documents and information on the Annual General Meeting available to shareholders in good time on our website. Furthermore, the website makes a wide range of information available to shareholders about their company during the year.

Once a year, the Chair of the Supervisory Board talks to institutional investors in a structured governance dialog about topics relating to the Supervisory Board and its work. The presentation prepared for this purpose is also available for download from the website as one element of the extensive ESG (environment, social, governance) information for the capital market. In addition, the Chair of the Supervisory Board is available for discussions with investors on a case-by-case basis or in special circumstances.

www.thyssenkrupp.com > Investors > ESG information for Capital Markets

Accounting and financial statement auditing

In line with European Union requirements, thyssenkrupp prepares the consolidated financial statements for the thyssenkrupp group and interim reports in accordance with the International Financial Reporting Standards (IFRS). However, the parent-company financial statements of thyssenkrupp AG, on which the dividend payment is based, are drawn up in accordance with the German Commercial Code (HGB).

In accordance with the statutory provisions the auditor is elected each year by the Annual General Meeting for a period of one year. In line with the proposal submitted by the Supervisory Board, the Annual General Meeting on February 2, 2024 elected KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG), Düsseldorf, as the auditor for the fiscal year 2023 / 2024 and to perform the auditors' review of the interim financial reports for the fiscal year 2023 / 2024 and the auditors' review of the interim reports for the fiscal year 2024 / 2025 prepared before the 2025 Annual General Meeting.

KPMG is the auditor of the parent-company and consolidated financial statements of thyssenkrupp AG.

KPMG has audited the parent-company financial statements and consolidated financial statements of thyssenkrupp AG since fiscal year 2022 / 2023. It was appointed in 2022 following a corresponding external bidding process. The signatory auditors for the parent-company financial statements of thyssenkrupp AG and consolidated financial statements of the thyssenkrupp group as of September 30, 2024 are Marc Ufer (signatory on the left) and Dr. Markus Zeimes as the responsible auditor (signatory on the right). The statutory requirements and obligation to rotate auditors were fulfilled.

Act on the Equal Participation of Women and Men in Executive Positions

For the Supervisory Board of thyssenkrupp AG, the law stipulates that the board must be composed of at least 30% women and at least 30% men. The 30% minimum for the proportion of women members as required by law and defined by the Supervisory Board has been exceeded since fiscal year 2019 / 2020. As of September 30, 2024, the shareholder representatives on the Supervisory Board and the employee representatives each included four female members, so the proportion of women on the Supervisory Board was 40%.

In May 2022, regarding the percentage of women on the Executive Board of thyssenkrupp AG, the Supervisory Board set a target of one woman and 33% based on an Executive Board of three members. If the size of the Executive Board were to be increased or decreased within the period until June 30, 2027 defined for achieving the target, the percentage represented by one female Executive Board member will apply.

In June 2022 the Executive Board of thyssenkrupp AG raised the female representation target for the first management level below the Executive Board to 33% (five women) and for the second level to 30% (14 women), to be implemented in both cases by June 30, 2027. Other companies in the thyssenkrupp group subject to codetermination law have also adopted targets for the proportion of women on supervisory boards, management boards, and at two management levels below, set a deadline for implementation and published both in accordance with statutory provisions.

Diversity model for the composition of the Executive Board and Supervisory Board of thyssenkrupp AG

As a listed company, thyssenkrupp AG meets the diversity requirements for the Executive Board and Supervisory Board as set out in particular in the Stock Corporation Act, the German Corporate Governance Code (GCGC) and the applicable accounting standards. Their differing requirements for the composition of the Executive Board and Supervisory Board are also taken into account in the diversity model adopted by the Supervisory Board. The model also includes the targets defined by the Supervisory Board for its composition and overall competency profile. Please refer to the preceding section for information on the proportion of women on the Supervisory Board and the target set.

Executive Board

The diversity model is aimed at securing sufficient diversity of opinion and knowledge on the Executive Board. The assessment, selection and appointment of candidates is based on the rules and generally accepted principles of non-discrimination. In selecting candidates for the Executive Board, the Supervisory Board also considers further diversity criteria: the candidate's personality, expertise and experience, internationality, training and professional background as well as age and gender.

The weighting given to the diversity criteria depends on the Executive Board position and duties to be performed in each individual case. The Personnel Committee of the Supervisory Board takes the above criteria into account when selecting candidates for the Executive Board. The diversity model for the composition of the Executive Board was fulfilled in the reporting period. In particular, the Executive Board members have many years of experience in their respective areas of responsibility.

Supervisory Board

The diversity model for the Supervisory Board aims to ensure that the members of the Supervisory Board have the knowledge, skills and professional experience needed to perform their tasks properly.

thyssenkrupp AG follows the statutory requirements when setting the target for the percentage of women on the Supervisory Board. They stipulate that at least 30% of the members must be women and at least 30% men. In addition the diversity model comprises two key elements: the targets of the Supervisory Board for its own composition and the competency profile for the Supervisory Board as a whole. Both already contain requirements for the Supervisory Board's diversity model, for example age, gender, education and professional background.

The diversity model is implemented through the election of Supervisory Board members. The election recommendations made to the Annual General Meeting of thyssenkrupp AG must meet the statutory requirements for the representation of women and men on the Supervisory Board while taking into account the targets set by the Supervisory Board itself and aiming to fulfill the competency profile for the board as a whole. This also applies to the appointment of successor candidates to the Supervisory Board. The Nomination Committee takes the diversity model into account when seeking candidates to act as shareholder representatives on the Supervisory Board.

Under the GCGC, the Supervisory Board must be composed in such a way that its members have the knowledge, skills, and professional experience needed to perform their tasks properly. The targets for the composition of the Supervisory Board and its competency profile adopted by the Supervisory Board in accordance with the requirements of the GCGC are as follows:

- Supervisory Board to have sufficient members with international experience, in particular in the expansion markets;
- Industrial expertise/sector knowledge in the fields in which thyssenkrupp operates with a global perspective, corporate management, management of companies subject to codetermination, corporate development, organization and structuring, corporate strategy and portfolio management with a global perspective, personnel management and development, human resources, digitization and IT, sustainability, financing and capital market, accounting and auditing, law, compliance and corporate governance;
- Avoidance of significant and non-temporary conflicts of interest (existing conflicts of interest or conflicts of interest to be expected in the future) and appropriate handling of other conflicts of interest;
- Supervisory Board members to serve no more than a maximum three periods of office, and observe an age limit of 75 (i.e. Supervisory Board members to stand down from the Supervisory Board at the end of the Annual General Meeting after they reach 75);
- At least six shareholder representatives should be independent of the company and the Executive Board;
- The following criteria have been defined to evaluate the independence of shareholder representatives:
  - No personal or business relationship with thyssenkrupp AG or its Executive Board which could constitute a significant and non-temporary conflict of interest.
  - The Supervisory Board member or a close relative of the Supervisory Board member was not a member of the Executive Board of thyssenkrupp AG in the two years prior to appointment, does not currently or did not in the year prior to appointment, either directly or as a shareholder or in a responsible function at a non-group company, maintain a material business relationship with thyssenkrupp AG or one of its dependent companies (e.g. as a customer, supplier, lender or advisor), is not a close relative of an Executive Board member and has not been a member of the Supervisory Board for more than 12 years.
- No board role or consultancy duties at key competitors of thyssenkrupp AG and its group companies and no personal relationship to a key competitor;
- The Supervisory Board should not include more than two former Executive Board members;
- The Chairs of the Supervisory Board, the Audit Committee and the Personnel Committee should be independent of the company and the Executive Board;
- The maximum term of office of the Supervisory Board members should not exceed 12 years (up to the end of the Annual General Meeting that resolves on the ratification of the acts of the Supervisory Board for the eleventh year of office of the Supervisory Board member);
- The Supervisory Board is composed of at least 30% women and at least 30% men.

The current composition of the Supervisory Board meets the targets and the competency profile. The Supervisory Board's targets for its own composition are factored into the election proposals put to the Annual General Meeting, while aiming to fulfill the competency profile for the board as a whole. This was most recently the case for the election of Dr. Verena Volpert at the 2024 Annual General Meeting. In the opinion of the Supervisory Board, its composition at the time this report was prepared meets the professional and personal qualifications set out in the competency profile:

STATUS OF IMPLEMENTATION OF THE COMPETENCY PROFILE – SHAREHOLDER REPRESENTATIVES

	Russwurm	Behrendt	Berard	Buchner	Colberg	Gather	Gifford	Günther	Luge	Volpert
Length of service										
Member since	2019	2020	2023	2021	2018	2018	2019	2020	2019	2020
Diversity										
Year of birth	1963	1959	1953	1960	1959	1953	1965	1967	1957	1960
Gender	m	f	m	m	m	f	f	m	m	f
Nationality	German	German	French	German	German	German	German	German	German	German
Professional background	Engineer	Business administrator	Economist	Industrial engineer	Business administrator/ business information systems expert	Mathematician/ business adminis-trator	Banking administrator	Economist	Lawyer	Business administrator
Professional expertise										
Corporate management and control[1]	X	X	X	X	X	X	X	X	X	-
HR[2]	X	-	-	-	X	X	-	X	X	-
Finance and the capital market	-	-	-	-	X	-	X	X	-	X
Sustainability	X	X	-	X	-	X	X	-	X	X
Digitalization and IT	X	-	X	-	X	X	X	X	-	-
Accounting and auditing	-	-	-	-	X	-	-	X	X	X
Law/compliance and corporate governance	X	X	-	-	-	X	-	-	X	-
Knowledge of the business areas										
Steel Europe	X	-	-	X	X	X	-	-	-	-
Materials Services	-	X	X	-	X	-	X	-	X	-
Automotive Technology	X	X	-	X	X	-	X	-	-	-
Marine Systems	-	-	-	-	X	-	-	-	-	-
Decarbon Technologies	X	-	-	-	-	X	-	-	X	-

[1] Corporate management and control comprises the area of corporate management, management of companies subject to codetermination legislation, corporate development, organization and structuring, corporate strategy, management of affiliated companies (portfolio management) and operational excellence.
[2] HR comprises the areas of personnel leadership, people development and HR work.

STATUS OF IMPLEMENTATION OF THE COMPETENCY PROFILE – EMPLOYEE REPRESENTATIVES

	Hass	Jacquemin	Jansen	Julius	Kerner	Koch	Krawinkel	Nasikkol	Wilsberg	Zeidler
Length of service										
Member since	2017	2016	2021	2022	2020	2022	2023	2020	2023	2023
Diversity										
Year of birth	1965	1972	1977	1968	1969	1977	1987	1968	1964	1968
Gender	m	f	f	m	m	m	f	m	m	f
Nationality	German	German	German	German	German	German	German	German	German	German
Professional background	Energy systems engineer	Business administrator	Political scientist	Locksmith	Information systems engineer	Toolmaker	Lawyer	Business adminis-trator	Wholesale and foreign trade clerk	Drafts-person, speciali-zation mechanical engineering
Professional expertise										
Corporate management and control[1]	X	-	-	-	X	X	-	X	-	-
HR[2]	X	X	-	-	X	X	X	X	X	X
Finance and the capital market	-	-	-	-	X	-	-	X	-	-
Sustainability	X	X	X	-	X	-	X	-	-	X
Digitalization and IT	X	-	-	-	-	-	-	-	-	X
Accounting and auditing	-	X	-	X	-	-	-	-	-	-
Law/compliance and corporate governance	X	-	-	-	X	-	X	X	-	X
Knowledge of the business areas										
Steel Europe	X	-	X	-	-	-	-	X	-	X
Materials Services	X	-	-	-	-	-	-	-	X	-
Automotive Technology	X	-	X	X	-	X	-	-	-	-
Marine Systems	X	-	-	-	-	-	-	-	-	-
Decarbon Technologies	X	-	X	X	-	-	-	-	-	-

[1] Corporate management and control comprises the area of corporate management, management of companies subject to codetermination legislation, corporate development, organization and structuring, corporate strategy, management of affiliated companies (portfolio management) and operational excellence.
[2] HR comprises the areas of personnel leadership, people development and HR work.

In the assessment of the shareholder representatives on the Supervisory Board, the defined criteria for independence are met by all of the shareholder representatives, namely: Birgit A. Behrendt, Dr. Patrick Berard, Stefan Erwin Buchner, Dr. Wolfgang Colberg, Prof. Dr. Dr. h.c. Ursula Gather, Angelika Gifford, Dr. Bernhard Günther, Dr. Ingo Luge, Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm and Dr. Verena Volpert.

Having held management roles in the Finance function at listed companies and seats on the supervisory boards of joint stock companies for many years, as well as working as a tax accountant, Dr. Verena Volpert (Chair of the Audit Committee) has professional expertise in the field of auditing. Having held the position of CFO at listed companies for many years, Dr. Bernhard Günther in particular can be regarded as a member of the Audit Committee with professional expertise of accounting. This expertise also extends to the non-financial statement integrated into the management report and the audit thereof. Taken as a whole, the Supervisory Board members are familiar with the sector in which thyssenkrupp operates.

Group financial statements

thyssenkrupp group – statement of financial position

ASSETS

million €	Note	Oct. 1, 2022	Sept. 30, 2023	Sept. 30, 2024
Intangible assets	04	1,872	1,828	1,767
Property, plant and equipment (inclusive of investment property)	05	6,748	4,954	4,403
Investments accounted for using the equity method	06	642	382	229
Finance lease receivables		0	0	47
Other financial assets	11	863	980	1,041
Other non-financial assets	12	304	634	465
Deferred tax assets	32	732	495	464
Total non-current assets		**11,161**	**9,272**	**8,415**
Inventories	08	8,889	7,553	7,284
Trade accounts receivable	09	5,298	4,765	4,264
Contract assets[1)]	10, 25	1,082	1,069	807
Other financial assets	11	701	568	536
Other non-financial assets	12	1,745	1,867	1,876
Current income tax assets		159	168	151
Cash and cash equivalents	35	7,638	7,339	5,867
Assets held for sale		8	0	134
Total current assets		**25,519**	**23,330**	**20,918**
Total assets		**36,680**	**32,603**	**29,333**

[1)] Figures as of Oct. 1, 2022 and Sept. 30, 2023 have been adjusted (see Note 25).

See accompanying notes to consolidated financial statements.

EQUITY AND LIABILITIES

million €	Note	Oct. 1, 2022	Sept. 30, 2023	Sept. 30, 2024
Capital stock		1,594	1,594	1,594
Additional paid-in capital		6,664	6,664	6,664
Retained earnings		4,777	2,972	1,004
Cumulative other comprehensive income		1,167	608	321
thereof relating to disposal groups		—	—	(32)
Equity attributable to thyssenkrupp AG's stockholders		**14,202**	**11,838**	**9,583**
Non-controlling interest		540	854	775
Total equity	**13**	**14,742**	**12,693**	**10,358**
Provisions for pensions and similar obligations	15	5,812	5,474	5,762
Provisions for other non-current employee benefits	16	226	258	227
Other provisions	16	431	407	427
Deferred tax liabilities	32	53	16	28
Financial debt	17	2,786	1,313	650
Other financial liabilities		41	13	15
Other non-financial liabilities		15	0	15
Total non-current liabilities		**9,363**	**7,482**	**7,123**
Provisions for current employee benefits		168	159	180
Other provisions	16	1,268	1,112	1,242
Current income tax liabilities		150	144	123
Financial debt	17	1,195	1,712	823
Trade accounts payable	18	4,807	4,270	4,203
Other financial liabilities	19	980	906	924
Contract liabilities[1]	10, 25	2,285	2,566	2,735
Other non-financial liabilities	20	1,722	1,558	1,588
Liabilities associated with assets held for sale		0	0	34
Total current liabilities		**12,575**	**12,428**	**11,852**
Total liabilities		**21,938**	**19,910**	**18,975**
Total equity and liabilities		**36,680**	**32,603**	**29,333**

[1] Figures as of Oct. 1, 2022 and Sept. 30, 2023 have been adjusted (see Note 25).

See accompanying notes to consolidated financial statements.

thyssenkrupp group – statement of income

million €, earnings per share in €	Note	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Sales	24, 26	37,536	35,041
Cost of sales	04, 05	(34,878)	(31,798)
Gross Margin		**2,658**	**3,243**
Research and development cost		(239)	(257)
Selling expenses		(2,417)	(2,588)
General and administrative expenses		(1,686)	(1,682)
Other income	27	303	445
Other expenses	28	(88)	(195)
Other gains/(losses), net	29	12	(36)
Income/(loss) from operations		**(1,457)**	**(1,070)**
Income from companies accounted for using the equity method	06	(38)	(87)
Finance income		896	792
Finance expense		(984)	(830)
Financial income/(expense), net	**30**	**(126)**	**(125)**
Income/(loss) before tax		**(1,583)**	**(1,196)**
Income tax (expense)/income	32	(403)	(254)
Net income/(loss)		**(1,986)**	**(1,450)**
Thereof:			
thyssenkrupp AG's shareholders		**(2,072)**	**(1,506)**
Non-controlling interest		86	57
Net income/(loss)		**(1,986)**	**(1,450)**
Basic and diluted earnings per share based on	**33**		
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**(3.33)**	**(2.42)**

See accompanying notes to consolidated financial statements.

thyssenkrupp group – statement of comprehensive income

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net income/(loss)	**(1,986)**	**(1,450)**
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Other comprehensive income from remeasurements of pensions and similar obligations		
Change in unrealized gains/(losses), net	160	(373)
Tax effect	(60)	(4)
Other comprehensive income from remeasurements of pensions and similar obligations, net	100	(377)
Unrealized gains/(losses) from fair value measurement of equity instruments		
Change in unrealized gains/(losses), net	13	10
Tax effect	0	0
Net unrealized gains/(losses)	13	10
Share of unrealized gains/(losses) of investments accounted for using the equity-method	2	(2)
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**115**	**(369)**
Items of other comprehensive income that could be reclassified to profit or loss in future periods:		
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	(350)	(173)
Net realized (gains)/losses	0	26
Net unrealized gains/(losses)	(350)	(147)
Unrealized gains/(losses) from fair value measurement of debt instruments		
Change in unrealized gains/(losses), net	12	(38)
Net realized (gains)/losses	0	0
Tax effect	(2)	3
Net unrealized gains/(losses)	11	(36)
Unrealized gains/(losses) from impairment of financial instruments		
Change in unrealized gains/(losses), net	(84)	0
Net realized (gains)/losses	(16)	0
Tax effect	20	0
Net unrealized gains/(losses)	(80)	0
Unrealized gains/(losses) on cash flow hedges		
Change in unrealized gains/(losses), net	2	94
Net realized (gains)/losses	25	(28)
Tax effect	19	(1)
Net unrealized gains/(losses)	46	65
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(208)	(35)
Subtotals of items of other comprehensive income that could be reclassified to profit or loss in future periods	**(582)**	**(153)**

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Other comprehensive income	**(467)**	**(522)**
Total comprehensive income	**(2,454)**	**(1,972)**
Thereof:		
thyssenkrupp AG's shareholders	(2,510)	(2,007)
Non-controlling interest	56	35

See accompanying notes to consolidated financial statements.

thyssenkrupp group – statement of changes in equity

		Equity attributable to thyssenkrupp AG's stockholders		
million €, (except number of shares)	Number of shares outstanding	Capital stock	Additional paid-in capital	Retained earnings
Balance as of Sept. 30, 2022	**622,531,741**	**1,594**	**6,664**	**4,777**
Net income/(loss)				(2,072)
Other comprehensive income				100
Total comprehensive income				**(1,972)**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Capital increase at nucera				259
Changes of shares in nucera (already consolidated company)				1
Balance as of Sept. 30, 2023	**622,531,741**	**1,594**	**6,664**	**2,972**
Net income/(loss)				(1,506)
Other comprehensive income				(377)
Total comprehensive income				**(1,884)**
Gains/(losses) resulting from basis adjustment				
Profit attributable to non-controlling interest				
Payment of thyssenkrupp AG dividend				(93)
Changes of shares of already consolidated companies				4
Other changes				4
Balance as of Sept. 30, 2024	**622,531,741**	**1,594**	**6,664**	**1,004**

See accompanying notes to consolidated financial statements.

	Equity attributable to thyssenkrupp AG's stockholders									
	Cumulative other comprehensive income									
					Cash flow hedges					
	Foreign currency translation adjustment	Fair value measurement of debt instruments	Fair value measurement of equity instruments	Impairment of financial instruments	Designated risk component	Hedging costs	Share of investments accounted for using the equity method	**Total**	Non-controlling interest	**Total equity**
	524	**15**	**7**	**79**	**215**	**(26)**	**352**	**14,202**	**540**	**14,742**
								(2,072)	86	(1,986)
	(312)	6	13	(79)	60	(17)	(208)	(438)	(30)	(467)
	(312)	**6**	**13**	**(79)**	**60**	**(17)**	**(208)**	**(2,510)**	**56**	**(2,454)**
					(21)			(21)		(21)
								0	(51)	(51)
								(93)		(93)
								259	257	517
								1	51	52
	211	**21**	**21**	**0**	**253**	**(43)**	**144**	**11,838**	**854**	**12,693**
								(1,506)	57	(1,450)
	(142)	(20)	10	0	54	10	(35)	(500)	(21)	(522)
	(142)	**(20)**	**10**	**0**	**54**	**10**	**(35)**	**(2,007)**	**35**	**(1,972)**
					(164)			(164)		(164)
								0	(43)	(43)
								(93)		(93)
								4	(6)	(2)
								4	(65)	(61)
	69	**1**	**31**	**0**	**144**	**(33)**	**109**	**9,583**	**775**	**10,358**

thyssenkrupp group – statement of cash flows

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net income/(loss)	**(1,986)**	**(1,450)**
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	146	18
Depreciation, amortization and impairment of non-current assets	3,121	1,951
Reversals of impairment losses of non-current assets	(90)	(100)
(Income)/loss from companies accounted for using the equity method, net of dividends received	38	87
(Gain)/loss on disposal of non-current assets	(13)	40
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes		
– Inventories	1,191	87
– Trade accounts receivable	270	383
– contract assets[1]	(69)	140
– Provisions for pensions and similar obligations	(170)	(76)
– Other provisions	(127)	169
– Trade accounts payable	(403)	38
– contract liabilities[1]	308	254
– Other assets/liabilities not related to investing or financing activities	(150)	(188)
Operating cash flows	**2,064**	**1,353**
Purchase of investments accounted for using the equity method and non-current financial assets	(2)	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(3)	(15)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(1,698)	(1,525)
Capital expenditures for intangible assets (inclusive of advance payments)	(59)	(71)
Proceeds from government grants	154	417
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	1
Proceeds from disposals of previously consolidated companies net of cash disposed	(6)	60
Proceeds from disposals of property, plant and equipment and investment property	30	6
Cash flows from investing activities	**(1,582)**	**(1,129)**

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Repayments of bonds	(1,000)	(1,500)
Proceeds from liabilities to financial institutions	92	122
Repayments of liabilities to financial institutions	(157)	(167)
Lease liabilities	(147)	(139)
Proceeds from/(repayments on) loan notes and other loans	38	4
Payment of thyssenkrupp AG dividend	(93)	(93)
Proceeds from capital increase	517	0
Profit attributable to non-controlling interest	(51)	(43)
Expenditures for acquisitions of shares of already consolidated companies	0	(2)
Proceeds from disposals of shares of already consolidated companies	52	10
Other financial activities	34	168
Cash flows from financing activities	**(716)**	**(1,640)**
Net increase/(decrease) in cash and cash equivalents	(234)	(1,416)
Effect of exchange rate changes on cash and cash equivalents	(64)	(52)
Cash and cash equivalents at beginning of reporting period	7,638	7,339
Cash and cash equivalents at end of reporting period	**7,339**	**5,871**
thereof cash and cash equivalents within the disposal groups	—	4
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	167	210
Interest paid	(116)	(97)
Dividends received	25	38
Income taxes (paid)/received	(275)	(246)

[1] Figures for the year ended Sept. 30, 2023 have been adjusted (see Note 25).

See accompanying notes to consolidated financial statements.

thyssenkrupp group – Notes to the financial statements

Corporate information

thyssenkrupp Aktiengesellschaft (“thyssenkrupp AG” or “Company”) is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The address is: thyssenkrupp AG, thyssenkrupp Allee 1, 45143 Essen. The company is registered with the registration court in Duisburg, HR B 9092 and in Essen, HR B 15364. The consolidated financial statements of thyssenkrupp AG and its subsidiaries for the year ended September 30, 2024, were authorized for issuance in accordance with a resolution of the Executive Board on November 8, 2024.

Statement of compliance

Applying Art. 315e of the German Commercial Code (HGB), the group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations of the International Accounting Standards Board (IASB) effective within the EU in accordance with the Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards.

01 Summary of significant accounting policies

The consolidated financial statements are presented in euros since this is the currency in which the majority of the group’s transactions are denominated (functional currency), with all amounts rounded to the nearest million except when otherwise indicated; this may result in differences compared to the unrounded figures.

Consolidation

The group’s consolidated financial statements include the accounts of thyssenkrupp AG and all significant entities which are directly or indirectly controlled by thyssenkrupp AG (subsidiaries). This typically occurs when thyssenkrupp AG possesses more than half of the voting rights of a company. As far as structured entities are concerned, the ability to control does not result from a majority of voting rights but from contractual agreements.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Capital consolidation is performed by offsetting the carrying amounts of subsidiaries against their attributable equity. In the course of a business combination, the identifiable assets, liabilities and contingent liabilities of a subsidiary are in principle measured at their fair values at the date of acquisition.

The interest of minority shareholders (non-controlling interest) is stated at the minority’s proportion of the fair values of the identifiable assets, liabilities and contingent liabilities recognized.

All intercompany transactions and balances between group entities are eliminated on consolidation.

Joint arrangements where two or more parties jointly control an activity either classify as joint operations or as joint ventures. Joint operations result in including the assets and liabilities as well as the related income and expense on a pro rata basis in the group’s consolidated financial statements. Joint ventures are accounted for using the equity method. Where the group transacts with its joint operations or joint ventures, unrealized profits and losses are eliminated to the extent of the group’s interest.

Investments in associates are also accounted for using the equity method. Here the group is in a position to exercise significant influence that is presumed when the group holds between 20% and 50% of the voting rights ("Associated Companies"). Where a group entity transacts with an associate of the group, unrealized profits and losses are eliminated to the extent of the group's interest in the relevant associate.

Subsidiaries, joint operations, joint ventures and associates which influence on the group's net assets, financial position and results of operations is only immaterial are presented under the "Other financial assets, non-current" line item. Goodwill arising on acquisition is recognized as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

Goodwill arising on the acquisition of a joint venture or an associate is included within the carrying amount of the joint venture or the associate, respectively. Goodwill arising on the acquisition of subsidiaries or joint operations is presented under intangible assets.

Foreign currency translation

The functional and reporting currency of thyssenkrupp AG and its relevant European subsidiaries is the euro (€). Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

Financial statements of the foreign subsidiaries included in the group consolidated financial statements where the functional currency is other than the euro are translated using their functional currency which is generally the respective local currency. The translation is performed using the current rate method. Net exchange gains or losses resulting from the translation of foreign financial statements are accumulated and included in equity. Such translation differences are recognized as income or as expenses in the period in which the subsidiary is disposed of.

Companies that manage their sales, purchases, and financing substantially not in their local currency use the currency of their primary economic environment as their functional currency. Financial statements prepared in local currency are translated into the functional currency using the temporal method. The resulting translation differences are included in the consolidated statement of income as "Other income or expenses." Thereafter, the functional currency financial statements are translated into the reporting currency using the current rate method.

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

CURRENCIES

	Exchange rate as of (Basis €1)		Annual average exchange rate for the year ended (Basis €1)	
	Sept. 30, 2023	Sept. 30, 2024	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
US Dollar	1.06	1.12	1.07	1.08
Chinese Renminbi Yuan	7.74	7.85	7.53	7.81
Swiss Franc	0.97	0.94	0.98	0.96
Polish Zloty	4.63	4.28	4.62	4.33

Intangible assets

Intangible assets with finite useful lives are capitalized at cost. Depending on their estimated useful life, concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets are amortized on a straight-line basis over a period of generally up to 15 years, and development costs as well as internally developed software are amortized over a period of generally three to five years. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis. The amortization expense of intangible assets is primarily included in cost of sales in the consolidated statement of income.

Intangible assets with indefinite useful lives, including goodwill, are accounted for at cost and tested for impairment annually and additionally if there are indications of possible impairment at other times. Goodwill impairment losses are included in other expenses.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and impairment losses. Capitalized production costs for self-constructed assets include costs of material, direct labor, and allocable material and manufacturing overhead. Borrowing costs directly attributable to the production of assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs (day-to-day servicing) are expensed as incurred. The group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing parts and major inspection of such an item if it is probable that the future economic benefits embodied within the item will flow to the group and the cost of the item can be measured reliably. Where fixtures and equipment comprise of significant parts having different useful lives those parts are depreciated separately.

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

	Useful lives
Buildings (inclusive of investment properties)	10 to 50 years
Buildings and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Factory and office equipment	3 to 10 years

Investment property consists of investments in land and buildings that are held to earn rental income or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. Investment property is stated at cost less accumulated depreciation and impairment losses. The fair value of the group's investment property is stated in Note 05.

Impairment of non-financial assets

At each balance sheet date and during the fiscal year in case of any indications, the group reviews the carrying amounts of its intangible assets, property, plant and equipment and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Goodwill arising on acquisition is allocated to the Cash Generating Units that are expected to benefit from the synergies of the acquisition. Those groups of Cash Generating Units represent the lowest level within the thyssenkrupp group at which goodwill is monitored for internal management purposes. The recoverable amount of the Cash Generating Unit that carries a goodwill is tested for impairment annually as of September 30, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For more details refer to Note 04.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. In allocating an impairment loss the carrying amount is not reduced below the highest of fair value less costs of disposal, value in use and zero (value limit of IAS 36.105).

In case of impairment losses related to Cash Generating Units that carry a goodwill the carrying amount of any goodwill allocated to the Cash Generating Unit is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is allocated proportionally to the remaining non-current assets of the Cash Generating Unit to reduce their carrying amounts accordingly unless otherwise provided.

Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash Generating Unit) is increased to the revised estimate of its recoverable amount. The revised amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (Cash Generating Unit) in prior years. A reversal of an impairment loss is recognized as income immediately. However, impairment losses of goodwill may not be reversed.

Leases

A contract constitutes a lease if the contract conveys the lessee

- the right to control the use of an identified asset (the leased asset)
- for a specific period
- in exchange for a consideration.

Lessee accounting

The group as a lessee recognizes in general for all leases within the statement of financial position an asset for the right of use of the leased assets and a liability for the lease payment commitments at present value. These are primarily rentals of property and buildings, technical equipment and machinery, other plants and operating and office equipment. The right of use assets reported under property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Payments for non-lease components are not included in the determination of the lease liability. The lease liabilities reported under financial liabilities reflect the present value of the outstanding lease payments at the time the asset is made available for use. Lease payments are discounted at the interest rate implicit in the lease if it can be readily determined. Otherwise, they are discounted at the lessee's incremental borrowing rate. The derivation of the interest rate is based on the assumption that an adequate amount of funds will be raised over an adequate period of time, taking into account the respective currency area and a discount for the collateralization of the underlying asset.

The lease liabilities include the following lease payments over the respective lease term:

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

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

- Lease liability,
- lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs and
- dismantling obligations.

Subsequent measurement is performed at amortized cost. Right-of-use assets are depreciated on a straight-line basis over the lease term, unless the useful life of the underlying asset is shorter. If the lease agreement contains reasonably certain purchase options, the right of use is depreciated over the economic life of the underlying asset.

In subsequent measurement, the lease liability is compounded, and the corresponding interest expense is recognized in the financial income/(expense), net. The lease payments made reduce the carrying amount of the lease liability.

In accordance with the recognition exemptions, short-term leases (less than twelve months) and low-value leases are recognized in the statement of income. thyssenkrupp has identified certain asset classes (e.g. PCs, telephones, printers, copiers) which regularly contain leased assets of low value. Outside these asset classes, only leased assets with a value of up to €5,000 are classified as low-value leased assets. Furthermore, the regulations are not applied to leases of intangible assets. For contracts comprising a non-lease component as well as a lease component, each lease component must be accounted for separately from non-lease component as a lease. The lessee must allocate the contractually agreed-upon payment to the separate lease components based on the relative standalone selling price of the lease component and the aggregated standalone selling price of the non-lease components. In addition, intragroup leases will continue to be presented in the segment report according to IFRS 8 as intercompany expenses or income.

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

Lessor accounting

As a lessor in an operating lease, the group recognizes the leased asset as an asset at amortized cost under property, plant and equipment. The lease payments received during the period are recognized as lease income under sales and are amortized on a straight-line basis over the term of the lease.

As a lessor in a finance lease, the group recognizes a receivable in the statement of financial position at the amount equal to the present value of the discounted net investment in the lease adjusted for the unguaranteed residual value.

Inventories
Inventories are stated at the lower of acquisition/manufacturing cost and net realizable value. In general, inventories are valued using the average cost method. Manufacturing cost includes direct material, labor and allocable material and manufacturing overhead based on normal operating capacity.

Financial instruments
A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as thyssenkrupp becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

Financial assets
In particular, financial assets include trade accounts receivable, cash and cash equivalents, derivative financial assets, as well as equity and debt instruments. Trade accounts receivable are initially measured at the transaction price, other financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not carried at fair value through profit or loss in future periods. The fair values recognized on the balance sheet usually reflect the market prices of the financial assets.

The classification and measurement of financial assets is based on the financial asset's cash flow characteristics and on thyssenkrupp's business model for managing the financial assets. Different business models may apply for separate portfolios of identical debt instruments, e.g. where factoring programs exist for certain trade accounts receivable.

If a debt instrument is held with the objective of collecting contractual cash flows and if the cash flows are solely payments of principal and interest, the instrument is recognized at amortized cost. At thyssenkrupp this mainly concerns trade accounts receivable, and cash and cash equivalents without money market funds as well as the interest-free loans resulting from the Elevator investment (see Note 24).

Money market funds are measured at fair value through profit or loss.

If the cash flow conditions are met but the debt instrument is held both to collect contractual cash flows and to sell, the instrument is measured at fair value in equity (with recycling). At thyssenkrupp this mainly concerns trade accounts receivable which may be sold, and securities.

For equity instruments not held for trading – with the exemption of the preference shares of the Elevator investment – thyssenkrupp has consistently exercised the option to recognize future changes in fair value in profit or loss. However changes in fair value of the preference shares are directly recognized in equity (without recycling). Derivatives that do not qualify for hedge accounting are also recognized at fair value in profit or loss.

Debt instruments, lease receivables, trade accounts receivable and contract assets recognized at amortized cost or at fair value in equity are measured according to the expected loss model. Using forward-looking information, the expected credit loss is generally calculated by multiplying the three parameters carrying value of the financial asset, probability of default, and loss given default. thyssenkrupp applies the simplified impairment model under IFRS 9 and reports lifetime expected losses for all trade accounts receivable and contract assets. For all other financial assets twelve-month expected credit losses are reported. Owing to the short maturities, these generally correspond to lifetime expected losses at thyssenkrupp with the exemption of the non-current loans of the Elevator investment.

thyssenkrupp has developed a model to determine the expected credit loss, in particular to determine the expected default rates for trade accounts receivable. The expected default rates are determined mainly on the basis of external credit information and ratings for each counterparty. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. thyssenkrupp regards the assumption that the risk of default has increased significantly if the payment is overdue by more than 30 days as refuted. It also shows that there is no default if the payment is overdue for 90 days.

Moreover, financial assets are fully or partially impaired on the basis of defaults if it is reasonable to assume that they can no longer be fully realized, e.g. because the due date has long passed, or owing to insolvency or similar proceedings.

Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

Cash and cash equivalents include cash on hand, demand deposits and time deposits as well as financial assets that are readily convertible to cash and which are only subject to an insignificant risk of change in value as well as current money market funds with a maximum term of three months. Cash and cash equivalents (without money market funds) are measured at amortized cost, money market funds at fair value through profit or loss.

Financial liabilities

Financial liabilities are liabilities that must be settled in cash or other financial assets. Financial liabilities are initially carried at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in future periods.

Trade accounts payable and other non-derivative financial liabilities

Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the liabilities’ carrying amounts.

Derivative financial instruments

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

Hedging relationships are mainly used to hedge foreign currency risks of firm commitments, future receivables and liabilities denominated in foreign currency, commodity price risks arising from sales and purchase transactions, and interest rate and foreign currency risks from non-current financings. In the case of cash flow hedges, the fluctuations in fair value are divided into an effective and an ineffective portion. The effective portion of fluctuations in fair value is recognized initially directly in equity within cumulative other comprehensive income. thyssenkrupp uses the option of separately reporting hedging costs (forward element and currency basis spread) in connection with designated foreign currency derivatives in other comprehensive income. Reclassification to profit or loss takes place when the hedged item affects profit or loss. The ineffective portion of fluctuations in fair value is recognized directly in profit or loss.

Fair value hedges are mainly used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks as well as to hedge interest rate risks. In addition to the fluctuations in fair value of the derivative, the offsetting fluctuations in the fair value of the hedged item are also recognized in profit or loss insofar as they relate to the hedged risk.

The presentation of changes in the fair value of derivative financial instruments in the statement of income follows the presentation of the hedged items. For foreign currency or commodity forward contracts used to hedge sales risks, they are presented under net sales. For hedging instruments used to hedge procurement risks, they are presented under cost of sales, and for hedging instruments used to hedge financing risks they are presented under financial income/expense.

More information about financial instruments is provided in Note 22.

Income taxes

Income taxes comprise all current and deferred taxes. They are calculated taking into account the statutory provisions applying in the countries in which thyssenkrupp operates. Interest and other surcharges in connection with income taxes are not recognized in income tax expense, unless country-specific circumstances require this.

In this connection management judgments are required which may differ from the interpretations of local tax authorities. If this results in changes to income taxes from the past, these are reported in the period in which sufficient information is available for an adjustment.

To the extent that items are credited or charged in equity, the corresponding income tax is also recognized directly in equity. To the extent that the items are recorded in other comprehensive income within equity, this also applies to income taxes.

Current income taxes are determined based on taxable profit. They are recognized in the amount in which it is assumed they will be paid to the tax authorities in the future. In the event of any uncertainties, the best estimate is used as a basis.

Deferred taxes are accounted for in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax bases. They also include unused tax losses carried forward and credits. Where deferred tax assets occur, they are measured and adjusted according to an assessment of their future recoverability using forecast calculations and realizable tax strategies. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. In the event of any uncertainties, the best possible estimate is used.

Deferred tax assets and liabilities related to Pillar 2 income taxes are not recognized.

Cumulative other comprehensive income

The equity line item "Cumulative other comprehensive income" presents changes in the equity of the group that were not recognized in the consolidated statement of income of the period. Cumulative other comprehensive income includes foreign currency translation adjustments, unrealized gains and losses on fair value measurement of debt and equity instruments and on derivative financial instruments in cash flow hedging, hedging costs in connection with designated foreign currency derivatives, impairment losses on financial instruments recognized at fair value in equity, as well as the share of the other comprehensive income attributable to associates and joint ventures accounted for using the equity method. Remeasurements of pensions and similar obligations are reported in retained earnings in the period that they are recognized as other comprehensive income.

Provisions for pensions and similar obligations

The group's net obligation for defined benefit and other postretirement benefit plans have been calculated for each plan using the projected unit credit method as of the balance sheet date. A quarterly valuation of pensions is performed on the basis of updated interest rates and fair values of plan assets.

As far as the fair value of plan assets related to pensions or similar obligations exceeds the corresponding obligation, the recognition of an asset in respect to such surplus is limited. As far as in connection with plan assets minimum funding requirements related to past service exist, an additional liability may need to be recognized in case the economic benefit of a surplus – already taking into account the contributions to be made in respect of the minimum funding requirements – is limited. The limit is determined by the present value of any future refunds from the plan or reductions in future contributions to the plan asset (asset ceiling).

With the exception of net interest, all income and expenses related to defined benefit plans are recognized in income/(loss) from operations. Net interest included in net periodic pension cost is recognized in net financial income/(expense) in the group's statement of income.

The group's obligations for contributions to defined contribution plans are recognized as expense in income/(loss) from operations as incurred.

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

The group also maintains multi-employer plans. In principle, these multi-employer plans contain defined benefit plans as well as defined contribution plans. With respect to defined benefit multi-employer plans these are accounted for in the same way as any other defined benefit plan in case the required information is available. Otherwise these plans are accounted for as defined contribution plans. In particular in the Netherlands, there exist multi-employer defined benefit plans that are accounted for as defined contribution plans due to the fact that the pension obligations and the plan assets cannot be assigned to the participating employers.

Other provisions

Provisions are recognized when the group has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated. The amount recognized represents best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements of third parties are not offset but recorded as a separate asset if it is virtually certain that the reimbursements will be received. Where the effect of the time value of money is material, provisions are discounted using a market rate.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities. For construction contracts, the provision is recognized in line with the performance progress according to the percentage of completion, i.e. pro rata over the period of fulfillment.

Provisions for restructuring costs are recognized when the group has a detailed formal plan for the restructuring and has notified the affected parties.

A provision for onerous contracts is recognized when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Before a separate provision is recognized, the assets associated with the contract are impaired.

Share-based compensation

The group has management incentive plans under which selected executive and senior employees organizationally below the Executive Board of thyssenkrupp AG are granted stock rights that are settled exclusively in cash after the end of the respective performance period. The fair value of these rights is calculated on the date of grant and on each balance sheet date and recognized as an expense on a straight-line basis over the vesting period with a corresponding increase in provisions. The provision is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the provision are recognized as part of income from operations.

Since fiscal year 2020 / 2021 the group has had a share-based compensation plan. Under this plan, the Executive Board of thyssenkrupp AG receives part of their short- and long-term performance-related compensation components (STI and LTI) in the form of shares. The resulting obligation constitutes an equity-settled share-based compensation and is therefore reported in equity. The expense is amortized by the straight-line method over the vesting period.

See also information provided in Note 14.

Revenue recognition

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

Where a contract with a customer has multiple distinct performance obligations, the transaction price is allocated to the performance obligations by reference to their relative standalone selling prices. The standalone selling prices are determined on the basis of directly observable market prices or using recognized estimation methods. If distinct performance obligations are satisfied acting as an agent, the revenue recognized is not the gross amount payable by the customer but only the net amount retained as a commission-like fee for the respective performance obligation.

Revenue from the sale of goods and commodities is recognized at the point in time at which control is transferred to the customer. The time of transfer of control is determined partly on the basis of the delivery clauses agreed with the customer. In the case of goods and commodities supplied under consignment arrangements, sales revenue is generally recognized when the corresponding goods are removed from consignment by the customer.

Sales revenue from contracts with customers in the plant construction business is recognized over time based on the stage of completion. The stage of completion is as a rule determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as of the reporting date (cost-to-cost-method). Contract losses are recognized as expense immediately and reported in the statement of financial position under other provisions. The recognition of revenue over time for the performance of services is generally carried out through linear allocation of the transaction price over the service performance period.

Incremental costs of obtaining a contract with a customer are capitalized under non-current non-financial assets only if they relate to contracts with an original expected duration of more than 12 months. They are amortized by the straight-line method over the term of the contract.

If the performance obligations fulfilled for the customer exceed the payments received or due from the customer, contract assets are recognized in the statement of financial position on a net basis insofar as the right to receive payment from the customer is still conditional. Unconditional rights to receive payment are recognized under trade accounts receivable and from this point payment automatically becomes due with the passage of time. If the payments received or due from the customer exceed the performance obligations fulfilled, contract liabilities are recognized in the statement of financial position on a net basis.

Government grants

Government grants are only recognized if there is reasonable assurance that the associated conditions will be met and the grants will be granted. Investment grants are recorded as a reduction of acquisition or production costs of the assets in question and lead to a corresponding reduction of depreciation in subsequent periods. Grants that are not related to investments are recognized in profit or loss as other income in the periods in which the expenses that are to be compensated by the grant are incurred. All donations received are reported in cash flow from investing activities.

Research and development costs

Research costs are expensed as incurred.

Development costs, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, future economic benefits are probably generated, it is intended to complete the intangible asset, there is a market for the output of the intangible asset, the attributable expenditure can be measured reliably, and the group has sufficient resources to complete development. Other development costs are expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization and impairment losses.

Earnings per share

Basic earnings per share amounts are calculated by dividing net income/(loss) attributable to thyssenkrupp AG’s shareholders by the weighted average number of shares outstanding. Shares issued during the period are weighted for the portion of the period that they were outstanding.

Segment reporting

In accordance with the so-called management approach, segment reporting of the thyssenkrupp group is based on the internal organizational and reporting structure. The data used to determine the internal key figures are derived from the IFRS consolidated financial statements with the exemption of intragroup leases that are recorded as intercompany expenses or income.

Single assets held for sale, disposal groups and discontinued operations

A single non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The group reports assets and liabilities as a disposal group, that will be disposed of by sale or otherwise in a single transaction, which collectively meet the held for sale criteria as specified in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." The group reports the assets and liabilities of a disposal group separately in the balance sheet line item "assets held for sale/disposal" and "liabilities associated with assets held for sale/disposal", respectively. Unless a disposal group qualifies for discontinued operations reporting, the revenues and expenses of the disposal group remain within continuing operations until the date of disposal. The group reports the results of a disposal group that also qualifies as a separate component of the group as discontinued operations if it represents a separate major line of business or geographical area of operations. The group reports the results of discontinued operations in the period in which they occur separately within the consolidated statement of income as "discontinued operations (net of tax)." All prior period consolidated statements of income are adjusted to report the results of the component within discontinued operations. In the consolidated statement of cash flows the cash flows resulting from discontinued operations are presented separately from cash flows resulting from continuing operations; prior year presentation has been adjusted accordingly.

On initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of the carrying amount and fair value less costs of disposal and depreciation and amortization ceases. Immediately before this, a non-current asset or disposal group is initially measured in line with the respective IFRS standards to determine the carrying amount which is then compared to the fair value less costs of disposal of the group in order to recognize the group at the lower of both amounts. Impairment losses on initial classification as held for sale are included in profit or loss, as are gains and losses on subsequent remeasurement, but not in excess of the cumulative impairment loss.

Financial statement classification

Certain line items on the consolidated statement of financial position and in the consolidated statement of income have been combined. These items are disclosed separately in the Notes to the consolidated financial statements.

In general, the group classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date. Group companies that have operating cycles longer than twelve months classify assets and liabilities as current if they are expected to be realized within the company's normal operating cycle.

Discretionary decisions, estimates and judgments

The preparation of the group financial statements requires management to make discretionary decisions, judgements, estimates and assumptions that affect the application of policies in the group and reported amounts of assets and liabilities, income and expenses. All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the group's financial position and results of operations; they are reviewed on an ongoing basis. This applies in particular with regard to the possible impacts of the war in the Ukraine, other geopolitical or trade conflicts and the climate change. Actual results may differ from these estimates.

The application of the accounting policies involves judgments that have a significant effect on the amounts recognized in the financial statements: This includes the identification and definition of cash-generating units; this applies in particular with respect to possible networks of different production plants or production sites, including cross-regional networks, for the purpose of impairment testing of assets.

Accounting estimates and judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements are in particular relevant for the following issues:

Recoverability of goodwill

As stated in the accounting policy, the group tests annually and in addition during the fiscal year if any indicators exist, whether goodwill has suffered an impairment loss. When carrying out impairment tests for goodwill, the recoverable amount of the cash-generating unit has to be estimated which is the greater of the fair value less costs of disposal and the value in use. The determination of the value in use involves making assumptions and estimates related to the projection and discounting of future cash flows (see Note 04). Although management believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill which could adversely affect the future financial position and operating results. Due to the ratio of market capitalization and book value of equity of the thyssenkrupp group, goodwill was also subject to an impairment test during the fiscal year.

Recoverability of assets

At each balance sheet date, the group assesses whether there is any indication that the carrying amounts of its property, plant and equipment, investment property, intangible assets or a cash generating unit that does not contain goodwill, may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In assessing the value in use, discounted future cash flows from the related assets have to be determined. Estimating the discounted future cash flows involves significant assumptions, including particularly those regarding future sale prices and sale volumes, costs and discount rates (see Notes 04 and 05). Although management believes that its estimates of the relevant expected useful lives, its assumptions concerning the economic environment and developments in the industries in which the group operates and its estimations of the discounted future cash flows are appropriate, changes in the assumptions or circumstances could require changes in the analysis. This could lead to additional impairment charges in the future or to reversal of impairments if the trends identified by management reverse or the assumptions or estimates prove incorrect. For the segment or cash generating unit Steel Europe, the fair value less costs of disposal is used as the recoverable amount in the impairment test. For the determination of the fair value less costs of disposal, please refer to Note 05. Due to the ratio of market capitalization and book value of equity of the thyssenkrupp group, other intangible assets and property, plant and equipment were subject to an impairment test during the fiscal year and at the balance sheet date.

At each balance sheet date, the expected credit losses are determined with a model developed by the thyssenkrupp group, in particular to determine the expected default rates for trade accounts receivable. The expected default rates are determined mainly on the basis of external credit information and ratings for each counterparty. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. Furthermore, financial assets are fully or partially impaired on the basis of defaults if it is reasonable to assume that they can no longer be fully realized, e.g. because the due date has long passed, or owing to insolvency or similar proceedings.

Other provisions

The recognition and measurement of other provisions are based on the estimation of the probability of a future outflow of resources as well as empirical values and the circumstances known at the reporting date. This means that the actual later outflow of resources may differ from the other provisions, see also the remarks under Note 16.

Revenue recognition from contracts with customers

Certain group companies, particularly in the Marine Systems and Decarbon Technologies segments, report some of their business transactions as construction contracts, in which revenue is recognized over time based on the percentage of completion. Revenue is presented here according to the percentage of completion. The percentage of completion is as a rule determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as of the reporting date (cost-to-cost-method). This method requires accurate estimates of the extent of progress towards completion. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks and other judgments. The managements of the operating companies continually review all estimates involved in such contraction contracts and adjust them as necessary.

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

Income taxes

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

Employee benefits

The group accounts for pension and other postretirement benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected salary increases, mortality rates and health care cost trend rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in postretirement employee benefit obligations, of equity and the related future expense. (See Note 15 for further information).

Legal contingencies

thyssenkrupp companies are parties to litigations related to a number of matters as described in Note 21. The outcome of these matters may have a material effect on the group's financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. For the assessments internal and external lawyers are used. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against thyssenkrupp companies or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Disposal groups and discontinued operations

The separate presentation of assets and liabilities as held for sale requires in particular that the sale is expected to be completed within one year from the date of classification, i.e. is highly probable. This expectation is continuously reviewed by management and adjusted if necessary.

Effects of the war in the Ukraine as well as other geopolitical or trade conflicts

There is continuing uncertainty regarding the assessment of a possible further escalation of the war in Ukraine, the Middle East conflict, the China-Taiwan conflict and numerous other geopolitical and trade conflicts on current business performance, including the earnings outlook. Further developments and the impact on business performance of, for example, the absence of announced interest rate cuts, recurrent flooding or natural catastrophes as a consequence of climate change, and continued fluctuations in energy, material, and raw material prices are subject to considerable uncertainty from today's perspective; for further details; see the detailed description of the macro and sector environment in the Report on the economic position in the management report.

Against this background, the critical items goodwill, other intangible assets and property, plant and equipment (see Notes 04 and 05), investments (see Note 06), deferred tax assets (see Note 32), trade accounts receivable and contract assets (see Notes 09 and 10) were tested for impairment.

Effects of climate change

As a development and manufacturing partner for components, modules, and systems for the global automotive industry, Automotive Technology is dependent on the global trend toward efficient and environmentally friendly mobility. Within its portfolio, Automotive Technology is to meet and go beyond the ambitious political requirements for a reduction in vehicle emissions on a sustained basis. Automotive Technology's products are largely independent of the car's drive type; in the Dynamic Components business unit, we have already developed and marketed the first products that support the transformation to electromobility. The costs of the green transformation were taken into consideration when planning the impairment tests on the segment's cash-generating units. In addition, sustained energy saving measures were implemented as part of a continuous energy efficiency program. These included, for example, the installation of facilities to generate energy from renewable resources and the conclusion of a green electricity agreement, which ensures the supply of electricity from renewable resources to all German sites.

Decarbon Technologies sees sustainability as both a social responsibility and an opportunity to participate in a growing market. Our portfolio of innovative technologies, products and services focused on hydrogen, cement, ammonia, polymers and renewable energy is aimed at participating in key decarbonization trends. The plant engineering businesses Uhde, Polysius and thyssenkrupp nucera work with their customers to deploy sustainable and environmentally friendly technologies to mitigate the impacts of climate change. At Rothe Erde, expansion of renewable energy is the key to achieving international climate targets. As a manufacturer and supplier of slewed bearings, Rothe Erde delivers system-critical components for wind energy installations, thereby contributing to the energy transition. In the business model, CO_2 allowances mainly affect purchase prices in the areas of steel and energy. Therefore, passing on higher factor costs is always included in price negotiations with customers. In addition, Rothe Erde endeavors to achieve a successive and sustained reduction in CO_2 emissions from its own production, for example, by continuously enhancing production efficiency by reducing its own energy requirements.

Materials Services has identified a growing trend towards sustainable products and solutions in its supply chains. In this regard, Materials Services is expanding its portfolio of corresponding products and services as part of its "Beyond" sustainability strategy in order to support customers in meeting their decarbonization targets. Materials Services is seeking to achieve climate neutrality for direct emissions (Scope 1) and emissions from purchased energy (Scope 2) by 2030. The amount of energy needed to deliver products and provide services is to be reduced without restricting the ability to deliver. In addition, components will be substituted so that the full energy-saving potential can be leveraged; components will be eliminated if they are incompatible with the goal of climate neutrality. Not all emissions will be entirely avoidable in the medium term. One example is the Materials Services truck fleet in North America. The intention is to switch to electric vehicles. However, this is dependent on external factors such as the country-wide expansion of the charging infrastructure which is not likely to have been completed by 2030. Such unavoidable emissions will be offset with CO_2 allowances. To the extent that they can be estimated adequately, the anticipated effects of the green transformation are considered in the planning process and thus also in impairment testing. In addition, the expected cost increases resulting from the green transformation are integrated into the pricing of commercial materials and services.

In general, as one of the largest CO_2 emitters, the steel industry will face major structural challenges in the future in order to make its contribution to climate protection. First milestones were achieved with the signing of the contract to build the first direct reduction plant in February 2023 and the receipt of funding approval from the German government and the state of North Rhine-Westphalia in July 2023. The expected economic effects of the construction of the first direct reduction plant on future business performance were taken into account in the impairment tests, along with the present and expected future legal and economic conditions in connection with the green transformation. These include a reduction in the allocation of CO_2 allowances, the associated increase in the price of CO_2 allowances, an increase in energy costs as a proportion of the total cost of steel production, and thus a general increase in production costs, together with the ability to command higher steel prices in Europe (Carbon Border Adjustment Mechanism, CBAM) and, ultimately, adequate availability of hydrogen at the production sites and the price of hydrogen.

The impact of climate change on useful lives, potential impairments, potential additions to provisions, and the markets of relevance for thyssenkrupp is continuously evaluated.

Effect of the introduction of global minimum taxation

In December 2021, the OECD published guidelines for a new global minimum tax framework. In December 2022, the EU member states agreed on an EU directive to implement these guidelines. The regulations on global minimum taxation came into force in Germany with effect from December 28, 2023 through the Minimum Tax Act. According to this law, the thyssenkrupp group will be subject to the German regulations on global minimum taxation from fiscal year 2024 / 2025 onwards. Based on the impact analysis carried out for fiscal year 2023 / 2024, this will not have any material impact on the Group's income tax expense.

Recently adopted accounting standards

In fiscal year 2023 / 2024 thyssenkrupp adopted the following standards and amendments to already existing standards that did not have a material impact on the group financial statements:

- IFRS 17 “Insurance Contracts”, issued in May 2017, including Amendments to IFRS 17 “Amendments to IFRS 17”, issued in June 2020
- Amendments to IAS 1 “Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies”, issued in February 2021
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”, issued in February 2021
- Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”, issued in May 2021
- Amendments to IFRS 17 “Insurance Contracts. Initial Application of IFRS 17 and IFRS 9 – Comparative Information”, issued in December 2021
- Amendments to IAS 12 “Income Taxes: International Tax Reform – Pillar Two Model Rules”, issued in May 2023

Issued accounting standards that have not been adopted in fiscal year 2023 / 2024

The IASB has issued the following standards and amendments to standards whose application is not yet mandatory and which in part require EU endorsement before they can be applied. The group currently assumes that the application of these amendments of standards will not have a material impact on the presentation of the consolidated financial statements:

- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)": "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", issued in September 2014, not yet endorsed, initial application deferred indefinitely
- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", issued in January 2020 and October 2022, respectively, not yet endorsed, expected initial application in fiscal year 2024 / 2025
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", issued in September 2022, not yet endorsed, expected initial application in fiscal year 2024 / 2025
- Amendments to IAS 7 „Statement of Cash Flows and IFRS 7 „Financial Instruments Disclosures: Supplier Finance Arrangements", issued in May 2023, not yet endorsed, expected initial application in fiscal year 2024 / 2025
- Amendments to IAS 21 „The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability", issued in August 2023, not yet endorsed, expected initial application in fiscal year 2025 / 2026
- IFRS 18 "Presentation and Disclosure in Financial Statements", issued in April 2024, not yet endorsed, expected initial application in fiscal year 2027 / 2028
- IFRS 19 "Subsidiaries without Public Accountability Disclosures", issued in Mayi 2024, not yet endorsed, expected initial application would be in fiscal year 2027 / 2028, but this standard does not have any relevance for the thyssenkrupp group
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", issued in May 2024, not yet endorsed, expected initial application in fiscal year 2026 / 2027
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 "Annual Improvements to IFRS - Volume 11", issued in July 2024, not yet endorsed, expected initial application in fiscal year 2026 / 2027

The first-time application of IFRS 18 is expected to have effects, the specific extent is currently being analyzed, although early application is currently not expected.

02 Consolidated companies and equity interests

Composition of the scope of consolidation

The changes in the scope of consolidation in fiscal years 2022 / 2023 und 2023 / 2024, respectively are presented in the table below:

ACQUISITIONS/DIVESTITURES OF BUSINESSES

Number of consolidated companies	Germany	Abroad	Total
Balance as of Sept. 30, 2022	**92**	**220**	**312**
Additions	7	6	13
Disposals	(2)	(3)	(5)
Balance as of Sept. 30, 2023	**97**	**223**	**320**
Additions	6	5	11
Disposals	(1)	(9)	(10)
Balance as of Sept. 30, 2024	**102**	**219**	**321**

The additions in 2023 / 2024 result from incorporations, while the disposals mainly result from divestments and liquidations.

2 (prior year: 2) controlled subsidiaries are not consolidated because their combined influence on the group's net assets, financial position and results of operations is not material. Their net sales amount to 0.01%, their income/(loss) before tax amounts to (0.02)% and their total equity amounts to 0.01% of the group's respective balances.

The group has 8 (prior year: 9) associated companies and 8 (prior year: 11) joint ventures that are accounted for using the equity method. Another 4 (prior year: 5) associated companies are not accounted for using the equity method because their combined influence on the group's net assets, financial position and results of operations is not material. The income before tax of the immaterial associated companies amounts to (0.50)% and their total equity to 0.13% of the group's respective balances.

In accordance with Art. 313 Par. 2 of German Commercial Code (HGB), the complete list of the group's subsidiaries and equity interests and companies included in the consolidated financial statements is part of the audited consolidated financial statements filed in the German Federal Gazette (Bundesanzeiger). The full list of shareholdings has also been published on the thyssenkrupp website at www.thyssenkrupp.com/en/investors/reporting-and-publications/.

Structured entities

thyssenkrupp includes 3 (prior year: 3) structured entities in the consolidated financial statements. One of the structured entities is a special purpose leasing company established to realize the second construction phase of the thyssenkrupp Quarter. The lease object and the corresponding liabilities are included in the consolidated financial statements. There are no obligations to provide financial support. The two other structured entities do not have a material influence on the group's net assets, financial position and results of operations.

thyssenkrupp also has contractual relationships with 2 (prior year: 2) non-controlled structured entities. Under asset-backed securities programs, contractual relationships exist with a structured entity in which the group holds no interests. thyssenkrupp sells trade accounts receivable to the structured entity. It refinances the purchase price by issuing securities; for details refer to Note 09. The other non-controlled structured entity in which the group also does not hold any shares has a service contract with a group company. Potential losses arising from obligations entered into under this contract are already included in the purchasing commitments stated under commitments (see Note 21).

Acquisitions and disposals

Fiscal year 2023 / 2024

In fiscal year 2023 / 2024, apart from completing the divestment of the thyssenkrupp Industries India disposal group in the 3rd quarter of 2023 / 2024 (see also Note 03), the group made only one smaller divestment in the Materials Services segment in the 1st quarter of 2023 / 2024, one smaller divestment in the Decarbon Technologies segment in the 2nd quarter of 2023 / 2024 and one smaller divestment in the Materials Services segment in the 4th quarter of 2023 / 2024 which, on the basis of the values at their respective time of disposal, had the following aggregate impact on the consolidated financial statements:

DISPOSALS

million €	Year ended Sept. 30, 2024
Goodwill	4
Other intangible assets	1
Property, plant and equipment (inclusive of investment property)	15
Other non-current financial assets	54
Deferred tax assets	9
Inventories	56
Trade accounts receivable	43
Contract assets	107
Other current financial assets	2
Other current non-financial assets	32
Cash and cash equivalents	82
Total assets disposed of	**405**
Provisions for pensions and similar obligations	4
Deferred tax liabilities	9
Provisions for current employee benefits	3
Other current provisions	15
Current income tax liabilities	2
Current financial debt	4
Trade accounts payable	70
Contract liabilities	59
Other current non-financial liabilities	12
Total liabilities disposed of	**179**
Net assets disposed of	**226**
Cumulative other comprehensive income	(4)
Non-controlling interest	(77)
Gain/(loss) resulting from the disposals	(17)
Selling price / Consideration received	**128**
Sale of day-to-day receivables / subsequent purchase price payment	**14**
Selling price / consideration received inclusive of sale of day-to-day receivables	**142**
Thereof: paid in cash and cash equivalents	142

Fiscal year 2022 / 2023

In fiscal year 2022 / 2023 the group only completed a minor acquisition by acquiring Westphalia DataLab GmbH in the Materials Services segment.

03 Disposal groups and single assets held for sale

Disposal groups

In fiscal year 2023 / 2024, for market strategy reasons, the Steel Europe segment initiated the divestment process for Indian company Electrical Steel India Private Ltd., which manufactures grain-oriented electrical steel. These activities met the criteria set forth in IFRS 5 for recognition as a disposal group for the first time in the 4th quarter of 2023 / 2024. As a result, the assets and liabilities of the disposal group were reported separately in the line items “Assets held for sale” and “Liabilities associated with assets held for sale” in the statement of financial position as of September 30, 2024.

The contract for the sale of the Indian electrical steel business to JSW Steel Limited and JFE Steel Corporation, an Indo-Japanese consortium, was signed on October 18, 2024 (see also Note 36). The aim is to close the transaction within the coming months.

In connection with the divestment process initiated, a review of the valuation of the assets in accordance with IAS 36 was conducted immediately before the first-time classification as a disposal group. This resulted in a reversal of impairments totaling €12 million because the fair value less the costs of disposal is higher than the carrying amount. Of this amount, €3 million relate to land and buildings, €8 million to technical machinery and equipment and €1 million to factory and office equipment. It is reported in the cost of sales in the 4th quarter of 2023 / 2024; at the same time, deferred taxes of €3 million were recognized.

The assets and liabilities that comprised the disposal group as of September 30, 2024 are shown in the following table. The cumulative other comprehensive income in the equity allocated to the disposal group amounted to €(32) million as of September 30, 2024.

THYSSENKRUPP ELECTRICAL STEEL INDIA DISPOSAL GROUP

million €	Sept. 30, 2024
Property, plant and equipment (inclusive of investment property)	15
Inventories	55
Trade accounts receivable	20
Other current financial assets	3
Other current non-financial assets	3
Current income tax assets	28
Cash and cash equivalents	4
Assets held for sale	**128**
Provisions for pensions and similar obligations	3
Other current provisions	1
Current income tax liabilities	22
Trade accounts payable	3
Other current non-financial liabilities	5
Liabilities associated with assets held for sale	**34**

Moreover, in connection with focusing the thyssenkrupp portfolio, a divestment process was initiated in the Decarbon Technologies segment in fiscal year 2022 / 2023 for the interest of around 55% held by thyssenkrupp in thyssenkrupp Industries India Ltd. which has met the criteria set forth in IFRS 5 for recognition as a disposal group since the 1st quarter of 2023 / 2024. thyssenkrupp Industries India is active in the mining and cement, energy and sugar plant businesses. The contract to sell thyssenkrupp’s interest to a consortium of former co-owners was signed on January 22, 2024. Closing took place on May 8, 2024 and thyssenkrupp India was deconsolidated. It is therefore not reported as a disposal group in the statement of financial position either as of September 30, 2023 or as of September 30, 2024.

In connection with the divestment process initiated, a review of the measurement of the assets in accordance with IAS 36 was conducted immediately before the first-time classification as a disposal group in the 1st quarter of 2023 / 2024. This did not result in any need for impairment. Following the first-time classification as a disposal group, the measurement of the disposal group at fair value less the costs of disposal resulted in impairment losses of €9 million in respect of intangible assets. The impairment losses were reported in other expenses in the 1st quarter of 2023 / 2024. In the 2nd quarter of 2023 / 2024, the subsequent measurement of the disposal group at fair value less the costs of disposal resulted in further impairment losses of €15 million which related to intangible assets and were reported in other expenses. In both quarters, the non-recurring measurement at fair value less the costs of disposal was based on the negotiated purchase price. The deconsolidation resulted in a loss of €13 million which was disclosed in other gains and losses in the 3rd quarter of 2023 / 2024.

Single assets held for sale

As of September 30, 2024, property, plant and equipment of €6 million relating to two machines at a Slovak company in the Decarbon Technologies segment were reported in the line item “Assets held for sale” in the statement of financial position.

Notes to the statement of financial position

04 Intangible assets

Changes in the group's intangible assets were as follows:

CHANGES IN INTANGIBLE ASSETS

million €	Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	Development costs, internally developed software and website	Goodwill	Total
Gross amounts				
Balance as of Oct. 1, 2022	**1,392**	**592**	**2,630**	**4,614**
Currency differences	(18)	(5)	(20)	(44)
Acquisitions/divestitures of businesses	0	0	2	2
Additions	21	28	0	49
Transfers	37	1	0	38
Disposals	(74)	(41)	0	(115)
Balance as of Sept. 30, 2023	**1,358**	**575**	**2,612**	**4,545**
Currency differences	(5)	0	(7)	(12)
Acquisitions/divestitures of businesses	(4)	0	(8)	(13)
Additions	27	37	0	63
Transfers	12	(11)	0	1
Disposals	(31)	(98)	0	(129)
Reclassification due to the presentation as assets held for sale	(6)	0	(36)	(42)
Balance as of Sept. 30, 2024	**1,349**	**502**	**2,561**	**4,412**
Accumulated depreciation and impairment losses				
Balance as of Oct. 1, 2022	**997**	**509**	**1,236**	**2,743**
Currency differences	(13)	(4)	(14)	(31)
Acquisitions/divestitures of businesses	0	0	0	0
Depreciation expense	52	17	0	68
Impairment losses	9	40	0	49
Reversals of impairment losses	0	0	0	0
Transfers	0	2	0	2
Disposals	(73)	(41)	0	(114)
Balance as of Sept. 30, 2023	**972**	**523**	**1,222**	**2,717**
Currency differences	(5)	0	(7)	(11)
Acquisitions/divestitures of businesses	(5)	0	(9)	(14)
Depreciation expense	50	7	0	57
Impairment losses	6	31	0	37
Reversals of impairment losses	0	0	0	0
Transfers	0	1	0	1
Disposals	(31)	(98)	0	(129)
Reclassification due to the presentation as assets held for sale	(5)	0	(8)	(13)
Balance as of Sept. 30, 2024	**982**	**464**	**1,199**	**2,645**
Net amounts				
Balance as of Oct. 1, 2022	**395**	**82**	**1,394**	**1,872**
Balance as of Sept. 30, 2023	**386**	**52**	**1,390**	**1,828**
Balance as of Sept. 30, 2024	**367**	**38**	**1,362**	**1,767**

Goodwill

Goodwill (excluding goodwill of equity method investments) is allocated to 8 cash generating units (CGUs) (prior year: 8 CGUs) or groups of CGUs, which are defined based on business units or segments. Under IFRS, the recoverable amount of a CGU is the higher of its value in use and fair value less costs of disposal. For the consolidated financial statements, the value for the CGUs was determined by calculating the value in use with the help of the discounted cash flow method using after-tax cash flow projections from financial budgets prepared by the segments or business units and resolved by thyssenkrupp AG management for the following three fiscal years. In this context, the Supervisory Board approves the budget for the following fiscal year. The basic planning assumption is a moderate, regionally varying growth in the global economy in 2025. This basic planning assumption also applies to the years 2026 and 2027. For the cash flows beyond the budget period, the third budget year is projected over two further years using business-specific assumptions, and in general this is then used to calculate the perpetuity based on a sustained growth rate of a maximum of 1.6% (prior year: 1.5%). The weighted average cost of capital discount rate is based on a risk-free interest rate of 2.5% (prior year: 2.5%) and a market risk premium of 6.75% (prior year: 7.0%). Moreover for each CGU the beta, the cost of debt and the capital structure is derived individually from the relevant peer group. In addition CGU specific tax rates and country risk premiums are used. To discount cash flows after-tax discount rates are applied.

As of September 30, 2024 total goodwill of the thyssenkrupp group amounts to €1,362 million (prior year: €1,390 million). It mainly relates to the group of CGUs in the Marine Systems segment. The remaining goodwill, which is classified as insignificant in relation to the total goodwill, relates to the CGUs or groups of CGUs nucera, Rothe Erde, Uhde, Polysius, Dynamic Components, Solutions (Materials Services) as well as Corporate and amounts to a total of €318 million (prior year: €347 million).

SIGNIFICANT GOODWILL

CGU (Segment)	Carrying amount of goodwill allocated to CGU (prior year's amount) in million €	Proportion of total goodwill in %	Pre-tax discount rate (prior year) in %	After-tax discount rate (prior year) in %	Growth rate (prior year) in %	Description of key assumptions of goodwill testing
Marine Systems (Marine Systems)	1,044 (1,043)	77 (75)	10.5 (11.2)	7.8 (8.2)	1.6 (1.4)	– Scheduled processing of the order backlog portfolio and completion of various major projects in the planning period lead to overall increasing order margins – The realization of planned order intake, particularly in the submarine and marine electronics areas, results in significant growth and also an improvement in the average profitability of the future order portfolio – Steadily increasing EBIT adj. margins expected in the planning period due to assumptions on the development of the order backlog and realization of the planned order intake – Calculation of cash flow and operating income margin of 7.4% (prior year: 6.8%) for the perpetual annuity is based on assumptions about the planned future order portfolio in the last planning year (5th planning year)

Impairments made to the disposal group thyssenkrupp Industries India are disclosed in Note 03

Impairment of other intangible assets

Impairment losses of intangible assets other than goodwill are primarily included in cost of sales.

Impairments recognized on other intangible assets in 2023/2024 and 2022/2023 are disclosed in the following Note 05.

05 Property, plant and equipment (inclusive of investment property)

Changes in the group's property, plant and equipment were as follows:

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

million €	Land, leasehold rights and buildings including buildings on third-party land	Technical machinery and equipment	Other equipment, factory and office equipment	Right-of-use assets	Assets under operating lease	Construction in progress	Total
Gross amounts							
Balance as of Oct. 1, 2022	**5,579**	**19,732**	**2,065**	**985**	**25**	**1,485**	**29,871**
Currency differences	(66)	(271)	(19)	(28)	0	(30)	(415)
Acquisitions/divestitures of businesses	0	0	0	0	0	0	0
Additions	24	282	104	205	0	688	1,304
Transfers	115	534	36	(1)	38	(676)	46
Disposals	(63)	(195)	(86)	(20)	(1)	(7)	(372)
Balance as of Sept. 30, 2023	**5,589**	**20,080**	**2,100**	**1,142**	**62**	**1,461**	**30,435**
Currency differences	(28)	(136)	(9)	(19)	0	(13)	(204)
Acquisitions/divestitures of businesses	(17)	(13)	(2)	0	0	0	(31)
Additions	31	299	105	134	0	705	1,273
Transfers	194	478	55	(15)	13	(582)	143
Disposals	(21)	(192)	(95)	(98)	0	(7)	(413)
Reclassification due to the presentation as assets held for sale	(15)	(88)	(7)	0	0	(2)	(112)
Balance as of Sept. 30, 2024	**5,734**	**20,430**	**2,147**	**1,144**	**75**	**1,562**	**31,092**
Accumulated depreciation and impairment losses							
Balance as of Oct. 1, 2022	**3,693**	**17,106**	**1,752**	**424**	**12**	**136**	**23,123**
Currency differences	(34)	(217)	(15)	(16)	0	(1)	(283)
Acquisitions/divestitures of businesses	0	0	0	0	0	0	0
Depreciation expense	95	502	102	131	2	0	832
Impairment losses	386	1,011	107	0	0	668	2,173
Reversals of impairment losses	(1)	(9)	0	(3)	0	0	(13)
Transfers	34	90	3	(4)	(3)	(130)	(9)
Disposals	(49)	(192)	(85)	(17)	0	0	(343)
Reclassification due to the presentation as assets held for sale	0	0	0	0	0	0	0
Balance as of Sept. 30, 2023	**4,123**	**18,292**	**1,865**	**516**	**11**	**674**	**25,481**
Currency differences	(14)	(106)	(7)	(12)	0	(1)	(139)
Acquisitions/divestitures of businesses	(12)	(13)	(1)	0	0	0	(26)
Depreciation expense	79	360	92	136	2	0	668
Impairment losses	160	441	81	1	0	458	1,140
Reversals of impairment losses	0	(1)	0	0	0	(2)	(3)
Transfers	20	124	12	(3)	12	(168)	(2)
Disposals	(18)	(169)	(95)	(45)	0	(3)	(330)
Reclassification due to the presentation as assets held for sale	(10)	(83)	(5)	0	0	(1)	(100)
Balance as of Sept. 30, 2024	**4,327**	**18,846**	**1,941**	**592**	**25**	**957**	**26,689**
Net amounts							
Balance as of Oct. 1, 2022	**1,886**	**2,626**	**313**	**561**	**13**	**1,349**	**6,748**
Balance as of Sept. 30, 2023	**1,466**	**1,788**	**236**	**626**	**51**	**787**	**4,954**
Balance as of Sept. 30, 2024	**1,407**	**1,583**	**206**	**552**	**49**	**605**	**4,403**

Fiscal year 2023 / 2024

Government grants

In 2023 / 2024, the Steel Europe segment received a commitment for investment grants amounting to €427 million authorized by the federal government and the state of North Rhine-Westphalia in respect of the construction of the direct reduction plant at the Duisburg site. Thereof, €219 million reduced the cost of construction in progress and €208 million reduced the advance payments on property, plant and equipment, which are disclosed as other non-financial assets (see also Note 12). In 2023 / 2024, the group received €417 million of these investment grants.

Impairments in the Steel Europe segment including impairments on corporate assets

In the 1st quarter ended December 31, 2023, the Steel Europe segment had to recognize impairment losses, mainly due to the increased cost of capital. Applying a discount rate (after tax) of 8.54% for future cash flows, the relevant value in use was €3,655 million. The resulting impairment loss recognized by Steel Europe amounts to €183 million. Thereof, €81 million relates to technical machinery and equipment, €60 million to construction in progress, €17 million to buildings, €13 million to land, €9 million to other equipment, factory and office equipment, €2 million to development costs and €1 million to other intangible assets. Impairment losses of €154 million were recorded in the cost of sales, €22 million in general and administrative expenses, €6 million in selling expenses and €1 million in research and development cost. The underlying value in use is based on the assumptions current at that time for the course of business until 2034 / 2035, taking into account the effects of the initiated green transformation. A simplified extrapolation is then carried out until 2063.

In the 4th quarter ended September 30, 2024, a renewed impairment test was conducted in the Steel Europe segment, which resulted in the recognition of an impairment loss. To determine the recoverable amount of the segment or the cash generating unit Steel Europe, the fair value less costs of disposal was calculated. Due to the pending divestment, the assets and liabilities for high-quality grain-oriented electrical steel in India were classified as held for sale as of the reporting date and were thus no longer included in the valuation of the Steel Europe segment (see Note 03). The fair value less costs of disposal was determined on the basis of income (level 3 of the fair value hierarchy); a weighted average cost of capital (after tax) of 8.2% was applied to discount the future cash flows. On the basis of the fair value less costs of disposal of €2,409 million, impairment losses of €779 million were recognized on assets. The underlying cash flows are based on current assumptions for business development until 2035 / 2036, taking account of the effects of the announced adjustment of the production network and the effects of the green transformation that has been initiated. This is followed by a simplified projection up to 2064, taking into account a growth rate based on inflation expectations of 2%. The very gloomy economic situation, especially in the core sales market of Germany, the structural challenges in the German automotive industry as a key customer segment and the high degree of uncertainty – especially due to the ongoing negative effects of the Ukraine war and the continuing cyclical weakness of the global economy – were explicitly included in the sustainable shipment and margin expectations with corresponding risk discounts in the cash flows. These factors and circumstances, in combination with the persistently high costs of energy and capital and the significant investments expected in the course of business, especially in respect of the green transformation, resulted in further impairment losses. In connection with the green transformation, the economic effects expected from the ongoing construction of the first direct reduction plant and the current and expected future legal and economic conditions (e.g., trading in CO_2 allowances) were considered particularly in the cash flows used for impairment testing. Of the impairment losses of €779 million, €394 million relate to construction in progress, €261 million to technical machinery and equipment, €47 million to other equipment, factory and office equipment, €43 million to buildings, €25 million to land, €6 million to development costs and €3 million to other intangible assets. Impairment losses of €642 million were recorded in the cost of sales, €99 million in general and administrative expenses, €30 million in selling expenses and €8 million in research and development cost. Due to the minimum carrying amount specified in IAS 36.105, €478 million of the impairment losses calculated could not be recognized. The minimum carrying amounts are essentially derived on the basis of comparative value methods and taking into account the investment grants for the direct reduction plant.

Moreover, in the 4th quarter ended September 30, 2024, an impairment loss of €25 million was recognized on assets used jointly in the thyssenkrupp group (corporate assets) that are allocated to Special Units. These assets are allocated proportionately to the cash-generating units for impairment testing purposes as they do not generate independent cash inflows. The impairment loss results from the reduced viability of the corporate assets, especially at Steel Europe in connection with the impairment losses recognized there in the 4th quarter ended September 30, 2024.

Impairments in the Materials Services segment including impairments on corporate assets

In the 1st quarter ended December 31, 2023, due to the decline in demand in the warehousing business caused especially by the weak German economy and the associated lower expectations for the future result of operations, it was necessary to recognize impairment losses of €37 million in the Materials Germany business field in the Distribution Services business unit of the Materials Services segment. Thereof, €16 million related to technical machinery and equipment, €15 million to buildings and €6 million to development costs that were recognized in selling expenses. The recoverable amount relevant for determining the respective impairment loss is the value in use, for which a discount rate (after tax) of 7.32% was applied. The value in use amounts to a total of €421 million.

Moreover, impairment testing in the Materials Services segment in the 2nd quarter ended March 31, 2024 identified the need for impairment in the warehousing business in Germany, the UK and Hungary and in the automotive-related service centers in Germany. In the warehousing business, impairment losses totaling €53 million were recognized. Thereof, €22 million relate to technical machinery and equipment, €16 million to other equipment, factory and office equipment and €15 million to development costs that were recognized in selling expenses. The impairment losses were mainly due to the lower earnings expectations resulting from a decline in demand caused by the gloomy economic situation. The recoverable amount relevant for determining the impairment loss is the value in use, which amounts to €329 million, €121 million, and €62 million for the cash-generating units Materials Germany, Materials UK and Materials Hungary and for which country-specific discount rates (after tax) of 7.20% (for Germany), 7.90% (for the UK) and 9.64% (for Hungary) were applied. However, due to the minimum carrying amount specified in IAS 36.105, €64 million of the impairment losses calculated could not be recognized.

For the same reasons, the German automotive-related service centers of the Materials Services segment recognized impairment losses of €7 million mainly on technical machinery and equipment in the cost of sales. As is also the case for the warehousing business, the recoverable amount relevant for determining the impairment losses is the value in use which, with the application of a discount rate (after tax) of 7.31%, amounts to a total of €252 million. However, due to the minimum carrying amount specified in IAS 36.105, €1 million of the impairment losses calculated could not be recognized.

Moreover, in the 2nd quarter ended March 31, 2024, an impairment loss of €3 million was recognized on assets used jointly in the thyssenkrupp group (corporate assets) that are allocated to Special Units. These assets are allocated proportionately to the cash-generating units for impairment testing purposes as they do not generate independent cash inflows. The impairment loss results from the reduced viability of the corporate assets, due in particular to the cash-generating units of Materials Services in connection with the impairment losses recognized there in the 2nd quarter ended March 31, 2024.

In the 3rd quarter ended June 30, 2024, an impairment of the capitalized development costs in the stock-keeping materials trading business in Germany of €1 million was recognized within selling and general and administrative expenses. The recoverable amount relevant for determining the impairment loss corresponds to the value in use, which, based on an underlying discount rate (after taxes) of 7.02%, amounts to a total of €274 million. However, due to the minimum carrying amount specified in IAS 36.105, €62 million of the impairment losses calculated could not be recognized.

In the 4th quarter ended September 30, 2024, impairment losses totaling €3 million were recognized in the German warehousing business of the Materials Services segment in selling expenses. Thereof, €1 million relate to technical machinery and equipment, €1 million to other equipment, factory and office equipment and €1 million to capitalized development costs. This was mainly caused by the reduced earnings expectations, unchanged compared with the impairment losses recognized during the year, due to the gloomy economic situation and the resulting decline in demand. The recoverable amount relevant for determining the impairment loss is the value in use, which amounts to

€217 million for the German warehousing business and for which a discount rate (after tax) of 7.15% was applied. However, due to the minimum carrying amounts specified in IAS 36.105, €58 million of the impairment losses calculated could not be recognized.

In addition, for the same reasons as in Germany, an impairment of €17 million was identified in the stock-keeping materials trading business in Poland in the 4th quarter ended September 30, 2024. The recoverable amount relevant for determining the impairment requirement corresponds to the value in use, which, assuming an underlying discount rate (after taxes) of 7.57%, amounts to a total of €225 million. However, due to the minimum carrying amounts specified in IAS 36.105, €17 million of the impairment losses calculated could not be recognized.

In the 2023 / 2024 fiscal year, restructuring-related impairments on individual assets amounting to €2 million were recorded, which mainly relate to rights of use and were recorded in cost of sales.

Impairments and impairment reversals in the Automotive Technology segment

In the 1st quarter ended December 31, 2023, the Steering business unit of the Automotive Technology segment recognized impairment losses in cost of sales of €5 million on technical machinery and equipment in the electric steering (Steering Gear) product area and of €3 million in the electromechanical steering assistance (Column EPS) product area. The main reason for this was the increased cost of capital. In the case of the Steering Gear product area, the recoverable amount relevant for determining the impairment loss is the value in use, for which a discount rate (after tax) of 9.08% was applied and which amounts to a total of €386 million. Also in the case of the Column EPS product area, the recoverable amount relevant for determining the impairment loss is the value in use, which amounts to a total of €166 million and for which a discount rate (after tax) of 9.06% was applied. However, due to the minimum carrying amount specified in IAS 36.105, €6 million of the impairment losses calculated could not be recognized.

In the 2nd quarter ended March 31, 2024, the Automotive Body Solutions business unit of the Automotive Technology segment had to recognize impairment losses totaling €7 million in cost of sales. Thereof, €6 million relate to technical machinery and equipment and €1 million to other equipment, factory and office equipment. The reasons for this were lower earnings expectations due to a reduction in customer offtake of orders and delays to new projects. The recoverable amount relevant for determining the respective impairment loss is the value in use, for which a discount rate (after tax) of 7.67% was applied. The value in use amounts to a total of €118 million.

In the 3rd quarter ended June 30, 2024, the Steering business unit of the Automotive Technology segment recognized impairment reversals in cost of sales of €5 million in the electric steering (Steering Gear) product area and of €3 million in the electromechanical steering assistance (Column EPS) product area. The main reason for this was the reduced cost of capital compared with the previous quarter. In the case of the Steering Gear product area, the recoverable amount relevant for determining the impairment reversal is the value in use, for which a discount rate (after tax) of 8.40% was applied and which amounts to a total of €475 million. Also in the case of the Column EPS product area, the recoverable amount relevant for determining the impairment reversal is the value in use, which amounts to a total of €167 million and for which a discount rate (after tax) of 8.39% was applied.

In the 4th quarter ended September 30, 2024, an impairment loss of €33 million was recognized in cost of sales in the Industry business area in the Forged Technologies business unit of the Automotive Technology segment. Thereof, €19 million relate to technical machinery and equipment, €12 million to real estate and buildings, €1 million to construction in progress and €1 million to intangible assets. The largest part of the impairment loss was recognized for the Copparo production site in Italy. The recoverable amount relevant for determining the impairment loss is the value in use, which amounts to a total of €157 million and for which a discount rate (after tax) of 9.9% was applied. The reason for the impairment is the gloomy economic situation for crawler track components and chassis systems.

In addition, an impairment loss of €27 million was recognized in cost of sales in the Automotive Body Solutions business unit in the 4th quarter ended September 30, 2024 due to a poorer earnings outlook. Thereof, €26 million relate to technical machinery and equipment and €1 million to other equipment, factory and office equipment. The recoverable amount relevant for determining the impairment loss is the value in use of €57 million, for which a discount rate (after tax) of 7.36% was applied. Due to the minimum carrying amount specified in IAS 36.105, €6 million of the impairment losses calculated in this way could not be recognized.

In addition, an impairment loss of €10 million was recognized in cost of sales in the Springs & Stabilizers business unit in the 4th quarter ended September 30, 2024. This was distributed among a total of seven cash-generating units. €6 million was recognized within the Springs & Stabilizers Germany cash-generating unit as an impairment loss on a property in Hagen, Germany, due to new findings in a building permit process. These new findings are based on an expert report and resulted in a reduction in the fair value less the costs of disposal. The impairment losses in the other cash-generating units of Springs & Stabilizers with a total value in use of €51 million are each less than €2 million and amount to a total of €4 million. Due to the minimum carrying amount specified in IAS 36.105, €247 million of the impairment losses calculated could not be recognized.

Fiscal year 2022 / 2023

Government grants

In the 4th quarter ended September 30, 2023, the group received investment grants authorized by the federal government and the state of North Rhine-Westphalia as part of the construction of the direct reduction plant at the Duisburg site in the Steel Europe segment amounting to €154 million. Thereof, €47 million reduced the cost of construction in progress and €107 million reduced the advance payments on property, plant and equipment, which are disclosed in other non-financial assets (see Note 12).

Impairments

In the 1st quarter ended December 31, 2022, an impairment loss of €14 million was recognized on technical equipment and machinery in the global electric steering product area in the Steering business unit of the Automotive Technology segment. This was due to the increase in the cost of capital (discount rate) as of December 31, 2022. The recoverable amount relevant for determining the impairment loss is the value in use, which amounts to a total of €554 million and for which a discount rate (after tax) of 8.9% was applied.

In the 2nd quarter ended March 31, 2023, due to the increase in the cost of capital an impairment loss had to be recognized in the Steel Europe segment. Applying a discount rate (after tax) of 8.1% for the future cash flows, the relevant value in use was €5,793 million while the total carrying amount was €6,142 million as of March 31, 2023. The resulting impairment loss required to be recognized in the Steel Europe segment amounts to €346 million. Of this amount, €162 million relates to technical machinery and equipment, €125 million to construction in progress, €33 million to buildings, €18 million to other equipment, factory and office equipment, €6 million to development costs and €2 million to other intangible assets. Furthermore, this resulted in an impairment loss of €4 million on corporate assets that are assigned to Special Units. The underlying value in use is based on a range of scenarios for the future business development. The results of the scenarios were weighted using probabilities that reflect the current management assessment. The current measurement environment continues to be affected by uncertainty about economic conditions as well as the dynamic development in the cost of capital.

The impairment loss of €4 million on assets used jointly in the thyssenkrupp group (corporate assets) was recognized in Special Units. These assets are allocated proportionately to the cash-generating units for impairment testing purposes as they do not generate independent cash inflows. The impairment loss results from the reduced viability of the corporate assets due in particular to the Steel Europe cash-generating unit in connection with the impairment losses recognized there in the 2nd quarter ended March 31, 2023.

In the 3rd quarter ended June 30, 2023, an impairment loss of €8 million was recognized for the full amount of the capitalized software development costs at thyssenkrupp Industrial Solutions AG in the Multi Tracks segment.

In the 4th quarter ended September 30, 2023, further impairment losses of €1,765 million were recognized on non-current assets in the Steel Europe segment. In addition, this resulted in an impairment loss of €23 million on corporate assets that are assigned to Special Units. The total carrying amount was €5,434 million as of September 30, 2023, while the relevant value in use was €3,646 million; the future cash flows were discounted using a cost of capital (after tax) of 8.3%. In particular, the increasingly deterioration in the economic situation in Germany and Europe, with sustained high energy costs compared to international standards, and the resulting negative implications for the short-, medium, and long-term earnings expectations led to an adjustment of the value in use. The previous probability-weighted business development scenarios were transferred into a leading scenario. This is based on current detailed assumptions for the course of business up to fiscal year 2034 / 2035, taking into account the effects of the green transformation that has been initiated. Thereafter, a simplified projection is made for the period up to 2063. In addition, risk premiums reflect negative effects from typical economic cycles in the steel industry, which were reviewed and updated in light of the deterioration in the economic situation outlined above and the increased uncertainty about future economic and steel market-specific conditions. The economic and steel market-specific conditions led to a revision of the short- and medium-term earnings outlook and to a specific adjustment of the parameters (e.g., shipment volume and margin) used to determine the flat-rate risk premiums. This resulted in significant impairment losses, chiefly due to the high sensitivity of the value in use to adjustments in the sustainable margin over a period of 40 years. In respect of the green transformation, the impairment tests took specifically account of the cash flow impact of the expected economic effects of the construction of the first direct reduction plant and of the current and expected future legal and economic conditions (e.g., trading in CO_2 allowances). These include a reduction in the allocation of CO_2 allowances, the associated increase in the price of CO_2 allowances, an increasing share of energy costs in steel production and thus higher production costs overall, together with the ability to enforce higher steel prices in Europe (under the Carbon Border Adjustment Mechanism, CBAM) and, ultimately, adequate availability of hydrogen at the production sites. Developments that would necessitate further impairment losses to carrying amounts in the Steel Europe segment in the next fiscal year cannot be ruled out.

Of the impairment loss of €1,765 million, €778 million relates to technical machinery and equipment, €541 million to construction in progress, €185 million to buildings, €143 million to land, €88 million to other equipment, factory and office equipment, €25 million to development costs, and €5 million to other intangible assets.

Further, an impairment loss of €23 million was identified on corporate assets allocated to Special Units. The impairment loss of €23 million on assets used jointly in the thyssenkrupp group (corporate assets) was recognized in Special Units. For impairment testing purposes, these assets are allocated proportionately to the cash-generating units because they do not generate any separate cash flows. The impairment loss reflects the reduced recoverability of the corporate assets, in particular in the Steel Europe cash-generating unit, because of the impairment losses recognized there in the 4th quarter ended September 30, 2023.

In addition, in the Automotive Technology segment, impairment losses were identified in the Steering, Bilstein, and Automotive Body Solutions business units in a renewed impairment test in the 4th quarter ended September 30, 2023. In the Steering business unit, further impairment losses of €39 million were recognized on technical equipment and machinery in the global electric steering gear product area; these were mainly due to the reduced earnings expectations as a result of the deterioration in the economic situation. The recoverable amount relevant for determining the impairment loss corresponds to the value in use, which amounts to a total of €359 million and which was calculated using a discount rate (after tax) of 8.7%. An impairment loss of €20 million was also identified for technical equipment and machinery in the column EPS product area in the same business unit for the same reasons. Similar to the steering gear product area, the recoverable amount relevant for the determining the impairment loss corresponds to the value in use, which amounts to a total of €167 million when discounted at 8.7% (after tax). However, the impairment loss of €11 million calculated in this way could not be recognized as the minimum carrying amount specified in IAS 36.105 had already been reached.

In the Bilstein business unit, an impairment loss was also identified at the Mandern site. The impairment identified in the impairment test amounts to €62 million; however, this could not be recognized as the minimum carrying amount had already been reached. The reasons for the impairment also include the deterioration in the economic situation and the resulting reduction in earnings expectations. The recoverable amount of €(21) million derived from the impairment test corresponds to the value in use. The discount rate (after tax) applied was 7.5%.

In addition, impairment losses of €9 million were recognized on technical plant and machinery in the Automotive Body Solutions business; this was due, among other things, to the increased cost of capital as a result of the new definition of the peer group and further technical parameters used in the impairment test. Here too, the recoverable amount relevant for determining the impairment loss corresponds to the value in use, which amounts to a total of €114 million and which was calculated using a discount rate (after tax) of 7.9%.

Impairment losses of property, plant and equipment are for the most part included in cost of sales and to a minor extent in R&D, in selling expenses and in general and administrative expenses.

Property, plant and equipment also include right-of-use assets that are presented below:

CHANGES IN RIGHT-OF-USE ASSETS

million €	Land	Buildings	Technical machinery and equipment	Other equipment, factory and office equipment	Investment property	Total
Gross amounts						
Balance as of Oct. 1, 2022	**164**	**667**	**56**	**98**	**1**	**985**
Currency differences	0	(24)	(2)	(2)	0	(28)
Acquisitions/divestitures of businesses	0	0	0	0	0	0
Additions	6	170	6	23	0	205
Transfers	2	(2)	0	0	0	(1)
Disposals	(1)	(11)	(3)	(5)	0	(20)
Balance as of Sept. 30, 2023	**172**	**800**	**56**	**113**	**0**	**1,142**
Currency differences	1	(17)	(1)	(1)	0	(19)
Acquisitions/divestitures of businesses	0	0	0	0	0	0
Additions	11	74	19	30	0	134
Transfers	3	(6)	(11)	(1)	0	(15)
Disposals	0	(77)	(4)	(17)	0	(98)
Balance as of Sept. 30, 2024	**186**	**774**	**59**	**125**	**0**	**1,144**
Accumulated depreciation and impairment losses						
Balance as of Oct. 1, 2022	**19**	**314**	**29**	**62**	**0**	**424**
Currency differences	0	(14)	(1)	(1)	0	(16)
Acquisitions/divestitures of businesses	0	0	0	0	0	0
Depreciation expense	7	94	10	20	0	131
Impairment losses	0	0	0	0	0	0
Reversals of impairment losses	0	(3)	0	0	0	(3)
Transfers	0	(3)	0	0	0	(4)
Disposals	0	(9)	(3)	(5)	0	(17)
Balance as of Sept. 30, 2023	**26**	**380**	**34**	**76**	**0**	**516**
Currency differences	0	(10)	(1)	(1)	0	(12)
Acquisitions/divestitures of businesses	0	0	0	0	0	0
Depreciation expense	7	100	10	20	0	136
Impairment losses	0	1	0	0	0	1
Reversals of impairment losses	0	0	0	0	0	0
Transfers	0	(3)	0	0	0	(3)
Disposals	0	(25)	(3)	(17)	0	(45)
Balance as of Sept. 30, 2024	**33**	**443**	**38**	**78**	**0**	**592**
Net amounts						
Balance as of Oct. 1, 2022	**145**	**353**	**27**	**36**	**0**	**561**
Balance as of Sept. 30, 2023	**146**	**420**	**22**	**38**	**0**	**626**
Balance as of Sept. 30, 2024	**153**	**331**	**21**	**47**	**0**	**552**

The thyssenkrupp group is the lessee mainly of land and buildings, technical machinery and equipment as well as other equipment, factory and office equipment. The resulting lease liabilities are reported under financial debt (see Note 17).

Property, plant and equipment have been pledged as security for financial debt of €46 million (prior year: €64 million).

Investment property

Investment property located in Germany is primarily determined based on internally prepared valuations using the gross rental method which is regulated in Germany by the “Verordnung über die Grundsätze für die Ermittlung der Verkehrswerte von Grundstücken – (Immobilienwertermittlungsverordnung – ImmoWertV).” Investment property located outside Germany is generally determined by external appraisers.

As of September 30, 2024, the carrying amount of thyssenkrupp’s investment property amounts to €12 million (prior year: €12 million). The total fair value of this investment property is €22 million (prior year: €23 million); thereof €4 million (prior year: €4 million) are assigned to level 2 and €18 million (prior year: €19 million) are assigned to level 3 valuations methods of the fair value hierarchy. Of the fair value €3 million (prior year: €3 million) are based on valuations of external appraisers.

06 Investments accounted for using the equity method and joint operation

Investments accounted for using the equity method

With the exception of the share of the investment in TK Elevator, which is accounted for using the equity method (see Note 24), the investments accounted for using the equity method are, on an individual basis, immaterial. The carrying amount of associates is €92 million (prior year: €267 million) and of joint ventures is €137 million (prior year: €114 million).

With the closing of the sale of Elevator Technology on July 31, 2020 thyssenkrupp received an 18.95% interest in Vertical Topco I S.A., Luxembourg in the form of ordinary shares with voting rights (see Note 24). Due to the existence of significant influence, this investment is accounted for using the equity method and is considered material for thyssenkrupp. Significant influence exists in particular because thyssenkrupp has a seat on the board of Vertical TopCo S.à.r.l. and participates in significant decision-making processes. For thyssenkrupp, the elevator investment is driven solely by finance strategy considerations.

The carrying amount of this investment as of October 1, 2023 was €261 million (prior year: €518 million). Subsequent measurement under the equity method reduced the carrying amount by €174 million to €87 million as of September 30, 2024 (prior year: €261 million).

In the prior fiscal year an impairment reversal of €3 million was recognized as of March 31, 2023, which resulted from a slight rise in fair value less costs of disposal compared with September 30, 2022. The relevant fair value less costs of disposal used to determine this impairment reversal, which was calculated using a discount rate (after taxes) of 12.02%, amounted to a total of €521 million as of March 31, 2023.

In addition, a further impairment reversal of €28 million was recognized as of June 30, 2023. This resulted from a further rise in the fair value less costs of disposal compared with March 31, 2023. The relevant fair value less costs of disposal used to determine this impairment reversal amounted to a total of €549 million as of June 30, 2023. The discount rate (after taxes) used in the calculation was 12.01%.

Fair value less costs of disposal was in each case determined taking into account the expected cash flows on the basis of recognized financial mathematical models and using observable and unobservable inputs available as of the balance sheet date, and is assigned to level 3 of the fair value hierarchy in accordance with IFRS 13.

The material financial information of the Vertical Topco I S.A. Group is presented in the following. The amounts do not relate to the shares attributable to thyssenkrupp AG but rather represent the amounts based on a fictitious 100% holding, which are then reconciled to the carrying amount included in thyssenkrupp's group statement of financial position.

FINANCIAL INFORMATION OF VERTICAL TOPCO I S.A. ACCOUNTED FOR USING THE EQUITY-METHOD

million €	Sept. 30, 2023 2022/2023[1]	Sept. 30, 2024 2023/2024[2]
Total non-current assets	20,752	20,513
Total current assets	3,616	3,739
thereof: cash and cash equivalents	423	404
Langfristige Verbindlichkeiten	17,827	18,657
Total current liabilities	4,794	4,819
Sales	8,803	9,192
Income/(loss) from continuing operations (net of tax)	(468)	(790)
Income/(loss) from discontinued operations (net of tax)	0	0
Net income/(loss)	(468)	(790)
Other comprehensive income	(1,005)	(182)
Total comprehensive income	**(1,473)**	**(972)**

[1] Amounts primarily based on interim financial statements as of June 30, 2023; updated to Sept. 30, 2023 based on estimation.
[2] Amounts primarily based on interim financial statements as of June 30, 2024; updated to Sept. 30, 2024 based on estimation.

RECONCILIATION TO BOOK VALUE INCLUDED IN THE BALANCE SHEET OF THE GROUP

million €	Sept. 30, 2023 2022/2023[1]	Sept. 30, 2024 2023/2024[2]
Net assets as of October 1	**3,221**	**1,748**
Net income/(loss)	(468)	(790)
Other comprehensive income (foreign currency translation adjustment)	(1,000)	(165)
Miscellaneous other comprehensive income	(5)	(17)
Net assets as of September 30	**1,748**	**777**
Proportion of net assets as of Sept. 30 attributable to thyssenkrupp group	331	147
Impairment losses	(105)	(105)
Other reconciliation items	35	44
Carrying amount as of Sept. 30	**261**	**87**

[1] Amounts primarily based on interim financial statements as of June 30, 2023; updated to Sept. 30, 2023 based on estimation.
[2] Amounts primarily based on interim financial statements as of June 30, 2024; updated to Sept. 30, 2024 based on estimation.

Summarized financial information of the immaterial investments accounted for using the equity method at the respective balance sheet date is presented in the table below. The information given represents the group’s interest.

SUMMARIZED FINANCIAL INFORMATION OF IMMATERIAL INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Associates		Joint ventures	
million €	Year ended Sept.30, 2023	Year ended Sept. 30, 2024	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Income/(loss) from continuing operations (net of tax)	(1)	0	39	56
Income/(loss) from discontinued operations (net of tax)	0	0	0	0
Other comprehensive income	0	0	(14)	(2)
Total comprehensive income	**(1)**	**0**	**25**	**54**

In the year ended Sept. 30, 2024, the unrecognized share of income of associates and joint ventures accounted for using the equity method was €4 million (prior year: €2 million). There were cumulative unrecognized losses of €4 million (prior year: €8 million).

The associates and joint ventures are included in the complete list of the group’s subsidiaries and companies included in the consolidated financial statements in accordance with Art. 313 Par. 2 of German Commercial Code (HGB) which is part of the audited consolidated financial statements filed in the German Federal Gazette (Bundesanzeiger). The complete list of shareholdings is also published on the thyssenkrupp website at **www.thyssenkrupp.com/en/investors/reporting-and-publications/**.

Joint operation

Hüttenwerke Krupp Mannesmann GmbH (HKM) is a material joint operation for the thyssenkrupp group. HKM, in which thyssenkrupp Steel Europe AG, which is fully consolidated in the thyssenkrupp group, holds a 50.0% share, exclusively supplies its shareholders with slabs as raw material. The supply of other customers by HKM is excluded in order to maintain its own base of raw materials without the risk of loss of know-how. This is associated with the obligation to purchase a basic contract quantity in order to ensure economic utilization.

HKM is usually financed through bank loans, for which the shareholders have not provided any security guarantee. However, the interest and repayment obligations are actually financed by the shareholders' obligation to cover costs.

The joint operation is included in the complete list of the group’s subsidiaries and companies included in the consolidated financial statements in accordance with Art. 313 Par. 2 of German Commercial Code (HGB) which is part of the audited consolidated financial statements filed in the German Federal Gazette (Bundesanzeiger). The complete list of shareholdings is also published on the thyssenkrupp website at **www.thyssenkrupp.com/en/investors/reporting-and-publications/**.

07 Operating lease

The group is the lessor of various commercial real estates under operating lease agreements.

As of September 30, the future lease payments to be received on non-cancellable operating leases are as follows:

FUTURE LEASE PAYMENTS

million €	Sept. 30, 2023	Sept. 30, 2024
Up to one year	8	6
More than one year up to two years	5	4
More than two years up to three years	4	3
More than three years up to four years	3	2
More than four years up to five years	2	1
More than five years	10	9
Total	**31**	**26**

08 Inventories

INVENTORIES

million €	Sept. 30, 2023	Sept. 30, 2024
Raw materials	1,786	1,575
Production supplies	465	496
Work in progress	1,967	1,958
Finished products, merchandise	3,334	3,254
Total	**7,553**	**7,284**

Inventories of €21 million (prior year: €23 million) have a remaining term of more than one year. Inventories of €30,886 million (prior year: €32,848 million) are recognized as an expense during the period. Price-related write-downs of inventories amounting to €13 million are included in the cost of sales (prior year: write-ups of inventories of €65 million).

09 Trade accounts receivable

Trade accounts receivable in the amount of €31 million (prior year: €2 million) have a remaining term of more than one year. As of September 30, 2024 cumulative impairment losses of €215 million (prior year: €241 million) are recognized for doubtful accounts; for more details refer to the disclosures in Note 22 Financial instruments.

thyssenkrupp has sold trade accounts receivable via asset-backed securities programs. In the individual transactions thyssenkrupp retains a small proportion of the credit risk. The remaining credit-related default risks are borne by the respective purchaser. thyssenkrupp continues to recognize the trade accounts receivable sold in the amount of its continuing involvement, i.e., the maximum amount of credit risk associated with the sold receivables for which it remains liable, and recognizes a corresponding financial liability.

The carrying amount of trade accounts receivable sold and not yet settled by customers as of the reporting date was €403 million (prior year: €472 million). There are receivables related to thyssenkrupp's continuing involvement with a carrying amount and fair value of €6 million (prior year: €7 million), a corresponding financial liability with a carrying amount and fair value of €9 million (prior year: €14 million), and a net position between the two of €3 million (prior year: €6 million).

10 Assets and liabilities from contracts with customers

As of September 30, 2024, the group's current assets include contract assets in the amount of €807 million (prior year: €1,069 million adjusted; see Note 25); of these €390 million (prior year: €467 million adjusted) have a remaining term of more than one year. In the 2023 / 2024 fiscal year impairment losses on contract assets were recognized in the amount of €(1) million (prior year: €(10) million) under selling expenses. The decrease in contract assets in the reporting year resulted mainly from the deconsolidation of thyssenkrupp Industries India in the Decarbon Technologies segment, from lower order costs in the plant construction business in the Automotive Technology segment and from currency translation.

As of September 30, 2024, the group's current liabilities include contract liabilities in the amount of €2,735 million (prior year: €2,566 million adjusted; see Note 25); of these €1,689 million (prior year: €1,140 million; adjusted) have a remaining term of more than one year. The increase in contract liabilities related mainly to the plant construction business in the Marine Systems segment; here, an increase in cumulatively recorded customer advance payments was offset by a lower increase in cumulatively recorded contract costs and results. The deconsolidation of thyssenkrupp Industries India in the Decarbon Technologies segment had a particularly opposite effect. In the course of the 2023 / 2024 fiscal year, sales in the amount of €2,203 million (prior year €2,145 million) was recognized which was included in the contract liability balance at the beginning of the fiscal year. In the 2023 / 2024 fiscal year, sales from performance obligations satisfied or partly satisfied in earlier periods amounted to €214 million (prior year: €143 million).

The total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied as of September 30, 2024, which – making use of the practical expedients under IFRS 15.121a – have an original expected duration of more than 12 months, amounted to €16,302 million (prior year: €19,921 million). The expected recognition of the corresponding sales over time is as follows:

FUTURE SALES FROM CONTRACTS WITH CUSTOMERS SEPT. 30, 2024

million €	
(for fiscal year)	
2024/2025	3,944
2025/2026 – 2028/2029	11,356
after 2028/2029	1,002
Total	**16,302**

In the prior year future sales were as follows:

FUTURE SALES FROM CONTRACTS WITH CUSTOMERS SEPT. 30, 2023

million €	
(for fiscal year)	
2023/2024	4,400
2024/2025 – 2027/2028	14,082
after 2027/2028	1,439
Total	**19,921**

11 Other financial assets

OTHER FINANCIAL ASSETS

	Sept. 30, 2023		Sept. 30, 2024	
million €	current	non-current	current	non-current
Miscellaneous other financial assets	477	858	454	946
Equity instruments	0	85	0	95
Debt instruments	11	37	12	0
Derivatives not qualifying for hedge accounting	48	—	50	—
Derivatives qualifying for hedge accounting	32	—	20	—
Total	**568**	**980**	**536**	**1,041**

Miscellaneous other financial assets mainly include receivables in connection with agent activities, claims from bonuses and discounts, and receivables from price adjustments.

Other financial assets in the amount of €1,059 million (prior year: €992 million) have a remaining term of more than one year. As of September 30, 2024 cumulative impairments amount to €3 million (prior year: €3 million) regarding current other financial assets and €18 million (prior year: €18 million) regarding non-current other financial assets.

12 Other non-financial assets

OTHER NON-FINANCIAL ASSETS

	Sept. 30, 2023		Sept. 30, 2024	
million €	current	non-current	current	non-current
Advance payments on intangible assets	—	23	—	38
Advance payments Property, plant, equiment (PPE)	—	595	—	351
Advance payments Right of Use Assets	—	0	—	0
Advance payments to suppliers of inventories and to other current non-financial assets	1,082	—	1,150	—
Prepayments	219	—	287	—
Miscellaneous	566	15	439	76
Total	**1,867**	**634**	**1,876**	**465**

Other non-financial assets in the amount of €765 million (prior year: €902 million) have a remaining term of more than one year. As of September 30, 2024 cumulative impairments amount to €35 million (prior year: €33 million) regarding current other non-financial assets and €5 million (prior year: €7 million) regarding non-current other non-financial assets.

Other non-current non-financial assets include €37 million (previous year: €0 million) from the capitalization of costs of obtaining contracts with customers, as required under IFRS 15 if certain conditions are met.

Investment grants authorized by the federal government and the state of North Rhine-Westphalia as part of the construction of the direct reduction plant at the Duisburg site in the Steel Europe segment amounting to €427 million (prior year: €154 million) have been promised to the Steel Europe segment in the 2023 / 2024 fiscal year. Thereof, €219 million (prior year: €47 million) reduced the production costs for assets under construction, which are reported under property, plant and equipment (see Note 05) and €208 million (prior year: €107 million) reduced advance payments made on property, plant and equipment. In the fiscal year 2023 / 2024, the group received €417 million (prior year: €154 million) of the promised investment grants.

13 Total equity

Capital stock

The capital stock of thyssenkrupp AG consists of 622,531,741 (prior year: 622,531,741) no-par bearer shares of stock, all of which have been issued and are fully paid, with 622,531,741 outstanding as of September 30, 2024 and 2023, respectively. Each share of common stock has a stated value of €2.56.

All shares grant the same rights. The stockholders are entitled to receive dividends as declared and are entitled to one vote per share at the stockholders' meetings.

Additional paid-in capital

Additional paid-in capital includes the effects of the business combination of Thyssen and Krupp.

Retained earnings

Retained earnings include prior years' undistributed consolidated income. In addition, this line item includes the remeasurement effects of pensions and similar obligations and the equity impacts of share-based compensation. In the fiscal year 2022 / 2023, this position increased by €260 million in conjunction with the IPO including capital increase of thyssenkrupp nucera in July 2023.

Non-controlling interest

In the fiscal year 2022 / 2023, this position increased by €309 million in conjunction with the IPO including capital increase of thyssenkrupp nucera in July 2023.

Management of capital

As of September 30, 2024 the group's equity ratio was 35.3% (prior year: 38.9% adjusted; see Note 25). Among the thyssenkrupp group's most important financial goals are a sustainable appreciation of entity value and ensuring solvency at all times. Creating sufficient liquidity reserves is therefore of great importance.

Currently the thyssenkrupp group has the following ratings:

RATING

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	stable
Moody's	Ba3	Not Prime	positive

In December 2023, the rating agency Moody's raised the outlook from "stable" to "positive" while leaving the rating unchanged. In addition, thyssenkrupp ended its rating by the rating agency Fitch as of December 31, 2023. Currently, both ratings are below investment grade. For the financing of the thyssenkrupp group, an investment grade rating in the "BBB" range leads to an optimum of capital costs. Capital management at thyssenkrupp is based on debt ratios published by rating agencies, which measure cash-flow-to-debt ratios for a specific period. thyssenkrupp is not subject to capital requirements under its articles of association.

Authorizations

The following authorizations were issued by the resolution of the Annual General Meeting of thyssenkrupp AG on February 4, 2022:

The Executive Board of thyssenkrupp AG was authorized, with the approval of the Supervisory Board, to increase the capital stock of the company once or several times in installments, on or before February 3, 2027 by up to €300 million by issuing up to 117,187,500 new no-par bearer shares in exchange for cash and/or contribution in kind (authorized capital). The shareholders are in principal entitled to subscription rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights in certain cases; the option of excluding subscription rights is limited to 10% of the capital stock.

The Executive Board was authorized, with the approval of the Supervisory Board, to issue once or several times in installments, including simultaneously in different tranches, on or before February 3, 2027 subordinated or senior bearer or registered warrant and/or convertible bonds, participation rights and/or participating bonds and combinations of these instruments in the total par value of up to €2 billion with or without limited terms and, in the case of warrant and/or convertible bonds, to grant to or impose on their holders or creditors option or conversion rights or option or conversion obligations for no-par bearer shares of thyssenkrupp AG with a total share of the capital stock of up to €250 million in accordance with the conditions of these instruments. They can be issued in exchange for cash or contributions in kind. The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights in certain cases; the option of excluding subscription rights is limited to 10% of the capital stock.

Furthermore the Executive Board was authorized to conditionally increase the capital stock by up to €250 million by issue of up to 97,656,250 no-par bearer shares (conditional capital). The conditional capital increase shall be used to grant no-par bearer shares upon exercise of an option of the Company to grant no-par shares of thyssenkrupp AG in whole or in part instead of payment of the cash amount due to the holders or creditors of convertible and/or warrant bonds, participation rights, participating bonds and combinations of these instruments that are issued by thyssenkrupp AG or a group company on or before February 3, 2027.

The Executive Board was authorized on or before February 3, 2027 to purchase treasury shares up to a total of 10% of the capital stock at the time of the resolution or – if lower – at the time the authorization is exercised and use them for the purpose expressly stated in the authorization resolution and for all legally permissible purposes. The Executive Board is authorized under certain circumstances to exclude shareholders' tender rights when purchasing treasury shares or subscription rights when using treasury shares. The resolution also includes authorization to use derivatives (put options, call options, forward purchase contracts or a combination thereof) in connection with the purchase of treasury shares and to exclude tender and subscription rights. The Supervisory Board of thyssenkrupp AG may determine that measures of the Executive Board under these shareholder resolutions are subject to its approval.

Dividend

It will be proposed to the Annual General Meeting that a dividend of €0.15 per dividend-bearing share to be paid from the unappropriated net income of thyssenkrupp AG for fiscal year 2023 / 2024 determined in conformity with the principles of the German Commercial Code (HGB). This would result in a total dividend payment of €93 million. In fiscal year 2022 / 2023 a dividend of €0.15 was paid.

14 Share-based compensation

Management incentive plans

The long-term incentive plan (LTI) is a long-term oriented compensation component which issues stock rights to eligible participants. Plan participants are Executive Board members and several other selected executive employees of the group. As of September 30, 2024, 4,705,774 stock rights were issued in the 11th installment, 3,317,180 stock rights in the 12th installment, 6,107,337 stock rights in the 13th installment and 5,301,212 stock rights in the 14th installment of the LTI.

The LTI is granted in annual installments. At the beginning of each installment a certain number of virtual shares is allocated, initially provisionally. The number of virtual shares that is finally awarded to the plan participants at the end of the term of each installment depends on the development of the underlying performance criteria over the relevant four-year performance period. The final number of stock rights may therefore be higher or lower than the number of provisionally granted stock rights. For the Executive Board members, the vesting takes place pro rata over the fiscal year for which the respective tranche is granted, and for the other participating executive employees, the vesting takes place pro rata over the four-year performance period.

Starting with the 11th installment of the incentive plan issued in fiscal year 2020 / 2021, the plan design was adjusted for the Executive Board members and the other eligible executives.

For the Executive Board members, the final number of virtual shares at the end of the performance period will be determined on the basis of the three aggregated performance criteria of relative total shareholder return (TSR, which is a metric indicating how the value of an investment in thyssenkrupp stock related to price change and dividends has developed over a specific period), the return on capital employed (ROCE, calculated as EBIT divided by average capital employed) and sustainability, for which the Supervisory Board will, at the beginning of each fiscal year, resolve target and threshold values for each new tranche that will apply over the entire four-year period of the tranche. Starting with the 11th installment issued in fiscal year 2020 / 2021, tkVA is therefore no longer relevant as a performance criterion. The amount of the payout is calculated by multiplying the adjusted number of stock rights by the average price of thyssenkrupp shares in the 30 exchange trading days before the end of the four-year performance period.

thyssenkrupp AG's Executive Board members are additionally required to purchase thyssenkrupp shares equivalent to a total value of one annual fixed salary (gross) and to hold them for the duration of their appointment. There is a minimum annual investment of 25% of the net payout from the performance-related compensation components (STI and LTI) until the full investment amount is reached. Fulfillment of the share buy and hold requirement is determined based on the purchase price at the acquisition date. An LTI plan design that is based on the updated compensation system for the Executive Board members, albeit adapted to the specific requirements of the business, applies to the other eligible executives in the Materials Services, Automotive Technology, Steel Europe and Marine Systems segments as well as for the Rothe Erde and Forged Technologies business units. The final number of stock rights is determined at the end of the four-year performance period and is largely based on the performance of the segment or business unit in question, calculated by reference to up to three aggregated performance criteria (adjusted EBIT margin, ROCE and sustainability). In this case too, the tkVA is no longer a relevant performance criterion starting with the 11th installment issued in fiscal year 2020/2021. The amount of the payout is calculated by multiplying the adjusted number of stock rights by the average price of thyssenkrupp shares in the 30 exchange trading days before the end of the four-year performance period.

The LTI plan design for the Executive Board applies to the eligible executives at Corporate Headquarters and in the former Multi Tracks segment. In the case of Multi Tracks, there is also a discretionary factor that the Executive Board can use to increase or decrease the number of stock rights by up to 50% in order to additionally reflect the specific performance of the segment on the basis of the three aggregated performance criteria described above. The discretionary factor is not based on any pre-defined criteria, but only serves as an adjustment ex post if, after the tranche has expired, the Executive Board, taking into account the overall circumstances, comes to the conclusion that taking over Executive Board's achievement of objectives by the participating Multi Tracks managers would lead to inappropriate results. Accordingly, the factor is normally 1.0.

Starting with the 14th installment of the incentive plan issued in the 2023/2024 fiscal year, the plan design was adjusted again; the Executive Board's plan design with the corresponding performance criteria at Group level applies to all other eligible executives, regardless of their segment affiliation.

There is no obligation for the other executives eligible to participate in the LTI equivalent to the Executive Board obligation to purchase and hold thyssenkrupp shares.

To determine the fair value of the cash-settled stock rights used to calculate the pro-rata liability as of the balance sheet date forward prices of the thyssenkrupp stock are calculated taking into account the existing caps. The forward calculation is carried out for predefined periods (averaging periods) taking into account the thyssenkrupp stock price and the euro interest rate curve as of the balance sheet date and the dividends assumed to be paid until the maturity of the stock rights. The following parameters were included in the calculation:

INCENTIVE PLANS – YEAR ENDED SEPT. 30, 2024

	11th installment LTI	12th installment LTI	13th installment LTI	14th installment LTI
Maturity	9/30/2024	9/30/2025	9/30/2026	9/30/2027
Averaging period	20.8. – 30.9.2024	20.8. – 30.9.2025	20.8. – 30.9.2026	20.8. – 30.9.2027
thyssenkrupp stock price as of balance sheet date	€3.48	€3.48	€3.48	€3.48
Assumed dividend payment(s) per stock until maturity	—	€0.15 on 02/05/2025	€0.15 on 02/05/2025 €0.15 on 02/11/2026	€0.15 on 02/05/2025 €0.15 on 02/11/2026 €0.15 on 02/10/2027
Average dividend yield	—	4.74%	4.64%	4.65%
Average interest rate (averaging period)	—	2.82%	2.35%	2.25%
Fair value as of Sept. 30, 2024				
– without caps	**€3.13**	**€3.33**	**€3.18**	**€3.04**
– with caps	**€3.13**	**€3.33**	**€3.18**	**€3.04**

Due to the extension of the performance period to four fiscal years, no payment was made from the Long-Term Incentive Plan LTI in the fiscal year 2023 / 2024, after the 10th installment of the LTI was settled with a payment of €5.37 per stock right and a payment of €12.1 million in total, respectively, in the 2nd quarter ended March 31, 2024. Also in fiscal year 2023 / 2024 the 14th installment of the LTI was granted to the Executive Board and additional executive employees.

In total in fiscal year 2023 / 2024 the group recorded an income of €27 million from cash-settled share-based compensation (prior year: €42 million expense) and an expense of €0 million from share-based compensation settled with thyssenkrupp shares (prior year: €0 million income). The liability arising from the LTI amounts to €35 million as of September 30, 2024 (prior year: €63 million). Additionally, €1 million (prior year: €0 million) is reported in equity as of September 30, 2024 for the share-based compensation of the members of the Executive Board.

The background to the recognition in equity is that all Executive Board members are required to purchase thyssenkrupp shares equivalent to a total value of one annual fixed salary (gross) and to hold them for the duration of their appointment. This is a share-based compensation settled with thyssenkrupp shares. Starting in fiscal year 2020 / 2021, the minimum annual investment is 25% of the net payout from the performance-related compensation components until the prescribed investment amount is reached. In addition to the LTI described above, the performance-related compensation components also include a short-term incentive (STI), which is based on the performance indicators of net income and free cash flow before M&A at group level as well as the individual performance of the members of the Executive Board; the associated performance period in each case covers one fiscal year. Fulfillment of the share buy and hold requirement is determined based on the purchase price at the acquisition date. See also the disclosures on the compensation of the current Executive Board members in Note 23.

In fiscal year 2023 / 2024, thyssenkrupp AG's Executive Board members were granted 832,149 stock rights in the 14th installment of the LTI, the breakdown of which is shown below.

Due to the fact that one member of the Executive Board will no longer be a member of the Executive Board at the time of payment of this tranche (modification in accordance with IFRS 2) and one member of the Executive Board has already fulfilled the share purchase obligation, the compensation for these two Executive Board members will be paid entirely in cash. This means that it is no longer shown in equity, but rather in provisions.

14TH INSTALLMENT LTI

	Number of stock rights	Average weighted fair value
Settlement in thyssenkrupp shares (= equity settled)	35,562	€5.97 as of grant date Nov. 7, 2023
	28,005	€5.70 as of grant date Jan. 1, 2024
	6,223	€4.20 as of grant date June 1, 2024
Settlement in cash (= cash settled)	762,359	€3.49 at balance sheet date

The fair value of the 14th installment of the LTI was measured using a Monte Carlo simulation, where volatility is determined as at-the-money implied volatility with corresponding maturity based on capital market data. The grant was made to three members of the Executive Board on October 7, 2023 and, due to the mid-year appointment in the fiscal year 2023 / 2024, to two members of the Executive Board on January 1, 2024 and to one member of the Executive Board on June 1, 2024.

The assumptions relevant to the valuation of thyssenkrupp's share for the measurement of the 14th installment of the LTI at grant date on November 7, 2023 were determined on the basis of market values and are as follows:

Share price	6.67 €
Risk free interest rate	3.92%
Expected dividend yield	3.63%
Volatility	41.78%
Remaining term	3.90 years

In the measurement, the share prices of the peer companies were simulated for the calculation of the relative total shareholder return. The assumptions used for this are contained in the following table:

Volatility	20.00% – 42.94%
Risk free interest rate	3.92%
Expected dividend yield	0.00% – 11.62%
Correlation with the thyssenkrupp share	(58.04)% – 27.04%

The assumptions relevant to the valuation of thyssenkrupp's share for the measurement of the 14th installment of the LTI at grant date on January 1, 2024 were determined on the basis of market values and are as follows:

Share price	6.31 €
Risk free interest rate	2.24%
Expected dividend yield	4.18%
Volatility	38.53%
Remaining term	3.76 years

In the measurement, the share prices of the peer companies were simulated for the calculation of the relative total shareholder return. The assumptions used for this are contained in the following table:

Volatility	20.63% – 53.88%
Risk free interest rate	2.24%
Expected dividend yield	0.00% – 10.41%
Correlation with the thyssenkrupp share	(53.55)% – 27.13%

The assumptions relevant to the valuation of thyssenkrupp's share for the measurement of the 14th installment of the LTI at grant date on June 1, 2024 were determined on the basis of market values and are as follows:

Share price	4.53 €
Risk free interest rate	2.98%
Expected dividend yield	5.56%
Volatility	36.41%
Remaining term	3.34 years

In the measurement, the share prices of the peer companies were simulated for the calculation of the relative total shareholder return. The assumptions used for this are contained in the following table:

Volatility	21.61% – 43.56%
Risk free interest rate	2.98%
Expected dividend yield	1.00% – 7.07%
Correlation with the thyssenkrupp share	(37.13)% – 31.91%

Furthermore, target achievement for the ROCE and sustainability objectives as well as the contractually defined caps on payouts were taken into account.

For the 11th installment of the LTI, the average price relevant for payment is €3.13; this value is calculated from the average price of the thyssenkrupp share in the last 30 trading days before the end of the four-year performance period on September 30, 2024. For the remaining installments of the LTI, the portion to be settled in cash was measured using the Monte Carlo simulation based on assumptions as of the balance sheet date, which are included in the following table:

INCENTIVE PLANS - YEAR ENDED SEPT. 30, 2024

	12th installment LTI	13th installment LTI	14th installment LTI
Share price	3.48 €	3.48 €	3.48 €
Risk free interest rate	2.47%	2.09%	2.02%
Expected dividend yield	0.90% - 9.60%	0.90% - 9.60%	0.90% - 9.60%
Volatility	19.34% - 67.57%	19.62% - 71.11%	19.91% - 73.43%
Remaining term	1 year	2 years	3 years

15 Provisions for pensions and similar obligations

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2023	Sept. 30, 2024
Pension obligations	5,294	5,598
Partial retirement	150	135
Other pension-related obligations	30	32
Reclassification due to the presentation as liabilities associated with assets held for sale	0	(3)
Total	**5,474**	**5,762**

Pension obligations

The companies of the thyssenkrupp group provide defined benefit and defined contribution pension plans in Germany and, depending on the legal and regulatory requirements, sometimes also abroad.

Defined contribution plans (DC plans) are regularly funded through mandatory or voluntary contributions (statutory/contractual) by the employer and/or employee. The contributions are transferred to an entity which is legally separate from the employer. Under this form of plan the employer has no risks beyond the payment of contributions. The contributions are reported under personnel expenses.

Benefits are generally offered on the basis of country-specific regulations (e.g. local laws) or on a voluntary basis. Benefits under these plans are funded either by pension assets held separately from the employer ("plan assets") or through pension provisions, with the amount of the provision stated on the balance sheet reflecting the value of the pension obligations already reduced by the respective plan assets.

The major obligations from defined benefit plans exist in Germany, the USA, Great Britain and Liechtenstein. These countries represent approx. 96% (prior year: 96%) of the group's pension obligations and 90% (prior year: 89%) of the respective plan assets.

For historical reasons a wide variety of voluntary defined benefit pension plans (DB plans) exist in Germany based on different risk profiles. As a rule they provide benefits in the event of invalidity and/or death or on reaching a specified age limit, and are mainly based on individual or collective arrangements. In the past the employer-funded pension plans in Germany generally provided a life-long pension based on defined benefits.

These defined benefit plans (including final-salary pension plans, career-average pension plans, etc.) were created many years ago and replaced at the turn of the millennium by defined contribution pension plans with a risk-optimized payout form (lump sum, installments, or life-long pension). Particularly for newly recruited professionals and managers, the "flexplan" was introduced at January 1, 2017 and replaces the last open "benefits plan" at thyssenkrupp. The "flexplan" is a share-based pension plan in which a minimum of 1% interest per annum is guaranteed by the employer.

A key element in increasing employees' share in responsibility for their company retirement benefits is salary conversion, which is an option under all pension schemes currently open and for which employer-funded matching contributions are offered as an incentive. On January 1, 2020, a model identical to the flexplan was also introduced for deferred compensation only (DC2020), which can be used by all employees who cannot already participate in a commitment with integrated deferred compensation. With regard to the funding of the company pension plans, particularly the "flexplan" und "DC2020" are to be funded through the group's Contractual Trust Agreement (CTA), which will have a positive effect on the external funding level. At the same time payments under the former pension plans are funded through the CTA insofar as they exceed the protection limits of the mutual pension guarantee association (Pensionssicherungsverein a.G. (PSV)).

The majority of group companies outside Germany also provide pension plans for their employees. These plans are in some cases based on statutory requirements or collective agreements, but in other cases they are provided by the group companies on a voluntary basis. The range of benefits provided under the plans differs widely depending on local arrangements, extending from DC plans to final-salary defined-benefit schemes with regular pension payment.

Outside Germany pension obligations mainly exist in the form of DB plans in the USA, Great Britain, and Liechtenstein. Under statutory requirements in Liechtenstein, pension plans have to be offered to all employees in the mandatory social insurance scheme and are therefore also available to new employees of thyssenkrupp. By contrast, the mainly voluntary DB plans offered in Great Britain and the USA have now been closed to new employees and in respect of future service years have been replaced by DC plans. This means that the obligations under the DB plans relate mainly to the vested rights of former employees and pensioners. As a rule all active employees in Great Britain and the majority of employees in the USA now only accrue company benefit rights under DC plans.

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

Material risks associated with the different types of pension plans include above all financial risks as well as risks in the areas of inflation and biometrics.

Inflation risks which could lead to an increase in benefit obligations of DB plans exist because some of the plans are based on (final) salary and in some cases annual pension modules are directly linked to current salaries (defined contribution plans). To this extent a rise in salaries above the salary/career trends assumed in the valuation of the obligation would also require a direct increase in the provisions (past service effect in the case of (final) salary pensions) or the future service cost (defined contribution plans).

In addition, further charges could result from the need for a cost-of-living adjustment in excess of the assumed pension trend during the pension payment phase, which would lead to an immediate increase in the provisions. A significant number of the pension plans in Germany are required by law to provide a cost-of-living adjustment. A cost-of-living adjustment may also be required under (collective bargaining) agreements or agreed on a voluntary/discretionary basis.

Biometric risks can result either from early benefit claims (risk of sudden changes to the balance sheet after death or invalidity) or from underestimated life expectancies (longevity risk) and could likewise result in costs to the company due to unexpected increases in provisions and early cash outflows.

Risks from changes to the discount rate are purely balance sheet-related, i.e. the provisions are adjusted directly against equity without affecting income. Cash outflows are not affected.

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

BREAKDOWN OF THE TOTAL OF PENSION PLANS BY BENEFICIARIES

	Sept. 30, 2023			Sept. 30, 2024		
	Germany	Other countries	Total	Germany	Other countries	Total
Active employees	99,759	23,965	123,724	54,980	17,975	72,955
Terminated employees with vested benefits	30,375	3,039	33,414	18,643	2,672	21,315
Pensioners	78,810	7,626	86,436	74,251	8,075	82,326
Total	**208,944**	**34,630**	**243,574**	**147,874**	**28,722**	**176,596**

Change in defined benefit obligations and plan assets

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

CHANGE IN DEFINED BENEFIT OBLIGATIONS AND PLAN ASSETS

	Sept. 30, 2023			Sept. 30, 2024		
million €	Germany	Other countries	Total	Germany	Other countries	Total
Change in defined benefit obligations (DBO):						
DBO at beginning of fiscal year	5,624	1,888	7,512	5,381	1,794	7,174
Service cost	85	30	115	83	33	116
Interest expense	198	69	266	214	65	279
Remeasurement: Actuarial (gains)/losses from experience adjustments	107	4	111	(21)	22	1
Remeasurement: Actuarial (gains)/losses from changes in demographic assumptions	4	(17)	(13)	0	(14)	(14)
Remeasurement: Actuarial (gains)/losses from changes in financial assumptions	(265)	(19)	(284)	396	138	535
Past service cost (inclusive of curtailments)	1	(1)	0	0	(2)	(2)
Settlements	0	0	0	0	(1)	(1)
Currency differences	0	(47)	(47)	0	9	9
Participant contributions	0	25	25	0	26	26
Benefit payments	(373)	(112)	(485)	(373)	(114)	(486)
Settlement payments	0	(25)	(25)	0	0	0
Acquisitions/divestitures of businesses	0	0	0	0	(13)	(13)
Others	0	0	0	0	0	0
DBO at end of fiscal year	**5,381**	**1,794**	**7,174**	**5,679**	**1,945**	**7,624**
Change in plan assets:						
Fair value of plan assets at beginning of fiscal year	200	1,884	2,084	197	1,795	1,992
Interest income	7	70	78	8	67	74
Revaluation: Actuarial gains/(losses) on plan assets excluding amounts already recognized in interest income	8	(44)	(36)	13	135	148
Currency differences	0	(40)	(40)	0	14	14
Employer contributions	7	32	39	9	32	41
Participant contributions	7	25	32	8	26	34
Benefit payments	(32)	(105)	(137)	(37)	(108)	(145)
Settlement payments	0	(25)	(25)	0	0	0
Acquisitions/divestitures of businesses	0	0	0	0	(8)	(8)
Administration cost	0	(3)	(3)	0	(4)	(4)
Fair value of plan assets at end of fiscal year	**197**	**1,795**	**1,992**	**198**	**1,947**	**2,145**

Settlements payments in 2022 / 2023 referred to a severance plan in the USA.

As of the balance sheet date, defined benefit obligations of €7,624 million (prior year: €7,174 million) in total related to plans that are wholly unfunded in the amount of €4,702 million (prior year: €4,530 million) and to plans that are wholly or partly funded in the amount of €2,922 million (prior year: €2,644 million).

Change of net defined liability and asset ceiling

The net defined benefit liability of DB plans changed as follows:

CHANGE IN NET DEFINED BENEFIT LIABILITY

million €	Sept. 30, 2023			Sept. 30, 2024		
	Germany	Other countries	Total	Germany	Other countries	Total
Net defined benefit liability at beginning of fiscal year	**5,424**	**38**	**5,461**	**5,183**	**24**	**5,208**
Service cost plus net interest income/(expense)	276	30	305	289	33	322
Remeasurements	(162)	1	(160)	362	13	374
Currency differences	0	(8)	(8)	0	(5)	(5)
Past service cost (inclusive of curtailments)	1	(1)	0	0	(2)	(2)
Settlements	0	0	0	0	(1)	(1)
Employer contributions	(7)	(32)	(39)	(9)	(32)	(41)
Participant contributions	(7)	0	(7)	(8)	0	(8)
Benefit payments	(341)	(7)	(348)	(336)	(5)	(341)
Acquisitions/divestitures of businesses	0	0	0	0	(5)	(5)
Administration cost	0	3	3	0	4	4
Net defined benefit liability at end of fiscal year	**5,183**	**24**	**5,208**	**5,481**	**25**	**5,506**
thereof: accrued pension liability	5,183	110	5,294	5,481	117	5,598
thereof: other non-financial assets	0	(86)	(86)	0	(92)	(92)

The amount calculated in accordance with the asset ceiling rules and minimum funding requirements changed as follows:

CHANGE IN ASSET CEILING (INCLUSIVE OF MINIMUM FUNDING)

million €	Sept. 30, 2023			Sept. 30, 2024		
	Germany	Other countries	Total	Germany	Other countries	Total
Net amount at beginning of fiscal year	**0**	**34**	**34**	**0**	**25**	**25**
Interest expense/(income)	0	2	2	0	1	1
Remeasurement: Limitation of asset ceiling exclusive of amounts included in interest expense/income	0	(10)	(10)	0	1	1
Currency differences	0	0	0	0	(1)	(1)
Net amount at end of fiscal year	**0**	**25**	**25**	**0**	**27**	**27**

Net periodic pension cost

The net periodic pension cost for DB plans were as follows:

NET PERIODIC PENSION COST

	Year ended Sept. 30, 2023			Year ended Sept. 30, 2024		
million €	Germany	Other countries	Total	Germany	Other countries	Total
Service cost	85	30	115	83	33	116
Net interest cost	191	0	190	206	0	206
Administration cost	0	3	3	0	4	4
Past service cost (inclusive of curtailments)	1	(1)	0	0	(2)	(2)
Settlement loss/(gain)	0	0	0	0	(1)	(1)
Net periodic pension cost	**276**	**32**	**308**	**289**	**35**	**324**

Valuation assumptions

The assumptions for discount rates, the rates of compensation increase and the rates of pension progression on which the calculation of the obligations is based were derived in accordance with standard principles and established for each country as a function of their respective economic conditions. Discount rates are generally determined based on market yields of AA-rated corporate bonds of appropriate term and currency. As of September 30, 2024, the discount rate for pension obligations in Germany was 3.4% (prior year: 4.2%).

The group applied the following weighted average assumptions to determine benefit obligation:

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2023			Sept. 30, 2024		
in %	Germany	Other countries	Total	Germany	Other countries	Total
Discount rate	4.20	3.83	4.11	3.40	2.98	3.29
Rate of compensation increase	3.00	1.63	2.77	3.00	2.01	2.82
Rate of pension progression	2.20	1.62	2.14	2.10	1.53	2.03

Accrued pension obligations in Germany are recognized on the basis of the “2018 G tables” of Prof. Dr. Klaus Heubeck, adapted to group-specific circumstances. In the other countries the following biometric tables were generally used: USA: For plan participants with a lifelong pension: plan-specific mortality table, for plan participants without a lifelong pension: PRI-2012 modified according to MP-2021 for blue collars (workers); Great Britain: Series Tables adjusted to the CMI2023 Model, and Liechtenstein: BVG2020 Gen (on disability 80% BVG2020).

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

SENSITIVITY ANALYSIS

		Sept. 30, 2023		Sept. 30, 2024	
		Change of defined benefit obligation (€ million)		Change of defined benefit obligation (€ million)	
		Germany	Other countries	Germany	Other countries
Discount rate	Increase by 0.5 percentage points	(252)	(104)	(278)	(116)
	Decrease by 0.5 percentage points	270	113	298	128
Rate of compensation increase	Increase by 0.5 percentage points	4	5	4	6
	Decrease by 0.5 percentage points	(4)	(5)	(4)	(6)
Rate of pension progression	Increase by 0.25 percentage points	82	22	85	26
	Decrease by 0.25 percentage points	(81)	(22)	(84)	(25)
Mortality probability	Decrease by 10.0 percentage points	168	63	176	69

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

Plan assets

In the group, the majority of reported plan assets associated with the funded pension plans are located in the USA, Great Britain, Liechtenstein and to a lesser extent in Germany and some other European countries. The group invests in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes mainly include national and international stocks, fixed income government and non-government securities, real estate and shares in highly diversified funds. Plan assets do not include any direct investments in thyssenkrupp debt securities, treasury shares or real estate used on its own.

The group uses professional investment managers to invest plan assets based on specific investment guidelines. The Investment Committees of the respective plan consist of senior financial management especially from treasury and other appropriate executives. The Investment Committees meet regularly to review the risks and performance of the major assets and approve the selection and retention of external managers.

For the group's main pension assets, regular asset liability studies are also carried out, in which actuaries conduct a detailed analysis of the structure of the pension obligations (among other things in terms of age structure, duration, possible interest rate/inflation risks). On this basis the investment strategy and target portfolio of the pension assets are then defined and updated. For risk management purposes, liability-driven investment strategies may be used through which assets are geared towards the pension liabilities.

The processes established for managing and monitoring the plan assets as described above are used to counter the usual risks associated with capital market investment – counterparty, liquidity/market and other risks.

As described above, the major pension obligations exist in Germany, the USA, Great Britain and Liechtenstein. The plan assets in these countries amount to 90% of the total plan assets as of September 30, 2024 (prior year: 89%). As of the balance sheet date the portfolio of these major plan assets comprises the following asset categories:

ASSET ALLOCATION OF MAJOR PLAN ASSETS

	Sept. 30, 2023				Sept. 30, 2024			
		Fair value (€ million)				Fair value (€ million)		
Asset categories	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)
Shares	525	497	28	30	545	523	22	28
Bonds	909	892	17	51	1,003	982	21	52
Derivatives	5	5	0	0	4	4	0	0
Cash and cash equivalents	65	65	0	4	73	73	0	4
Others/Real estate	265	197	67	15	297	251	46	15
Total	**1,768**	**1,656**	**112**	**100**	**1,923**	**1,834**	**90**	**100**

The “flexplan” introduced in 2017 as a securities-linked pension commitment and the DC2020 model are funded on an accrual basis. In other countries, thyssenkrupp also uses external pension funds to service its pension obligations. The Group generally contributes the amount required to the pension funds to meet the statutory or regulatory minimum contribution requirements of the respective country. The group may from time to time make additional contributions at its own discretion. thyssenkrupp’s expected contribution in fiscal year 2024/2025 is €48 million (prior year: €46 million) related to its plan assets.

Pension benefit payments

In fiscal year 2023/2024, pension benefit payments for plans in Germany of €373 million (prior year: €373 million) were mainly from provisions, and pension benefit payments for non-German plans of €114 million (prior year: €112 million) were made mainly from plan assets. The estimated future pension benefits to be paid by the group’s defined benefit pension plans are as follows:

ESTIMATED FUTURE PENSION BENEFIT PAYMENTS

million €	Germany	Other countries	Total
(for fiscal year)			
2024/2025	477	135	611
2025/2026	395	133	528
2026/2027	411	132	543
2027/2028	402	133	535
2028/2029	396	132	528
2029/2030 – 2033/2034	1,757	637	2,394
Total	**3,838**	**1,302**	**5,140**

The duration of defined benefit plans amounts to 10 years for Germany (prior year: 10 years) and to 13 years (prior year: 12 years) for the other countries.

Defined contribution plans

For the plans provided in Germany and abroad through pension funds or comparable pension arrangements, companies of the thyssenkrupp group make contributions in the amount of a certain percentage of the employees' income or depending on the amount of the employees' contributions. The total cost of pension plans accounted for as defined contribution plans in the current fiscal year was €26 million (prior year: €28 million). In addition, contributions paid to public/state pension insurance institutions amounted to €480 million (prior year: €462 million).

Partial retirement

In particular German companies have obligations resulting from partial retirement agreements. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in installments after retirement. In addition, employees receive a supplement on top of their pay. For these obligations, accruals were recognized in accordance with IAS 19 "Employee Benefits."

16 Provisions for employee benefits and other provisions

PROVISIONS FOR EMPLOYEE BENEFITS AND PENSIONS

million €	Employee benefits	Product warranties and product defects	Other contractual costs	Restructuring	Decom-missioning obligations	Others	Total
Balance as of Sept. 30, 2023	**417**	**425**	**211**	**94**	**312**	**476**	**1,936**
Currency differences	(3)	(2)	0	(1)	0	(6)	(11)
Acquisitions/divestitures of businesses	6	(3)	0	0	0	10	13
Additions	204	167	272	281	37	149	1,110
Accretion	8	0	0	0	22	2	32
Reclassification	0	14	0	0	0	(14)	1
Amounts utilized	(170)	(74)	(113)	(79)	(6)	(185)	(626)
Reversals	(51)	(41)	(170)	(10)	(44)	(44)	(360)
Reclassification due to the presentation as liabilities associated with assets held for sale	(3)	(14)	(1)	0	0	(1)	(19)
Balance as of Sept. 30, 2024	**407**	**472**	**199**	**287**	**322**	**388**	**2,076**

As of September 30, 2024, €1,422 million (prior year: €1,271 million) of the total of provisions for employee benefits and other provisions are current, while €654 million (prior year: €665 million) are non-current. Provisions of €1,055 million (prior year: €1,047 million) have a remaining term of more than one year.

Provisions for employee compensation and benefit costs primarily represent employment anniversary bonuses and obligations for the management incentive plans, while social plan and related costs pertaining to personnel related structural measures are reflected in the provision for restructuring activities. Pension related obligations for partial retirement agreements and early retirement programs, partly resulting from restructurings, are part of the provision for pensions and similar obligations.

Product warranties and product defects represent the group's responsibility for the proper functioning of the goods sold (product warranty) as well as the obligation that arise from the use of the products sold (product defect).

Provisions for other contractual costs represent impending losses from uncompleted contracts. The reversals particularly relate to the Automotive Technology segment.

The provision for restructurings consists of provisions for employee termination benefits and exit costs which have been established by operating divisions for costs incurred in connection with activities which do not generate any future economic benefits for the group. Restructurings are being carried out in all segments. The additions to restructuring provisions in the fiscal year in the amount of €281 million in total consists of €131 million at Automotive Technology, €70 million at Decarbon Technologies, €71 million at Materials Services, €7 million at Steel Europe and €2 million at Service Units.

The provision for decommissioning obligations mainly consists of obligations associated with mining activities and recultivating landfills. Obligations associated with mining activities and recultivating landfills are generally handled over long periods of time, in some cases more than 30 years. The technical parameters are very complex. As a result, uncertainty exists with regard to the timing and concrete amount of the expenses. Obligations to secure incurred mining claims with a term of more than 30 years amount to €133 million as of September 30, 2024 (prior year: €124 million). The calculation was based on a discount rate of 3.6% (prior year: 3.75%) appropriate to the term. The change in the obligation is in particular the result of the reduced interest rate.

Other provisions include provisions for litigation risks, environmental obligations and other risks from individual items not allocable to other positions.

17 Financial debt

FINANCIAL DEBT

Carrying amounts in million €	Sept. 30, 2023	Sept. 30, 2024
Bonds	599	89
Loan notes	12	0
Liabilities to financial institutions	53	36
Lease liabilities	555	524
Other loans	94	0
Non-current financial debt	**1,313**	**650**
Bonds	1,499	600
Loan notes	0	12
Liabilities to financial institutions	36	21
Lease liabilities	123	129
Other loans	53	62
Current financial debt	**1,712**	**823**
Financial debt	**3,025**	**1,472**

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

Financial debt in the amount of €46 million (prior year: €64 million) is collateralized by real estate.

As of September 30, 2024, the financial debt reflects a total discount in the amount of €1 million (prior year: €3 million) and, as in the previous year, no premiums have been added. Amortization of discounts and premiums of financial debt is included in “financial income/(expense), net.”

BONDS AND LOAN NOTES

	Carrying amount in million € as of Sept. 30, 2023	Carrying amount in million € as of Sept. 30, 2024	Notional amount as of Sept. 30, 2024	Interest rate in %	Fair value in million € as of Sept. 30, 2024	Maturity
thyssenkrupp AG bond (€600 million) 2015/2025	599	600	600	2.500	595	02/25/2025
thyssenkrupp AG bond (€1,500 million) 2019/2024	1,499	—	—	—	—	02/22/2024
thyssenkrupp AG debenture bond (USD 100 million) 2016/2026	—	89	89	4.125	90	01/26/2026
thyssenkrupp AG loan note (€4 million) 2019/2024	4	4	4	2.300	4	12/30/2024
thyssenkrupp AG loan note (€8 million) 2022/2025	8	8	8	2.500	8	06/30/2025
Total	**2,110**	**701**	**701**		**697**	

The €1,500 million bond was repaid on schedule on February 22, 2024.

thyssenkrupp AG has entered into revolving credit agreements of €1.2 billion in total with banking institutions whereby thyssenkrupp AG can borrow in euros or US dollars. As of September 30, 2024 these credit agreements had not been utilized, so at the reporting date thyssenkrupp had unused and committed credit facilities in the amount of €1.2 billion.

Maturity of financial debt (excluding lease liabilities) is as follows:

MATURITY OF FINANCIAL DEBT (EXCLUDING LEASE LIABILITIES)

million € (for fiscal year)	Total financial debt (excluding lease liabilities)	Thereof: Liabilities to financial institutions
2024/2025	694	21
2025/2026	103	13
2026/2027	8	8
2027/2028	8	8
2028/2029	7	7
after 2028/2029	0	0
Total	**820**	**57**

Furthermore lease liabilities of €653 million (prior year: €678 million) exist.

18 Trade accounts payable

Trade accounts payable in the amount of €147 million (prior year: €257 million) have a remaining term of more than one year.

19 Other financial liabilities

OTHER FINANCIAL LIABILITIES

	Sept. 30, 2023		Sept. 30, 2024	
million €	current	non-current	current	non-current
Financial liabilities measured at amortized cost	774	13	817	15
Derivatives not qualifying for hedge accounting	111	—	94	—
Derivatives qualifying for hedge accounting	21	—	13	—
Total	**906**	**13**	**924**	**15**

The current financial liabilities measured at amortized cost include, among others, the tender right from the sale of 20% of thyssenkrupp's steel business to the energy company EP Corporate Group.

Other financial liabilities amounting to €17 million (prior year: €25 million) have a remaining term of more than one year.

20 Other non-financial liabilities

OTHER NON-FINANCIAL LIABILITIES

	Sept. 30, 2023		Sept. 30, 2024	
million €	current	non-current	current	non-current
Selling and buying market related liabilities	277	—	252	—
Liabilities to the employees	765	—	769	—
Other liabilities – social security	82		73	
Deferred income	11	—	54	—
Other tax liabilities (w/o income taxes)	241		250	
Miscellaneous	183	0	189	15
Total	**1,558**	**0**	**1,588**	**15**

Other non-financial liabilities amounting to €15 million (prior year: €0 million) have a remaining term of more than one year.

21 Contingencies and commitments

Contingencies

thyssenkrupp AG as well as, in individual cases, its subsidiaries have issued or have had guarantees issued in favour of customers or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated group company:

CONTINGENCIES

	Maximum potential amount of future payments as of		Provision as of	
million €	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024
Advance payment bonds	3	0	0	0
Performance bonds	17	12	0	0
Payment guarantees	20	0	1	0
Other guarantees	5	4	0	0
Total	**45**	**16**	**1**	**0**

The thyssenkrupp group has issued or has had issued guarantees for TK Elevator GmbH and its subsidiaries in favor of their customers in the amount of €9 million (prior year: €14 million). The buyer consortium has undertaken to indemnify thyssenkrupp against expenses in connection with the guarantees until they are fully discharged. As additional security, thyssenkrupp has received guarantees in the same amount from the buyer.

The terms of these guarantees depend on the type of guarantee and may range from three months to five years.

The basis for possible payments under the guarantees is the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract or non-performance with respect to the warranted quality.

All guarantees are issued by or issued by instruction of thyssenkrupp AG or subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. Is such a principal debtor a company owned fully or partially by a third party outside the group, such third party is generally requested to provide additional collateral in a corresponding amount.

thyssenkrupp bears joint and several liability as a member of certain civil law partnerships, ordinary partnerships and consortiums.

thyssenkrupp has contingencies for the following material legal disputes:

In 2012, SysCo filed a lawsuit in the High Court of Sindh at Karachi in Pakistan against thyssenkrupp Marine Systems GmbH, Atlas Elektronik GmbH and seven other defendants from the thyssenkrupp group for payment of €139 million. SysCo is asserting contractual claims and claims for damages arising from an unsuccessfully completed distribution project. For procedural reasons, the court dismissed two of the other defendants from the proceedings in 2014. Negotiations on dismissal of further defendants were conducted in September 2023. A written decision from the court on this matter is not yet available. No court proceedings have yet been held on this case.

The Republic of Korea is claiming damages in the amount of €201 million from thyssenkrupp Marine Systems GmbH in arbitration proceedings before the ICC for delayed delivery of submarines built by Korean shipyards using material packages from thyssenkrupp Marine Systems and supplied to the Republic of Korea. As the material packages were delivered to the shipyards on time, thyssenkrupp Marine Systems believes responsibility lies with the Korean shipyards, which were under a construction and delivery obligation to the Republic of Korea under their own bilateral contracts. The Republic of Korea is asserting claims against the shipyards in separate proceedings. In September 2024, the arbitration tribunal confirmed Marine System's legal opinion on the interpretation of the contract for the entire contractual relationship in a partial award and rejected all liquidated damages claims by the Republic of Korea for the boat 427 in dispute. The proceedings regarding the other four boats are still pending.

In the 3rd quarter of fiscal year 2022 / 2023, Nissan Mexicana S.A. de C.V. filed a claim for compensation of around €74 million against thyssenkrupp Components Technology de México, S.A. de C.V. (tk CT) due to the delivery of alleged faulty coil springs between 2006 and 2012. tk CT denies liability on procedural and factual grounds and submitted a statement of defense within the deadline. After the court has taken evidence, the case is still pending.

In addition further legal and arbitration actions and official investigations and proceedings as well as claims have been filed against thyssenkrupp group companies or may be initiated or filed in the future. Disputes in connection with the acquisition or disposal of companies or company units which may lead to partial repayment of the purchase price or to the payment of damages or to tax charges. Furthermore, damage claims may be payable to contractual partners, customers, consortium partners and subcontractors under performance contracts. Predicting the progress and results of lawsuits involves considerable difficulties and uncertainties. This means that lawsuits, official investigations and proceedings as well as claims not disclosed separately could also individually or together with other legal disputes, official investigations and proceedings as well as claims have a negative and also potentially major future impact on the group’s net assets, financial position and results of operations. However, at this point in time, thyssenkrupp does not expect any significant negative effects on its net assets, financial position and results of operations from the legal disputes, official investigations and proceedings as well as claims not separately mentioned in this section.

Commitments and other contingencies

The commitment to enter into investment projects amounts to €2,133 million (prior year: €2,372 million) as of September 30, 2024 and relates with €1,374 million (prior year: €1,450 million) to the construction of the direct reduction plant in the Steel Europe segment, which are to a significant extent covered by the investment grants granted by the federal government and the state of North Rhine-Westphalia.

Other financial commitments exist in the amount of €2,218 million (prior year: €2,258 million), primarily from the purchasing commitments resulting from the group’s long term electricity and gas supply contracts. Furthermore, other financial obligations in 2023 / 2024 include obligations of €29 million (prior year: €3 million) from leases for which no right-of-use or lease liability has yet been recognized in accordance with IFRS 16. In addition, at Steel Europe long term iron ore and iron ore pellets supply contracts exist which will result in purchasing commitments maximal up to March 31, 2027. Due to the high volatility of iron ore prices, the measurement of the complete purchasing commitments is based on the iron ore price as of the current balance sheet date resulting in purchasing commitments of €1,721 million (prior year: €936 million); the increase results from the conclusion of new contracts..

Based on the risk bearing ability of the group or the group companies, there exist adequate deductibles in the various classes of insurance. One or more damages at these units could impact the group’s net assets, financial position and results of operations.

22 Financial instruments

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

FINANCIAL INSTRUMENTS AS OF SEPT. 30, 2023

		Measurement category in accordance with IFRS 9				Measurement in accordance with IFRS 16/ IFRS 15	
million €	Carrying amount on balance sheet Sept. 30, 2023	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity (with recycling)	Fair value recognized in equity (without recycling)	Amortized cost	Carrying amount as of Sept. 30, 2023
Trade accounts receivable (excluding finance lease)	4,748	3,567		1,181			4,748
Contract assets[1]	1,069					1,069	0
Finance lease receivables	17					17	17
Other financial assets	1,548	1,335	61	80	72		1,579
Miscellaneous other financial assets		1,335					1,366
Equity instruments			13		72		85
Debt instruments				48			48
Derivatives not qualifying for hedge accounting			48				48
Derivatives qualifying for hedge accounting			0	32			32
Cash and cash equivalents	7,339	4,679	2,660				4,679
Total of financial assets[1]	**14,722**						
Financial debt (excluding lease liabilities)	2,347	2,347					2,324
Lease liabilities	678					678	678
Trade accounts payable	4,270	4,270					4,270
Other financial liabilities	919	787	111	21			919
Miscellaneous other financial liabilities		787					787
Derivatives not qualifying for hedge accounting			111				111
Derivatives qualifying for hedge accounting			0	21			21
Total of financial liabilities	**8,215**						

[1] Figures have been adjusted (see Note 25).

FINANCIAL INSTRUMENTS AS OF SEPT. 30, 2024

		Measurement category in accordance with IFRS 9				Measurement in accordance with IFRS 16/ IFRS 15	
million €	**Carrying amount on balance sheet Sept. 30, 2024**	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity (with recycling)	Fair value recognized in equity (without recycling)	Amortized cost	Carrying amount as of Sept. 30, 2024
Trade accounts receivable (excluding finance lease)	4,236	3,422		814			
Contract assets	807					807	
Finance lease receivables	74					74	
Other financial assets	1,577	1,400	63	33	82		
Miscellaneous other financial assets		1,400					1,457
Equity instruments			13		82		
Debt instruments				12			
Derivatives not qualifying for hedge accounting			50				
Derivatives qualifying for hedge accounting			0	20			
Cash and cash equivalents	5,867	4,867	1,000				
Total of financial assets	**12,561**						
Financial debt (excluding lease liabilities)	820	820					823
Lease liabilities	653					653	
Trade accounts payable	4,203	4,203					
Other financial liabilities	939	832	94	13			
Miscellaneous other financial liabilities		832					
Derivatives not qualifying for hedge accounting			94				
Derivatives qualifying for hedge accounting			0	13			
Total of financial liabilities	**6,614**						

In the table on financial instruments as of September 30, 2024, in deviation from September 30, 2023, the option to not disclose the fair value is used if it is identical to the carrying amount.

The carrying amounts of trade accounts receivable measured at amortized cost, other current receivables as well as cash and cash equivalents equal their fair values due to the short remaining terms. For money market funds and trade accounts receivable measured at fair value, the carrying amount equals the fair value.

For the preference shares in connection with the Elevator investment, which are classified as equity instruments, the option was exercised to recognize them at fair value in equity (without recycling) due to their significance. Miscellaneous other financial assets include the loans from the elevator transaction, which are measured at amortized cost; see also Note 24. The other equity and debt instruments are in general measured at fair value income-effective, which is based to the extent available on market prices as of the balance sheet date. When no quoted market prices in an active market are available, equity and debt instruments are measured by discounting future cash flows based on current market interest rates over the remaining term of the financial instruments.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency in which cash flows occur are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts payable and other current liabilities equal their fair values due to the short remaining terms. The fair value of fixed rate non-current financial liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities approximately equal their fair values.

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

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2023

million €	Sept. 30, 2023	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	48	0	48	0
Equity instruments	13	8	5	0
Fair value recognized in equity				
Trade accounts receivable	**1,181**		**1,181**	
Equity instruments	72			72
Debt instruments (measured at fair value)	48	48	0	0
Derivatives qualifying for hedge accounting	32	0	32	0
Total	**1,394**	**56**	**1,266**	**72**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	111	0	111	0
Cash equivalents	2,660	2,660		
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	21	0	21	0
Total	**2,792**	**2,660**	**132**	**0**

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2024

million €	Sept. 30, 2024	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	50	0	50	0
Equity instruments	13	7	5	0
Fair value recognized in equity				
Trade accounts receivable	**814**		**814**	
Equity instruments	82			82
Debt instruments (measured at fair value)	12	12	0	0
Derivatives qualifying for hedge accounting	20	0	20	0
Total	**991**	**20**	**889**	**82**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	94	0	94	0
Cash equivalents	1,000	1,000		
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	13	0	13	0
Total	**1,107**	**1,000**	**107**	**0**

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in level 1. In level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which fair value measurement is based on unobservable inputs using recognized valuation models.

In the reporting year there were no reclassifications between level 1 and level 2.

Changes of the equity instruments included in level 3 were as follows:

RECONCILIATION LEVEL 3 FINANCIAL INSTRUMENTS

million €	
Balance as of Sept. 30, 2023	**72**
Changes income non-effective	10
Balance as of Sept. 30, 2024	**82**

The equity instruments based on individual measurement parameters and recognized at fair value solely comprise the preference shares in Vertical Topco I S.A., Luxembourg, from the investment in TK Elevator. The fair value of the preference shares is determined on the basis of a financial valuation model (discounted cash flow method), which takes account of the contractually-based expected future cash flows from the preference shares. A risk-adjusted discount rate of 9.59% (prior year: 11.05%) was applied.

Alternative assumptions about the discount rate would lead to the changes in fair value shown in the following overview:

SENSITIVITY ANALYSIS

		Sept. 30, 2023	Sept. 30, 2024
		Change of fair value (million €)	Change of fair value (million €)
Discount rate	Increase by of 1.0 percentage points	(2)	(1)
	Decrease of by 1.0 percentage points	2	2

The measurement result is reported directly in equity under other comprehensive income under the item "Fair value measurement of equity instruments."

Financial liabilities measured at amortized cost with a carrying amount of €5,855 million (prior year: €7,405 million) have a fair value of €5,858 million (prior year: €7,382 million) that was determined based on fair value measurement attributable to level 2.

Netting of financial assets and financial liabilities

In general, master netting arrangements exist only for derivative financial instruments in the thyssenkrupp group that however totally or partially do not meet the offsetting criteria under IAS 32.

In these cases a right of offsetting is enforceable only on termination of the contract on the grounds of a major breach of contract or insolvency of one of the contractual parties. The gross amounts for these derivatives are therefore presented separately in the statement of financial position. Potential offsetting exists in the amount of €35 million (prior year: €42 million). An exception from this are futures, for which the fair values are settled daily on the basis of margin calls. These derivatives meet the offsetting criteria under IAS 32 and are therefore shown as net amounts in the statement of financial position; they amount to €8 million (prior year: €32 million). Cash collateral exists in the amount of €10 million (prior year: €31 million).

The following tables show net result from financial instruments by measurement categories under IFRS 9:

NET RESULT FROM FINANCIAL INSTRUMENTS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Financial assets at amortized cost	142	246
Financial assets / liabilities at fair value recognized in equity (with recycling)	8	(35)
Financial assets / liabilities at fair value recognized in profit or loss	192	(75)
Financial liabilities at amortized cost	(90)	(36)

Net gains under "Financial assets at amortized cost" mainly comprise interest income on financial receivables, allowances for trade accounts receivable as well as gains and losses on foreign currency receivables.

The category "Financial assets/liabilities at fair value recognized in equity (with recycling)" mainly includes impairment losses on trade accounts receivable as well as results from the sale of receivables.

Gains and losses arising from changes in fair value of foreign currency, interest rate and commodity derivatives that do not comply with the hedge accounting requirements under IFRS 9 are included in the category "Financial assets/liabilities at fair value through profit and loss." Current income and expenses from equity instruments are also presented in this category.

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

Included in net result (prior year: net gains and losses) are exchange differences of €0 million (prior year: €(58) million).

Impairments of financial assets

For financial assets measured at amortized cost or at fair value recognized in equity as well as finance lease receivables an impairment loss is recognized for expected losses.

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

IMPAIRMENT OF TRADE ACCOUNTS RECEIVABLE RECOGNIZED AT AMORTIZED COST AS WELL AS CONTRACT ASSETS[1)]

million €	Gross carrying amount	Expected credit loss	Defaults	Total of impairments	Carrying amount
Balance as of Oct. 1, 2022	**4,119**	**(31)**	**(136)**	**(167)**	**3,951**
Currency differences	(191)	1	5	6	(185)
Acquisitions/divestitures of businesses	(39)	0	(2)	(2)	(41)
Additions		(21)	(61)	(82)	(82)
Amounts utilized		0	24	24	24
Reversals		14	35	49	49
Transfer between impairment stages		0	0	0	0
Other changes	919	0	0	0	919
Balance as of Sept. 30, 2023	**4,808**	**(36)**	**(135)**	**(172)**	**4,636**
Currency differences	(84)	0	1	1	(83)
Acquisitions/divestitures of businesses	(16)	0	0	0	(16)
Additions		(13)	(20)	(33)	(33)
Amounts utilized		0	9	9	9
Reversals		15	11	26	26
Transfer between impairment stages		0	0	0	0
Other changes	(159)	0	0	0	(159)
Balance as of Sept. 30, 2024	**4,387**	**(33)**	**(125)**	**(158)**	**4,229**

[1)] The presentation of the gross values of contract assets as of Oct. 1, 2022 and Sept. 30, 2023 has been adjusted (see Note 25).

The gross carrying amounts and the impairment losses on trade accounts receivable recognized at fair value recognized in equity developed as follows:

IMPAIRMENT OF TRADE ACCOUNTS RECEIVABLE RECOGNIZED AT FAIR VALUE IN EQUITY

million €	Gross carrying amount	Expected credit loss	Defaults	Total of impairments	Carrying amount
Balance as of Oct. 1, 2022	**2,507**	**(6)**	**(93)**	**(99)**	**2,408**
Currency differences	(33)	0	0	0	(33)
Acquisitions/divestitures of businesses	(17)	0	0	0	(17)
Additions		(11)	(12)	(23)	(23)
Amounts utilized		0	2	2	2
Reversals		15	24	39	39
Transfer between impairment stages		0	0	0	0
Other changes	(1,194)			0	(1,194)
Balance as of Sept. 30, 2023	**1,263**	**(3)**	**(80)**	**(83)**	**1,181**
Currency differences	0	0	0	0	0
Acquisitions/divestitures of businesses	0	0	0	0	0
Additions		(38)	(17)	(54)	(54)
Amounts utilized		0	64	64	64
Reversals		39	3	41	41
Transfer between impairment stages	0	0	0	0	0
Other changes	(418)			0	(418)
Balance as of Sept. 30, 2024	**845**	**(2)**	**(30)**	**(32)**	**814**

For the loans from the Elevator investment expected impairment losses of €35 million (prior year: €35 million) were recognized as of September 30, 2024. The calculation of the probability of default is based on the credit spread included in the discount rate when determining the fair value of the loans.

On the other financial assets measured at amortized cost or at fair value through other comprehensive income or on finance lease receivables there were no significant changes in impairment losses in the 2022 / 2023 and in the 2023 / 2024 fiscal year, respectively.

The expected default rates for trade accounts receivable are mainly derived from external credit information and ratings for each counterparty, which allows more accurate calculation of the probability of default compared with the formation of rating classes. The customer risk numbers assigned by trade credit insurers and the creditworthiness information provided by credit agencies are translated into an individual probability of default per customer using a central allocation system. This individual probability of default per customer is used uniformly throughout the thyssenkrupp group. The information is updated quarterly. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for each segment plus an appropriate risk premium. For the group financial statements as of September 30, 2024, the latest external credit information and ratings were used.

The defaults refer in particular to insolvency cases that could not be derived from the rating information in the prior year.

The gross carrying amounts, impairment losses and average probabilities of default for each segment are shown below.

IMPAIRMENTS OF TRADE ACCOUNTS RECEIVABLE AND CONTRACT ASSETS BY SEGMENTS AS OF SEPT. 30, 2023[1)]

million €	Gross carrying amount	Expected credit loss	Defaults	Total of impairments	Average probability of default
Automotive Technology	1,629	(12)	(9)	(21)	0.45
Decarbon Technologies	1,010	(11)	(62)	(74)	1.37
Materials Services	1,481	(4)	(55)	(59)	0.77
Steel Europe	1,146	(2)	(69)	(72)	0.51
Marine Systems[2)]	716	(9)	(19)	(28)	0.82
Corporate Headquarters	0	0	0	0	0.65
Reconciliation	6	0	(1)	(1)	0.65

[1)] Figures have been adjusted (see Note 24).
[2)] Figures have been adjusted (see Note 25).

IMPAIRMENTS OF TRADE ACCOUNTS RECEIVABLE AND CONTRACT ASSETS BY SEGMENTS AS OF SEPT. 30, 2024

million €	Gross carrying amount	Expected credit loss	Defaults	Total of impairments	Average probability of default
Automotive Technology	1,413	(11)	(7)	(17)	0.43
Decarbon Technologies	937	(9)	(55)	(64)	1.50
Materials Services	1,313	(3)	(53)	(57)	0.78
Steel Europe	824	(1)	(19)	(20)	0.46
Marine Systems	731	(10)	(19)	(29)	0.85
Corporate Headquarters	0	0	0	0	0.64
Reconciliation	14	0	(2)	(2)	0.64

The maximum credit risk exposure of the financial assets subject to the impairment models corresponds to the gross carrying amounts less the recognized impairment losses. The gross carrying amounts were secured by letters of credit, credit insurances, sureties and guarantees amounting to €2,376 million (prior year: €2,569 million).

Derivative financial instruments

The group uses various derivative financial instruments, including foreign currency forward contracts, foreign currency options, interest rate swaps, cross currency swaps and commodity forward contracts. Derivative financial instruments are generally used to hedge existing or anticipated underlying transactions so as to reduce foreign currency, interest rate and commodity price risks. In some cases, the derivatives are designated as hedging instruments for hedge accounting purposes.

The following table shows the notional amounts and fair values of derivatives used within the group:

DERIVATIVE FINANCIAL INSTRUMENTS

million €	Notional amount as of Sept. 30, 2023	Carrying amount as of Sept. 30, 2023	Notional amount as of Sept. 30, 2024	Carrying amount as of Sept. 30, 2024
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	1,049	20	1,307	21
Foreign currency derivatives qualifying as cash flow hedges	266	6	549	14
Embedded derivatives	137	7	70	3
Interest rate derivatives that do not qualify for hedge accounting	2	0	2	0
Commodity derivatives that do not qualify for hedge accounting	292	21	502	25
Commodity derivatives qualifying as cash flow hedges	264	26	50	6
Total	**2,011**	**80**	**2,480**	**70**
Equity and liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	1,148	22	1,237	21
Foreign currency derivatives qualifying as cash flow hedges	289	7	445	12
Embedded derivatives	375	48	415	37
Interest rate derivatives that do not qualify for hedge accounting	10	1	0	0
Commodity derivatives that do not qualify for hedge accounting	714	41	557	36
Commodity derivatives qualifying as cash flow hedges	146	14	23	1
Total	**2,683**	**132**	**2,677**	**107**

Derivatives that qualify for hedge accounting

Fair value hedges

Fair value hedges are mainly used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks as well as to hedge interest rate risks. The income/expense from these hedges and the hedged underlying transactions are generally shown in the same profit and loss item.

Cash flow hedges

Cash flow hedges are mainly used to hedge future cash flows against foreign currency and commodity price risks arising from future sales and purchase transactions as well as interest rate and foreign currency risks from non-current liabilities. In the case of cash flow hedges too, the earnings effect of the hedging instruments is generally also shown in the same profit and loss item as the hedged underlying transaction.

The following table shows the carrying amounts of derivatives qualifying for hedge accounting, the designated portion of the hedging instruments and changes in the fair values of hedged items by hedged risk type and type of hedge. Derivative assets and liabilities are part of other financial assets and liabilities.

INFORMATION ON HEDGING INSTRUMENTS IN THE CONTEXT OF CASH FLOW HEDGES AND FAIR VALUE HEDGES

	Carrying amount on balance sheet Sept. 30, 2023			
million €	Derivative assets	Derivative liabilities	Designated part of hedging instruments	Fair value change of hedged item
Hedging of foreign currency risk	**6**	**7**	**(8)**	**8**
Foreign currency derivatives qualifying as cash flow hedges	6	7	(8)	8
Hedging of interest risk[1]	**0**	**0**	**0**	**0**
Interest rate derivatives qualifying as cash flow hedges[1]	0	0	0	0
Interest rate derivatives qualifying as fair value hedges	0	0	0	0
Hedging of commodity risk	**26**	**14**	**256**	**(256)**
Commodity derivatives qualifying as cash flow hedges	26	14	256	(256)
Commodity derivatives qualifying as fair value hedges	0	0	0	0

[1] Inclusive of cross currency swaps

INFORMATION ON HEDGING INSTRUMENTS IN THE CONTEXT OF CASH FLOW HEDGES AND FAIR VALUE HEDGES

	Carrying amount on balance sheet Sept. 30, 2024			
million €	Derivative assets	Derivative liabilities	Designated part of hedging instruments	Fair value change of hedged item
Hedging of foreign currency risk	**14**	**12**	**(5)**	**5**
Foreign currency derivatives qualifying as cash flow hedges	14	12	(5)	5
Hedging of interest risk[1]	**0**	**0**	**0**	**0**
Interest rate derivatives qualifying as cash flow hedges[1]	0	0	0	0
Interest rate derivatives qualifying as fair value hedges	0	0	0	0
Hedging of commodity risk	**6**	**1**	**143**	**(143)**
Commodity derivatives qualifying as cash flow hedges	6	1	143	(143)
Commodity derivatives qualifying as fair value hedges	0	0	0	0

[1] Inclusive of cross currency swaps

Cash flows from future transactions are currently hedged for a maximum of 32 months.

During the current fiscal year, €0 million (prior year: €(15) million) of cumulative other comprehensive income was reclassified to sales in profit or loss as a result of the underlying transactions being realized during the year. In addition, €164 million from the reserve for cash flow hedges was reclassified to decrease cost of inventories (prior year: €21 million to decrease cost of inventories) as the hedged commodities were recognized. For €121 million, the expense effect was already recognized at the time the provision was created in the fiscal year 2022/2023. For the current fiscal year, there was a reduction in expenses of €37 million (prior year: €27 million). Furthermore, €5 million of income will impact earnings in 2024/2025.

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

CHANGES IN OTHER COMPREHENSIVE INCOME RESULTING FROM CASH FLOW HEDGES BY TYPE OF RISK

million €	Total	Foreign currency risk	Interest risk[1]	Commodity price risk
Balance as of Oct. 1, 2022	**220**			
Net unrealized gains/(losses) on designated risk component	13	4	0	8
Net unrealized gains/(losses) on hedging costs	(11)	(11)	—	—
Net realized (gains)/losses	25	25	0	0
Tax effect	19			
Balance as of Sept. 30, 2023	**266**			
Net unrealized gains/(losses) on designated risk component	84	34	0	50
Net unrealized gains/(losses) on hedging costs	10	10	—	—
Net realized (gains)/losses	(28)	(28)	0	0
Tax effect	(1)			
Balance as of Sept. 30, 2024	**331**			

[1] Inclusive of cross currency swaps

As of September 30, 2024, net income from the ineffective portions of derivatives classified as cash flow hedges totaled €0 million (prior year: €0 million).

In the subsequent fiscal year fluctuations in fair value of derivatives included in cumulative other comprehensive income as of the reporting date is expected to impact earnings by income of €39 million. During the 2025 / 2026 fiscal year, earnings are expected to be impacted by income of €128 million, in the 2026 / 2027 fiscal year by expenses of €5 million and in the following fiscal years by expenses of €21 million.

The cancellation of cash flow hedges during the current fiscal year resulted in earnings of €(1) million (prior year: €(11) million) due to reclassification from cumulative other comprehensive income. These fluctuations in fair value of derivatives originally recognized in equity were reclassified to profit or loss when the hedged underlying transactions in form of currency hedged sales were no longer probable to occur.

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

HEDGING RATES AND REMAINING TERMS OF DERIVATIVES QUALIFYING FOR HEDGE ACCOUNTING AS OF SEPT. 30, 2023

million €	Remaining term up to 1 year	Remaining term 1 to 2 years	Remaining term above 2 years	Notional amount as of Sept. 30, 2023	Average hedging rate
Hedging of foreign currency risk	**552**	**4**	**0**	**556**	
thereof:					
Foreign currency contracts USD	496	3	0	499	USD1.09/€
Foreign currency contracts GBP	17	0	0	17	GBP0.88/€
Foreign currency contracts PLN	20	0	0	20	PLN4.81/€
Hedging of foreign currency risk	**410**	**0**	**0**	**410**	
thereof:					
Tin forward contracts	55	0	0	55	€22,820/ton
Iron ore forward contracts	355	0	0	355	€102.2/ton

HEDGING RATES AND REMAINING TERMS OF DERIVATIVES QUALIFYING FOR HEDGE ACCOUNTING AS OF SEPT. 30, 2024

million €	Remaining term up to 1 year	Remaining term 1 to 2 years	Remaining term above 2 years	Notional amount as of Sept. 30, 2024	Average hedging rate
Hedging of foreign currency risk	**700**	**139**	**155**	**994**	
thereof:					
Foreign currency contracts USD	660	130	155	944	USD1.11/€
Foreign currency contracts GBP	19	0	0	19	GBP0.85/€
Foreign currency contracts PLN	18	0	0	18	PLN4.43/€
Hedging of foreign currency risk	**73**	**0**	**0**	**73**	
thereof:					
Tin forward contracts	73	0	0	73	€27,378/ton

Derivates that do not qualify for hedge accounting

If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IFRS 9 or hedge accounting is economically not reasonable, the derivative financial instrument is recognized as a derivative that does not qualify for hedge accounting. The resulting impact on profit or loss is shown in the table on net gains and losses from financial instruments by measurement categories. This item also includes embedded derivatives. They exist in the thyssenkrupp group in the way that regular supply and service transactions with suppliers and customers abroad are not concluded in the functional currency (local currency) of either of the two contracting parties.

Financial risks

As a global group, thyssenkrupp is exposed to financial risks in the form of credit risks (default risk), liquidity risks and market risks (foreign currency, interest rate and commodity price risks) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivative and non-derivative hedging instruments. Within the framework of risk management, financial risks and credit risks must be avoided as far as possible, compensated by a risk portfolio, passed on to third parties or limited (principle of risk aversion). Details are provided in the opportunity and risk report contained in the management report.

Credit risk

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

In order to minimize default risks (credit risks) from the use of financial instruments, such transactions are only concluded with counterparties that meet our internal minimum requirements. Credit risk management defines minimum requirements for the selection of counterparties so that financial instruments in the financing area are only concluded with counterparties who have a good credit rating or are members of a deposit protection fund. Creditworthiness is monitored on the basis of assessments by recognized rating agencies and also taking into account short-term early warning indicators. Continuous and standardized monitoring of ratings and early warning indicators enables us to minimize risks at an early stage. Derivative financial instruments are generally entered into on the basis of standard contracts in which it is possible to net open transactions with the respective business partners.

Default risks are generally hedged with suitable instruments. These include in particular private and state credit insurance as well as letters of credit and guarantees from banks, insurance companies and management companies. In the case of long-term contracts, additional security is provided in the form of advance payments received. In order to further minimize default risks from operating activities, the corporate guidelines provide for the assessment of default risk based on the risk profile of the business partner using suitable internal and, where available, external information, such as ratings and credit reports. Credit limits are set for each business partner using this credit rating. The assessment of the risk profile is subject to appropriate, ongoing monitoring, which enables thyssenkrupp to minimize risk at an early stage. Taking into account the individual characteristics of their customer structures and business models, the respective business areas lay down clear process rules for determining which measures are to be taken in the event of deteriorating creditworthiness or payment default in order to mitigate the maximum default risk as far as possible.

Transactions whose value exceeds specified materiality thresholds, especially in the area of major projects, also require prior approval at thyssenkrupp AG level. Among other things, the amount and hedging of default risks is assessed.

Maturity analysis

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

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

FUTURE UNDISCOUNTED CASH OUTFLOWS AS OF SEPT. 30, 2023

million €	Carrying amount Sept. 30, 2023	Cash flows in 2023/2024	Cash flows in 2024/2025	Cash flows between 2025/2026 and 2027/2028	Cash flows after 2027/2028
Bonds	2,098	1,558	615	0	0
Liabilities to financial institutions	90	39	19	33	7
Lease liabilities	678	152	132	259	313
Other financial debt	159	58	16	98	0
Trade accounts payable	4,270	4,014	237	19	1
Derivative financial liabilities not qualifying for hedge accounting	111	70	6	2	33
Derivative financial liabilities qualifying for hedge accounting	21	21	0	0	0
Other financial liabilities	787	763	12	13	0

FUTURE UNDISCOUNTED CASH OUTFLOWS AS OF SEPT. 30, 2024

million €	Carrying amount Sept. 30, 2024	Cash flows in 2024/2025	Cash flows in 2025/2026	Cash flows between 2026/2027 and 2028/2029	Cash flows after 2028/2029
Bonds	689	619	93	0	0
Liabilities to financial institutions	57	19	15	25	0
Lease liabilities	653	156	126	246	293
Other financial debt	74	75	0	0	0
Trade accounts payable	4,203	4,056	144	2	0
Derivative financial liabilities not qualifying for hedge accounting	94	61	5	14	14
Derivative financial liabilities qualifying for hedge accounting	13	7	2	3	0
Other financial liabilities	832	817	1	14	0

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

Sensitivity analysis

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to thyssenkrupp are foreign currency, interest rate, procurement (commodity price), and especially raw material price risks. Associated with these risks are fluctuations in income, equity and cash flow.

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

Foreign currency risk exposure – Foreign currency hedging is used to fix prices on the basis of hedging rates as protection against any unfavorable exchange rate fluctuations in the future. Hedging periods are generally based on the maturities of underlying transactions. Foreign currency derivative contracts usually have maturities of twelve months or less, but can also be up to five years in single exceptional cases.

The US dollar is the only relevant risk variable for sensitivity analyses under IFRS 7, as the vast majority of foreign currency cash flows occurs in US dollars. As hedging transactions are generally used to hedge underlying transactions, opposite effects in underlying and hedging transactions are almost entirely offset over the total period. Thus, the currency risk exposure described here results from hedging relationships with off-balance sheet underlying transactions, i.e. hedges of firm commitments and forecasted sales. Based on our analysis, the US dollar exposure as of September 30, 2024 was as follows:

If the euro had been 10% stronger against the US dollar as of September 30, 2024, the hedge reserve in equity and fair value of hedging transactions would have been €8 million (prior year: €1 million) higher and earnings resulting from the measurement as of the balance sheet date €8 million (prior year: €2 million lower) higher. If the euro had been 10% weaker against the US dollar as of September 30, 2024, the hedge reserve in equity and fair value of hedging transactions would have been €10 million (prior year: €2 million) lower and earnings resulting from the measurement as of the balance sheet date €10 million (prior year: €2 million higher) lower.

Interest rate risk – To hedge interest rate risk, in some cases the group uses derivatives. These instruments are contracted with the objective of minimizing interest rate volatilities and finance costs for underlying transactions.

As of September 30, 2023 and 2024, respectively, all interest derivatives are immediately and directly allocated to particular financings as cash flow hedges. Cross currency swaps have been contracted in connection with the financing of foreign activities.

Interest rate instruments can result in cash flow risks, opportunity effects, as well as interest rate risks affecting the balance sheet and earnings. Variable-rate financial instruments inclusive of liquid funds are subject to cash flow risk which expresses the uncertainty of future interest payments. Cash flow risk is measured by means of cash flow sensitivity. Opportunity effects arise from non-derivatives, as these are measured at amortized cost rather than fair value, in contrast to interest derivatives. This difference, the so-called opportunity effect, affects neither the balance sheet nor the statement of income. On-balance sheet interest rate risks affecting equity result from the measurement of interest derivatives qualifying as cash flow hedges. Interest rate risks affecting earnings arise from the remaining interest rate derivatives not qualifying for hedge accounting. Opportunity effects and interest rate risks affecting the balance sheet and earnings are determined by calculating fair value sensitivity analyses and changes.

As of September 30, 2023 and 2024, respectively, a +100/(100) basis point parallel shift in yield curves is assumed for all currencies in interest analyses. The analysis results in the opportunities (positive values) and risks (negative values) shown in the following table:

INTEREST ANALYSIS

	Change in all yield curves as of			
	Sept. 30, 2023 by		Sept. 30, 2024 by	
million €	+ 100 basis points	(100) basis points	+ 100 basis points	(100) basis points
Cash flow risk	63	(63)	54	(55)
Opportunity effects	17	(17)	6	(6)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	0	0	0	0
Interest rate risks resulting from interest rate derivatives affecting earnings	0	0	0	0

If, as of September 30, 2024, all yield curves combined had been 100 basis points higher, the hedge reserve in equity and fair value of the relevant interest derivatives would have been nearly unchanged and earnings resulting from the measurement as of the balance sheet date €54 million (prior year: €63 million) higher. If, as of September 30, 2024, all yield curves combined had been 100 basis points lower, the hedge reserve in equity and fair value of the relevant interest derivatives would have been nearly unchanged and earnings resulting from the measurement as of the balance sheet date €55 million (prior year: €63 million) lower.

Procurement risk (commodity price risk) – To minimize risks arising from commodity price volatilities, the group also uses derivatives, especially for tin, copper, nickel, zinc and aluminium.

To minimize the risk of fluctuating freight prices, the group uses among other things long-term fixed price contracts.

Only hypothetical changes in market prices for derivatives are included in scenario analysis, required for financial instruments under IFRS 7. Offsetting effects from underlying transactions are not taken into account and would reduce their effect significantly.

As of September 30, 2024 a +20%/(20)% shift in market prices for non-ferrous metals is assumed. If an increase of 20% in market prices for said non-ferrous metals is assumed, the estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €(19) million (prior year: €(29) million), and on equity €17 million (prior year: €27 million). If a decrease of 20% in market prices for said non-ferrous metals is assumed, the estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €28 million (prior year: €21 million), and on equity €(7) million (prior year: €(2) million).

23 Related parties

Based on the notification received in accordance with Art. 21 Par. 1 of German Securities Trade Act (WpHG) as of December 3, 2013, the Alfried Krupp von Bohlen und Halbach Foundation holds an interest of 23.03% in thyssenkrupp AG; based on a voluntary disclosure of the Foundation of September 2024, the interest in thyssenkrupp AG is around 21% as of September 30, 2024.There are no significant delivery and service relations.

In the 2022 / 2023 and 2023 / 2024 fiscal years, the group has business relations with non-consolidated subsidiaries, associates and joint ventures. Transactions with these related parties result in general from the delivery and service relations in the ordinary course of business; the extent of the business relations is presented in the following table:

RELATED PARTY TRANSACTIONS

	Sales		Supplies and services		Receivables		Total liabilities	
million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024
Non-consolidated subsidiaries	0	0	2	2	0	0	0	0
Associates	18	16	4	5	6	6	22	20
Joint ventures	9	4	4	4	1	1	1	0

In connection with the sale of the elevator business, several transitional service agreements were entered into with thyssenkrupp companies. These mainly related to IT and personnel-related services that were provided for a transitional period for Elevator by thyssenkrupp AG and other group companies in Germany and abroad. The overall volume over the entire term, which ended in the fiscal year 2022 / 2023, was in the low two-digit million euro range. Furthermore the Elevator companies still buy raw materials from Materials Services and other smaller services from group companies. The resulting sales are included in the sales with associates in the year ended September 30, 2023 and 2024, respectively.

In the past, claims for damages have been asserted both in and out of court against thyssenkrupp AG and companies of the group by potential aggrieved parties in connection with the elevator cartel. A large number of the cases have already been settled or the actions have been withdrawn or dismissed. As a result of the sale of the elevator business, companies affected have left the group. thyssenkrupp has undertaken to indemnify the purchasers against third-party claims up to a specified maximum amount in connection with proceedings still pending in Belgium. For this indemnification, which thyssenkrupp assesses will probably result in cash outflows, thyssenkrupp has recognized a provision for risks. The maximum indemnity amount and the associated provision correspond essentially to the previous provisions for the proceedings.

Also in connection with the sale of Elevator Technology, an unlimited right of use to the “TK” mark for the use of “TK Elevator” and “TKE” in specific mark categories was granted for a one-time payment. Moreover, the group has contingent liabilities in connection with the sale of Elevator Technology; see Note 21.

Compensation of Executive and Supervisory Board members active in the fiscal year

Total compensation paid to current members of the Executive Board for their work in the reporting year according to Art. 314 Par. 1 No. 6a of German Commercial Code (HGB) amounted to around €11,761 thousand (prior year: €8,482 thousand). Alongside fixed salaries, fringe benefits and short-term incentives (STI), this also includes the long-term incentive (LTI) as a stock-based, long-term, performance-related component. For the STI, in fiscal year 2023 / 2024 preliminary stock rights were granted whose fair value at grant date amounted to €312 thousand (prior year: €167 thousand). The disclosure of the number of granted stock rights is renounced because it will not be fixed next fiscal year. Stock rights were issued in the past fiscal year for the LTI with a fair value of around €4,472 thousand (prior year: €2,830 thousand) at grant date. The individual variable compensation was determined taking into account the requirement for appropriateness.

As of September 30, 2024, a liability of €872 thousand (prior year: €1,469 thousand) was recognized for the STI for the members of the Executive Board active in the fiscal year. The entitlement is fully vested on the basis of the work performed in the reporting year, and the actual payout is calculated by reference to the target achievement determined by the Supervisory Board on the basis of the current compensation system for the Executive Board and will be made in December following the respective fiscal year-end. This fixing is based on financial (70% weighting) and performance criteria (30% weighting). There is an obligation to invest 25% of the net payout from the STI in thyssenkrupp shares until an individual investment target is achieved and to hold them for the duration of the Executive Board appointment. As of September 30, 2024, €522 thousand (prior year: €310 thousand) is presented in equity from the STI for share-based payment.

There are pension commitments for one current member of the Executive Board; the related provisions amount to €6,457 thousand (prior year: €6,118 thousand). The pensions are paid once the beneficiary reaches the age of 60 or 63 as a lifelong monthly pension, provided that there is no longer an active employment relationship with the company at that time. The surviving dependants' benefits amount to 60% of the pension for the spouse or life partner and 20% for each dependent child, up to a maximum of 100% of the regular pension entitlement. In addition, there is a liability as of September 30, 2024 of €1,079 thousand (prior year: €389 thousand) for the pension payment that is contractually guaranteed to the other current members of the Executive Board and is paid out as a cash amount for personal provision per calendar year in December.

The group's key management personnel compensation which has to be disclosed in accordance with IAS 24 comprises of the compensation of the current Executive and Supervisory Board members.

Compensation of the Executive Board members active in the fiscal year is as follows:

COMPENSATION OF EXECUTIVE BOARD MEMBERS

Thousand €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Short-term benefits (excluding share-based compensation)	5,169	6,683
Post-employment benefits	562	3
Termination benefits	387	315
Share-based compensation	8,191	(1,581)
Total	14,309	5,421

Service cost and past service cost resulting from the pension obligations of one current member of the Executive Board who has a pension promise are disclosed as post-employment benefits. The benefits resulting from the termination of the employment relationship in the reporting year consist of the continued remuneration of a former Executive Board member after the end of the mandate as well as the lump sum compensation for consulting costs incurred in connection with the termination of the mandate.

As of September 30, 2023 and 2024, respectively, no loans or advance payments were granted to members of the Executive Board; also as in the previous year no contingencies were assumed for the benefit of Executive Board members.

As of September 30, 2024, 373,002 stock rights were issued in the 11th installment for the current members of the Executive Board in the fiscal year, 231,788 stock rights in the 12th installment, 503,947 stock rights in the 13th installment and 832,149 stock rights in the 14th installment (prior year: 728,242 stock rights in the 11th installment, 452,539 stock rights in the 12th installment and 777,171 stock rights in the 13th installment). The resulting provision amounts to €4,816 thousand (prior year: €12,808 thousand). In addition, €670 thousand (prior year: €470 thousand) is reported in equity as of September 30, 2024 from the LTI for share-based compensation because there is an obligation for the current members of the Executive Board to invest 25% of the net payout from the LTI in thyssenkrupp shares until an individual investment target is achieved and to hold them for the duration of the Executive Board appointment. See the disclosures in Note 14 for information on the terms and conditions.

Compensation of the Supervisory Board members active in the fiscal year is as follows:

COMPENSATION OF SUPERVISORY BOARD MEMBERS

Thousand €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Short-term benefits (inclusive of meeting attendance fees)	1,728	2,369

The compensation of the members of the Supervisory Board consists of an annual basic compensation and function-related bonuses for work in committees, as well as a meeting attendance fee. With the exception of the meeting attendance fee, which is paid immediately at the end of each month, the Supervisory Board compensation as a whole is not due until after the end of the fiscal year. As of September 30, 2024, there is a provision of €2,118 thousand (prior year: €739 thousand) for Supervisory Board compensation that will be paid out in the following fiscal year.

In addition, members of the Supervisory Board of thyssenkrupp AG received compensation of €87 thousand in fiscal year 2023 / 2024 (prior year: €55 thousand) for supervisory board mandates at group subsidiaries. The employee representatives on the Supervisory Board also receive their regular salary from the relevant employment relationship in the Group, the amount of which represents reasonable compensation for the function or activity exercised in the group.

As of September 30, 2023 and 2024, respectively, no loans or advance payments were granted to members of the Supervisory Board; also as in the previous year no contingencies were assumed for the benefit of Supervisory Board members.

Compensation of former Executive and Supervisory Board members

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €15,068 thousand (prior year: €16,726 thousand). Under IFRS an amount of €219,766 thousand (prior year: €201,950 thousand) is accrued for pension obligations benefiting former Executive Board members and their surviving dependants; under German Commercial Code (HGB) an amount of €258,588 thousand (prior year: €261,360 thousand) is accrued for pension obligations.

24 Segment reporting

thyssenkrupp is organized into the segments described below, which combine the group's activities around capital goods and materials. The segments correspond to the internal organizational and reporting structure and constitute the segments according to IFRS 8.

As a consequence of the thyssenkrupp group's new segment structure, which was resolved in the 4th quarter of fiscal year 2022 / 2023 and introduced effective October 1, 2023, there have been the following reporting changes compared with the prior year:

- The former Multi Tracks segment was dissolved as of October 1, 2023.
- Since October 1, 2023, the bearings business Rothe Erde (reported separately as the Bearings segment as of September 30, 2023), Uhde, Polysius and thyssenkrupp nucera (all three reported in the Multi Tracks segment until September 30, 2023) have been bundled in the new Decarbon Technologies segment.

- Since October 1, 2023, the Automation Engineering and Springs & Stabilizers businesses (assigned to the former Multi Tracks segment until September 30, 2023) have been part of the Automotive Technology segment. The same applies to the Forged Technologies business (reported as a separate segment as of September 30, 2023).
- Since October 1,2023, the investment in TK Elevator held by thyssenkrupp since the sale of the Elevator Technology business at the end of July 2020 has been assigned to “reconciliation” in the segment reporting (included in the former Multi Tracks segment in the 2022 / 2023 fiscal year). For information on the components of this investment, see below in this Note 24.
- thyssenkrupp Transrapid GmbH, which was previously part of the Marine Systems segment, has also been assigned to “reconciliation” in the segment reporting since October 1, 2023.

Prior-year figures have been adjusted accordingly.

Automotive Technology
This segment develops and manufactures high-tech components and systems for the automotive industry. In addition, forged components and system solutions for the resources, construction and mobility sectors are manufactured here.

Decarbon Technologies
The segment covers the businesses of Rothe Erde, Uhde, Polysius and thyssenkrupp nucera, which supply key technologies for the energy transition. Rothe Erde is a supplier of slewing bearings, rolling bearings and seamless rolled rings for the wind energy and construction machinery industries. Uhde is involved in engineering, construction and services for chemical plants. Polysius supplies technologies for the climate-neutral transformation of the cement and lime industry. thyssenkrupp nucera is a supplier of electrolysis technology.

Materials Services
This segment is focused on the global distribution of materials and the provision of technical services for the production and manufacturing sectors.

Steel Europe
The segment brings together the premium flat carbon steel activities, from intelligent materials solutions to finished parts.

Marine Systems
This segment is a system provider in submarine and surface vessel construction and in the field of maritime electronics and security technology.

Corporate Headquarters
Corporate Headquarters comprises the administrative units of the group at head office in Germany as well as at the regional headquarters.

Reconciliation
The Service Units and Special Units are presented here together with consolidation items. The Service Units consists of tk Services mainly providing partial processes regarding procurement, human resources and accounting for the thyssenkrupp group as well as tk Information Management as IT provider for all units of the thyssenkrupp group. Asset management and the investment in TK Elevator belongs to Special Units. Also non-operational units e.g. group financing are part of Special Units.

Consolidation essentially contains the elimination of intercompany profits in inventories and the reversal of intercompany interest income.

The accounting principles for the segments are the same as those described for the group in the summary of significant accounting principles except that intragroup leases are accounted for as intercompany expenses or income. In accordance with the management approach which is applicable to segment reporting all figures presented are inclusive of disposal groups and discontinued operations. Intersegment pricing is determined on an arm's length basis.

thyssenkrupp's key earnings performance indicator is EBIT (Earnings Before Interest and Taxes) and adjusted EBIT. EBIT is calculated according to economic criteria and is independent from IFRS rules. It provides information on the profitability of a unit and contains all elements of the income statement relating to operating performance. This also includes items of financial income/expense that can be characterized as operational, including income and expense from investments where there is a long-term intention to hold the assets. In connection with the disposal of the elevator activities, thyssenkrupp holds an investment in TK Elevator which is accounted for inter alia using the equity method (see the following explanations on the components of the investment). This investment has no strategic or operative relevance for continuing operations. Accordingly, all earnings effects including the equity method result are not included in EBIT. Adjusted EBIT is EBIT adjusted for special items, which include restructuring expenses, impairment losses/impairment reversals, and disposal gains or losses, and income and expenses in connection with CO_2 forward contracts. Overall, Adjusted EBIT is more suitable than EBIT for comparing operating performance over several periods.

Capital employed is the key indicator for capital tied up in operating activities. It mainly comprises fixed assets, inventories and receivables. Deducted from this are certain non-interest-bearing liability items such as trade accounts payable; cf. the following reconciliation.

SEGMENT INFORMATION FOR THE YEAR ENDED SEPT. 30, 2023[1)]

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
Year ended Sept. 30, 2023								
External sales	7,910	3,409	13,335	11,024	1,835	1	22	37,536
Internal sales within the group	2	30	278	1,349	(2)	6	(1,661)	0
Sales	7,911	3,438	13,613	12,373	1,832	7	(1,639)	37,536
Income from companies accounted for using the equity method	0	(63)	(5)	29	2	0	0	(38)
Aggregate investment in investees accounted for using the equity method	0	261	13	102	5	0	1	382
EBIT	184	8	204	(1,695)	70	(182)	(19)	(1,431)
Adjusted EBIT	266	29	178	319	73	(169)	7	703
Average capital employed	3,561	1,148	3,668	5,401	1,068	(62)	631	15,415
Depreciation expense	298	114	132	270	62	2	22	900
Impairment losses of intangible assets, property, plant and equipment inclusive of investment property	76	10	1	2,111	1	0	23	2,222
Reversals of impairment losses of intangible assets, property, plant and equipment inclusive of investment property	1	9	3	0	0	0	0	13
Significant non-cash items	(105)	(133)	(24)	(200)	(44)	(21)	(11)	(537)
Capital expenditures (intangible assets, property, plant and equipment inclusive of investment property)	327	104	145	1,065	123	0	(8)	1,757

[1)] Figures have been adjusted.

SEGMENT INFORMATION FOR THE YEAR ENDED SEPT. 30, 2024

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
Year ended Sept. 30, 2024								
External sales	7,534	3,831	11,886	9,651	2,119	0	21	35,041
Internal sales within the group	2	19	240	1,086	0	7	(1,352)	0
Sales	7,536	3,850	12,126	10,736	2,118	7	(1,331)	35,041
Income from companies accounted for using the equity method	0	0	(1)	52	2	0	(140)	(87)
Aggregate investment in investees accounted for using the equity method	0	0	11	123	6	0	88	229
EBIT	27	(159)	8	(770)	127	(223)	(51)	(1,041)
Adjusted EBIT	245	(54)	204	261	125	(188)	(25)	567
Average capital employed	3,432	986	3,307	3,616	1,089	(72)	646	13,045
Depreciation expense	293	112	129	95	95	2	24	749
Impairment losses of intangible assets, property, plant and equipment inclusive of investment property	83	27	104	962	0	0	25	1,201
Reversals of impairment losses of intangible assets, property, plant and equipment inclusive of investment property	2	0	0	12	0	0	(12)	15
Significant non-cash items	(174)	(252)	(64)	(128)	(148)	(12)	(4)	(782)
Capital expenditures (intangible assets, property, plant and equipment inclusive of investment property)	304	107	114	974	89	0	8	1,596

The column “Reconciliation” breaks down as following:

BREAKDOWN RECONCILIATION FOR THE YEAR ENDED SEPT. 30, 2023[1)]

million €	Service Units	Special Units	Consolidation	Reconciliation
Year ended Sept. 30, 2023				
External sales	25	3	(6)	22
Internal sales within the group	240	31	(1,933)	(1,661)
Sales	265	34	(1,938)	(1,639)
Income from companies accounted for using the equity method	0	0	0	0
Aggregate investment in investees accounted for using the equity method	0	1	0	1
EBIT	20	(62)	24	(19)
Adjusted EBIT	22	(33)	18	7
Average capital employed	(50)	858	(177)	631
Depreciation expense	11	13	(2)	22
Impairment losses of intangible assets, property, plant and equipment inclusive of investment property	1	27	(5)	23
Reversals of impairment losses of intangible assets, property, plant and equipment inclusive of investment property	0	0	0	0
Significant non-cash items	(5)	(4)	(1)	(11)
Capital expenditures (intangible assets, property, plant and equipment inclusive of investment property)	5	0	(12)	(8)

[1)] Figures have been adjusted.

BREAKDOWN RECONCILIATION FOR THE YEAR ENDED SEPT. 30, 2024

million €	Service Units	Special Units	Consolidation	Reconciliation
Year ended Sept. 30, 2024				
External sales	22	3	(4)	21
Internal sales within the group	260	26	(1,639)	(1,352)
Sales	282	29	(1,643)	(1,331)
Income from companies accounted for using the equity method	0	(140)	0	(140)
Aggregate investment in investees accounted for using the equity method	0	88	0	88
EBIT	18	(65)	(4)	(51)
Adjusted EBIT	19	(38)	(6)	(25)
Average capital employed	(12)	825	(167)	646
Depreciation expense	12	12	0	24
Impairment losses of intangible assets, property, plant and equipment inclusive of investment property	0	28	(3)	25
Reversals of impairment losses of intangible assets, property, plant and equipment inclusive of investment property	0	0	(12)	(12)
Significant non-cash items	(3)	(1)	0	(4)
Capital expenditures (intangible assets, property, plant and equipment inclusive of investment property)	3	3	2	8

thyssenkrupp's investment in TK Elevator comprises of several financing instruments which are accounted for as follows:

- Ordinary shares (with voting rights) in Vertical Topco I S.A., Luxembourg. Due to the existence of significant influence, the ordinary shares are treated and reported as an investment accounted for using the equity method in accordance with the requirements of IAS 28. Amortization of the acquisition cost is recognized in financial income from companies accounted for using the equity method in the statement of income. Disclosures required under IFRS 12 are included in Note 06.

- Preference shares (with voting rights) in Vertical Topco I S.A., Luxembourg. The preference shares are treated as an equity instrument in accordance with IAS 32 and IFRS 9 and reported under other non-current financial assets. Subsequent measurement is at fair value, with changes in fair value recognized directly in equity (without recycling).

- Interest-free loans (borrower: Vertical Topco I S.A., Luxembourg). The interest-free loans are treated as debt instruments in accordance with IAS 32 and IFRS 9 and likewise reported under other non-current financial assets. They are measured at amortized cost, with income effects from subsequent measurement recognized in finance income/finance expense under financial income/expense in the statement of income. The disclosures required under IFRS 7 are included in Note 22.

The reconciliation of the earnings figure EBIT to EBT is presented below:

RECONCILIATION ADJUSTED EBIT TO INCOME/(LOSS) BEFORE TAX

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Adjusted EBIT as presented in segment reporting	**703**	**567**
Special items	(2,134)	(1,609)
EBIT as presented in segment reporting	**(1,431)**	**(1,041)**
+ Non-operating income/(expense) from companies accounted for using the equity method	(63)	(140)
+ Finance income	896	792
– Finance expense	(984)	(830)
– Items of finance income assigned to EBIT based on economic classification	(7)	(11)
+ Items of finance expense assigned to EBIT based on economic classification	6	35
Income/(loss) group (before tax)	**(1,583)**	**(1,196)**

In 2023 / 2024, special items of €1,031 million relate to the Steel Europe segment and result primarily from further impairment losses on fixed assets and from expenses from the valuation of CO_2 forward contracts. In the Automotive Technology segment, special items amounted to €219 million and mainly relate to restructurings and impairments. Further special items amounting to €196 million arose in the Materials Services segment; they resulted mainly from impairments as well as restructurings and disposals of two companies, and €105 million in the Decarbon Technologies segment; there they mainly relate to the impairment and deconsolidation of thyssenkrupp Industries India in the course of the disposal process as well as restructuring provisions. In 2022 / 2023, special items of €2,015 million mainly related to the Steel Europe segment and result mostly from impairment losses on assets (see also Note 05).

Total assets in accordance with the consolidated statement of financial position can be reconciled to average capital employed as follows:

RECONCILIATION TOTAL ASSETS TO CAPITAL EMPLOYED

million €	Sept. 30, 2023	Sept. 30, 2024
Total assets	**32,603**	**29,333**
Deferred tax assets	(495)	(464)
Current income tax assets	(168)	(151)
Cash and cash equivalents	(7,339)	(5,867)
Adjustment due to included assets classified as non-operating items	(1,083)	(1,154)
Liability items reducing capital employed:		
Provisions for other non-current employee benefits	(258)	(227)
Other provisions, non-current	(407)	(427)
Other non-financial liabilities, non-current	0	(15)
Provisions for current employee benefits	(159)	(180)
Other provisions, current	(1,112)	(1,242)
Trade accounts payable	(4,270)	(4,203)
Other financial liabilities, current	(906)	(924)
Contract liabilities	(2,566)	(2,735)
Other non-financial liabilities, current	(1,558)	(1,588)
Adjustments due to included liabilities classified as non-operating items	188	226
Adjustments of assets/liabilities due to presentation of disposal groups	(325)	(174)
Capital employed as of balance sheet date	**12,144**	**10,208**
Impact from adjusting average capital employed to capital employed as of balance sheet date	2,301	1,842
Average capital employed (5-point-average)	**14,444**	**12,050**
Correction factors with increasing impact on performance requirements for positive value added	971	996
Average capital employed as presented in segment reporting	**15,415**	**13,045**

In presenting information for geographical areas, allocation of sales is based on the location of the customer. Allocation of segment assets and capital expenditures is based on the location of the assets. Capital expenditures are presented in line with the definition of the cash flow statement.

There are no individual customers that generate sales values that are material to the group's consolidated net sales.

EXTERNAL SALES BY REGION

million €	Germany	USA	China	Other countries	Group
External sales (location of customer)					
Year ended Sept. 30, 2023	12,420	6,197	1,872	17,047	**37,536**
Year ended Sept. 30, 2024	10,946	6,080	1,646	16,370	**35,041**

NON-CURRENT ASSETS BY REGIONS

million €	Germany	USA	China	Other countries	Group
Non-current assets (intangible assets, property, plant and equipment inclusive of investment property and other non-financial assets) (location of assets)					
Sept. 30, 2023	4,285	530	528	2,073	**7,416**
Sept. 30, 2024[1)]	3,717	419	506	2,007	**6,649**

[1)] Inclusive of assets held for sale.

25 Adjustment according to IAS 8.41f.

In the 3rd quarter ended June 30, 2024, the Marine Systems segment adjusted the balance sheet presentation of contracts with customers in accordance with IFRS 15. The reason for this was a previously unrecognized netting of contract assets and contract liabilities in connection with sub-contractual relationships within the segment.

The adjustment according to IAS 8.41f. had the following impacts on the statement of financial position as of October 1, 2022: a reduction in contract assets of €812 million and a reduction in contract liabilities of €812 million and on the statement of financial position as of September 30, 2023: a reduction in contract assets of €689 million and a reduction in contract liabilities of €689 million. In addition, in the reconciliation within operating cash flow in the statement of cash flows for the year ended September 30, 2023, there was a reduction in the change in contract assets of €124 million and opposing an increase in the change in contract liabilities of €124 million.

The adjustment had no impact on total equity, the statement of income, the statement of comprehensive income, earnings per share, operating cash flows, cash flows from investing activities, cash flows from financing activities and the amount of cash and cash equivalents recognized in the statement of cash flows.

Notes to the statement of income

26 Sales

Sales and sales from contracts with customers are presented below:

SALES

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
Year ended Sept. 30, 2023[1]								
Sales from sale of finished products	5,896	1,124	1,849	11,438	41	0	(1,276)	19,073
Sales from sale of merchandise	684	176	11,193	199	16	0	(141)	12,127
Sales from rendering of services	288	294	713	205	54	6	(151)	1,409
Sales from construction contracts	896	1,767	12	0	1,715	0	(15)	4,375
Other sales from contracts with customers	136	77	1	532	5	0	(16)	734
Subtotal sales from contracts with customers	**7,901**	**3,439**	**13,767**	**12,374**	**1,830**	**7**	**(1,599)**	**37,718**
Other sales	11	0	(154)	(1)	2	0	(40)	(183)
Total	**7,911**	**3,438**	**13,613**	**12,373**	**1,832**	**7**	**(1,639)**	**37,536**
Year ended Sept. 30, 2024								
Sales from sale of finished products	5,653	1,054	1,626	9,953	50	0	(1,025)	17,310
Sales from sale of merchandise	675	155	9,695	139	23	1	(108)	10,580
Sales from rendering of services	308	297	769	198	55	5	(143)	1,489
Sales from construction contracts	766	2,268	26	0	1,977	0	(25)	5,012
Other sales from contracts with customers	134	72	0	443	6	0	(15)	640
Subtotal sales from contracts with customers	**7,536**	**3,846**	**12,117**	**10,733**	**2,110**	**7**	**(1,317)**	**35,031**
Other sales	0	4	9	3	8	0	(14)	10
Total	**7,536**	**3,850**	**12,126**	**10,736**	**2,118**	**7**	**(1,331)**	**35,041**

[1] Figures have been adjusted (see Note 24).

SALES FROM CONTRACTS WITH CUSTOMERS BY CUSTOMER GROUP

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
Year ended Sept. 30, 2023[1]								
Automotive	6,961	31	2,141	3,345	0	2	37	12,517
Trading	408	34	1,937	2,914	1	2	(1,035)	4,262
Engineering	447	1,008	1,209	286	0	1	(6)	2,944
Steel and related processing	7	88	2,329	2,714	0	1	(456)	4,682
Other manufacturing industry	2	2,074	3,022	636	4	0	(150)	5,589
Construction	0	30	695	45	0	0	(9)	761
Public sector – defense	0	10	12	0	1,801	0	5	1,829
Packaging	0	1	135	1,655	0	0	7	1,799
Energy and utilities	0	8	225	651	0	0	2	885
Other customer groups	77	154	2,062	129	24	1	5	2,452
Total	**7,901**	**3,439**	**13,767**	**12,374**	**1,830**	**7**	**(1,599)**	**37,718**
Year ended Sept. 30, 2024								
Automotive	6,796	42	1,939	3,083	0	2	(8)	11,855
Trading	347	36	1,980	2,393	5	3	(794)	3,969
Engineering	339	1,154	914	223	0	1	(5)	2,625
Steel and related processing	6	64	1,933	2,268	0	1	(405)	3,866
Other manufacturing industry	1	2,305	2,637	554	9	0	(120)	5,387
Construction	0	22	579	38	0	0	(3)	635
Public sector – defense	0	13	13	0	2,067	0	4	2,097
Packaging	0	4	131	1,531	0	0	0	1,666
Energy and utilities	0	6	164	517	0	0	0	687
Other customer groups	47	198	1,828	127	29	0	13	2,243
Total	**7,536**	**3,846**	**12,117**	**10,733**	**2,110**	**7**	**(1,317)**	**35,031**

[1] Figures have been adjusted (see Note 24).

SALES FROM CONTRACTS WITH CUSTOMERS BY REGION

million €	Automotive Technology	Decarbon Technologies	Materials Services	Steel Europe	Marine Systems	Corporate Headquarters	Reconciliation	Group
Year ended Sept. 30, 2023[1]								
German-speaking area[2]	2,212	500	4,685	6,802	440	2	(1,270)	13,370
Western Europe	1,170	486	2,116	2,817	431	0	(175)	6,846
Central and Eastern Europe	403	118	1,967	942	0	0	(86)	3,345
Commonwealth of Independent States	24	9	10	11	0	0	0	55
North America	2,342	327	4,213	1,003	6	4	(97)	7,798
South America	399	109	41	113	266	0	4	932
Asia / Pacific	82	194	361	38	215	0	0	890
Greater China	1,081	641	138	75	0	0	12	1,948
India	50	500	126	108	18	0	2	805
Middle East & Africa	137	555	109	463	454	0	10	1,728
Total	**7,901**	**3,439**	**13,767**	**12,374**	**1,830**	**7**	**(1,599)**	**37,718**
Year ended Sept. 30, 2024								
German-speaking area[2]	2,027	467	3,932	5,771	547	1	(1,046)	11,699
Western Europe	1,085	534	1,783	2,288	575	0	(139)	6,125
Central and Eastern Europe	601	105	1,542	922	3	0	(70)	3,102
Commonwealth of Independent States	6	6	10	16	16	0	0	54
North America	2,268	447	4,010	1,047	9	4	(70)	7,714
South America	398	169	46	103	415	0	1	1,131
Asia / Pacific	98	195	392	29	217	0	1	931
Greater China	970	573	137	52	0	0	4	1,736
India	39	411	137	124	45	0	1	757
Middle East & Africa	44	941	129	382	283	0	2	1,782
Total	**7,536**	**3,846**	**12,117**	**10,733**	**2,110**	**7**	**(1,317)**	**35,031**

[1] Figures have been adjusted (see Note 24).
[2] Germany, Austria, Switzerland, Liechtenstein

Of the sales from contracts with customers, €6,660 million (prior year: €5,076 million) results from long-term contracts and €28,372 million (prior year: €32,642 million) from short-term contracts, €6,503 million (prior year: €6,292 million) relates to sales recognized over time, and €28,528 million (prior year: €31,426 million) to sales recognized at a point in time.

27 Other income

OTHER INCOME

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Gains from premiums and from grants	24	28
Insurance compensation	30	28
Miscellaneous	250	389
Total	**303**	**445**

Miscellaneous other income includes income from hedging operational foreign exchange risks of €34 million (prior year: €22 million) and a multitude of minor single items resulting from the 321 (prior year: 320) consolidated companies.

The increase in miscellaneous other income mainly resulted from higher income in connection with compensation for electricity prices in the Steel Europe segment, income from the entry into effect of a supply agreement classified as an embedded lease in the Materials Services segment and income from charging on costs to sub-suppliers for remedying quality deficits in customer contracts in the Automotive Technology segment.

28 Other expense

OTHER EXPENSES

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Additions to/reversals of provisions	(19)	(13)
Goodwill impairment	0	24
Other taxes	7	11
Miscellaneous	99	172
Total	**88**	**195**

Miscellaneous other expenses include expenses from hedging operational foreign exchange risks of €26 million (prior year: €15 million) and a multitude of minor single items resulting from the 321 (prior year: 320) consolidated companies.

The increase in miscellaneous other expenses mainly resulted from the assumption of costs in the Steel Europe segment in connection with a hydrogen pipeline and the costs of remedying quality deficits in customer contracts in the Automotive Technology segment.

29 Other gains/(losses), net

OTHER GAINS/(LOSSES), NET

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Gain/(loss) on disposal of property, plant and equipment, net (without investment property)	9	(23)
Gain/(loss) on disposal of subsidiaries, net	4	(18)
Miscellaneous	(1)	4
Total	**12**	**(36)**

30 Financial income/(expense), net

FINANCIAL INCOME/(EXPENSE), NET

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Income from companies accounted for using the equity method	**(38)**	**(87)**
Interest income from financial receivables	167	212
Income from investments	6	8
Other finance income	722	572
Finance income	**896**	**792**
Interest expense from financial debt	(93)	(65)
Net interest cost of pensions and similar obligations	(195)	(210)
Other finance expenses	(697)	(556)
Finance expense	**(984)**	**(830)**
Total	**(126)**	**(125)**

For the investments accounted for using the equity method see also Note 06.

The line items “interest income from financial receivables” and “other finance income” include interest income from financial assets that are not measured at fair value through profit or loss of €216 million (prior year: €168 million). The line items “interest expense from financial debt” and “other finance expenses” include interest expense from financial liabilities that are not measured at fair value through profit or loss of €64 million (prior year: €92 million).

Other finance income and other finance expenses, respectively, include income or expenses from currency derivatives from financial transactions and exchange rate gains or losses from financial transactions in foreign currencies.

Borrowing costs of €17 million (prior year: €20 million) were capitalized in the reporting year; this resulted in a corresponding improvement in other finance income/(expense). To the extent that financing can be specifically allocated to a specific investment, the actual borrowing costs are capitalized. If not directly attributable, the group's average borrowing rate for the reporting year is taken into account.

31 Leases in the statement of income

The following table presents income and expenses resulting from leases:

LEASES IN THE STATEMENT OF INCOME

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Other sales		
Income from operating lease	7	12
Lease expense		
Expense from short-term leases	42	52
Expense from leases for low-value assets	1	3
Expense from off-balance variable lease payments	2	2
Depreciation expense		
Depreciation of right-of-use assets	131	136
Impairment of right-of-use assets	0	1
Other gains/(losses), net		
(Gain)/loss on disposal of right-of-use assets	0	0
Financial income/(expense), net		
Interest expense from lease liabilities	25	32

Income from sublease contracts amounted to €9 million (prior year: €5 million). Sale and lease back transactions did not result in a gain (prior year: €1 million) or a loss (prior year: €1 million) for the group.

32 Income taxes

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

BREAKDOWN OF INCOME TAX EXPENSE/(BENEFIT)

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Current income tax expense/(benefit) for the current fiscal year	269	242
Current income tax expense/(benefit) for previous years	(12)	(6)
Deferred income tax expense/(benefit)	146	18
Total	**403**	**254**

The components of income taxes recognized in total equity are as follows:

INCOME TAXES RECOGNIZED IN TOTAL EQUITY

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Income tax expense/(benefit) as presented on the statement of income	403	254
Income non-effective tax effect on other comprehensive income	24	2
Income tax effects charged/(credited) to equity	(4)	0
Total	**423**	**256**

As of September 30, 2024, taxable temporary differences from subsidiaries in the group for which no deferred tax liability is recognized amount to €183 million (prior year: €156 million). The group determines the distribution policy of these subsidiaries, i.e. it has control over the timing of the reversal of these taxable temporary differences, and a reversal is not planned in the foreseeable future.

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

INVENTORY OF DEFERRED TAX ASSETS AND LIABILITIES

	Sept. 30, 2023		Year ended Sept. 30, 2024		Sept. 30, 2024	
million €	Deferred tax assets	Deferred tax liabilities	Deferred tax benefit (+) / expense (-)	Miscellaneous	Deferred tax assets	Deferred tax liabilities
Deferred income taxes on non-current items						
Intangible assets	218	95	(36)	(6)	185	103
Property, plant and equipment (inclusive of investment property)	936	108	40	0	976	108
Financial assets	82	13	32	0	119	19
Other assets	4	178	176	0	23	21
Provisions for pensions and similar obligations	536	15	(5)	112	637	9
Other provisions	68	63	68	(1)	106	35
Other liabilities	132	95	(25)	(2)	94	83
Deferred income taxes on current items						
Inventories	464	51	(368)	(7)	122	84
Other assets[1]	443	766	331	(1)	423	416
Other liabilities[1]	693	697	(49)	30	853	877
Valuation allowance – temporary differences (non-current and current)	(1,106)	—	(194)	(149)	(1,449)	—
Subtotal	**2,470**	**2,081**	**(30)**	**(24)**	**2,089**	**1,755**
Tax loss carried forward	2,159	—	379	(5)	2,533	—
Interest carried forward	118	—	(64)	0	54	—
Foreign tax credits	1	—	6	0	7	—
Valuation allowance – tax loss carried forward etc.	(2,188)	—	(309)	6	(2,492)	—
Subtotal	**90**	**0**	**12**	**1**	**102**	**0**
Total before offsetting	**2,560**	**2,081**	**(18)**	**(23)**	**2,191**	**1,755**
Offsetting	(2,065)	(2,065)	—	—	(1,727)	(1,727)
Balance sheet amount	**495**	**16**	**—**	**—**	**464**	**28**

[1] Figures as of Sept. 30, 2023 have been adjusted (see Note 25).

The development of deferred taxes is as follows:

DEVELOPMENT OF DEFERRED TAX ASSETS (+) AND LIABILITIES ON A NET BASIS

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Opening balance	**679**	**479**
Deferred tax benefit (+)/expense (-)	(146)	(18)
Income non-effective tax effect on other comprehensive income		
Remeasurement of pensions and others	(60)	(4)
Fair value measurement of equity instruments	0	0
Fair value measurement of debt instruments	(2)	3
Impairment of financial instruments	20	0
Cash flow hedges	19	(1)
Currency differences	(35)	(19)
Acquisitions/divestitures of businesses, Other changes	0	(3)
Income tax effects (charged)/credited to equity	4	0
Closing balance	**479**	**437**

As of September 30, 2024, tax losses carried forward existing within the group for which no deferred tax asset is recognized amount to €9,445 million (prior year: €8,345 million). According to tax legislation as of September 30, 2024, an amount of €9,329 million (prior year: €8,217 million) of these tax losses may be carried forward indefinitely and in unlimited amounts whereas an amount of €115 million (prior year: €128 million) of these tax losses carried forward will expire over the next 20 years if not utilized. In addition, as of September 30, 2024, no deferred tax asset is recognized for deductible temporary differences in the amount of €4,470 million (prior year: €3,448 million), thereof €3,350 million (prior year: €2,668 million) pertaining to the German Steel income tax group and €701 million (prior year: €415 million without Steel income tax group) pertaining to the income tax group of thyssenkrupp AG, as well as for interest carried forward at thyssenkrupp AG in the amount of €195 million (prior year: €420 million).

In fiscal year 2023 / 2024,the utilization of unrecognized deferred tax assets for tax losses and interest carried forward reduced current tax expense by €5 million (prior year: €18 million). Recognition of previously unrecognized deferred tax assets for tax losses and interest carried forward resulted in deferred tax income of €31 million in fiscal year 2023 / 2024 (prior year: €14 million). The reduction in deferred tax assets for tax losses carried forward resulted in deferred tax expense of €24 million in fiscal year 2023 / 2024 (prior year: €192 million).

As of September 30, 2024, deferred tax assets in the amount of €101 million (prior year: €103 million) are recognized for companies that contributed a negative result to the group in either this fiscal year or in the previous fiscal year. Deferred tax assets in the amount of €26 million (prior year: €25 million) are attributed to a German group company outside of the income tax group of thyssenkrupp AG which plans future positive results based on agreed project volumes with a margin level that is already currently higher and ramp-up costs that will not exist in the future. Deferred tax assets in the amount of €20 million (prior year: €29 million) are related to the French income tax group whose loss in this fiscal year was mainly caused by additional costs for individual legacy projects of a single member company. The current projects of this company do not indicate a repetition of such losses in the future, and other member companies project future positive results. Deferred tax assets in the amount of €27 million (prior year: €23 million) relate to another French group company outside of the French income tax group that has no history of recent losses and projects future positive results.

As of September 30, 2024, deferred tax assets for deductible temporary differences (especially in connection with property, plant and equipment as well as pensions and similar obligations) in the amount of €1,103 million (prior year: €862 million) in the German Steel income tax group and €221 million (prior year: €135 million without Steel income tax group) in the income tax group of thyssenkrupp AG are not recognized because management cannot expect with sufficient probability that taxable income will be available in Germany in the future.

In the prior fiscal year, the devaluation of the deferred tax assets still recognized as of September 30, 2022 for tax losses and interest carried forward as well as deductible temporary differences in Germany led to a deferred tax expense amounting to €191 million and to a tax effect in other comprehensive income that reduced equity by €29 million.

The German corporate income tax law applicable for 2023 / 2024 sets a statutory income tax rate of 31.5% (prior year: 32.3%) taking into account the different German municipal tax rates. The applicable tax rates for companies outside Germany range from 9.0% to 37.5% (prior rate: 9.0% to 37.5%).

TAX RATE RECONCILIATION

million €	Year ended Sept. 30, 2023	in %	Year ended Sept. 30, 2024	in %
Expected income tax expense/(benefit)	(512)	32.3	(377)	31.5
Tax rate differentials to the German combined income tax rate	(32)	2.0	(29)	2.4
Changes in tax rates or laws	6	(0.4)	(1)	0.1
Inventory of deferred tax assets and liabilities	847	(53.5)	571	(47.7)
Permanent items	11	(0.7)	18	(1.5)
Tax consequences of disposal of businesses	(1)	0.1	4	(0.3)
Income/(loss) from companies accounted for using the equity method	12	(0.8)	27	(2.3)
Non-creditable withholding taxes	71	(4.5)	64	(5.4)
Tax expense/(benefit) related to prior periods	(3)	0.2	(19)	1.6
Others	4	(0.3)	(4)	0.3
Income tax expense/(benefit) as presented on the statement of income	**403**	**(25.5)**	**254**	**(21.2)**

33 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE (EPS)

	Year ended Sept. 30, 2023		Year ended Sept. 30, 2024	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**(2,072)**	**(3.33)**	**(1,506)**	**(2.42)**
Weighted average shares	622,531,741		622,531,741	

There were no dilutive securities in the periods presented.

34 Additional information to the income statement

Personnel expenses included in the statement of income are comprised of:

PERSONNEL EXPENSE

million €	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Wages and salaries	5,543	5,758
Social security taxes	970	1,015
Net periodic pension cost – defined benefit [1]	118	118
Net periodic pension costs – defined contribution	28	26
Other expenses for pensions and retirements	42	342
Related fringe benefits	99	104
Total	**6,800**	**7,363**

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

The annual average number of employees in the group is as follows:

ANNUAL AVERAGE NUMBER OF EMPLOYEES

	Year ended Sept. 30, 2023[1]	Year ended Sept. 30, 2024
Automotive Technology	31,236	31,898
Decarbon Technologies	14,945	13,965
Materials Services	16,166	16,160
Steel Europe	26,267	27,069
Marine Systems	7,372	7,860
Corporate Headquarters	609	635
Reconciliation	1,621	1,667
Total	**98,216**	**99,254**
Thereof:		
Wage earners	48,044	48,650
Salary earners	47,370	47,766
Trainees	2,802	2,838

[1] Figures have been adjusted (see Note 24).

The annual average number of employees in 2023/2024 includes 1,509 employees (prior year: 1,476 employees) of the joint operation Hüttenwerke Krupp Mannesmann GmbH (HKM).

Auditors' fees and services

KPMG AG Wirtschaftsprüfungsgesellschaft is the auditor of the consolidated financial statements. For the services performed by KPMG AG and the companies in the international KPMG network the following fees were recognized as expenses:

FEES OF AUDITOR

million €	Year ended Sept. 30, 2023 Total	Year ended Sept. 30, 2023 thereof KPMG AG Wirtschaftsprüfungs-gesellschaft	Year ended Sept. 30, 2024 Total	Year ended Sept. 30, 2024 thereof KPMG AG Wirtschaftsprüfungs-gesellschaft
Audit fees	16	11	22	15
Audit-related fees	3	3	4	4
Tax fees	0	0	0	0
Fees for other services	1	0	0	0
Total	**20**	**14**	**26**	**19**

The fee for the audit services of KPMG AG Wirtschaftsprüfungsgesellschaft relates to the year-end audit of the consolidated financial statements and the annual financial statements of thyssenkrupp AG, including statutory extensions of the mandate and a focus of the audit. Also included are fees for the audits of the IFRS Reporting Packages of subsidiaries of thyssenkrupp AG for inclusion in the consolidatedl financial statements of thyssenkrupp AG and for the audits of the annual financial statements of subsidiaries in accordance with the German Commercial Code (HGB), including fees for audits of IT-based accounting systems in support of projects. In addition, reviews of interim financial statements were performed.

Audit-related fees relate to services in connection with divestment projects for individual businesses relating to the transformation of thyssenkrupp, to a voluntary audit of the compliance management system, to an audit in accordance with § 67(1) German Energy Financing Act (EnFG), to agreed audit procedures, business audits, e.g., in accordance with ISAE 3000, an audit in accordance with § 32(1) German Securities Trading Act (WpHG) and the issue of a comfort letter.

The fees for other services include in the prior year fees for project-related consulting services.

Notes to the statement of cash flows

35 Additional information on the statement of cash flows

The liquid funds considered in the consolidated statement of cash flows can be derived from the balance sheet position “Cash and cash equivalents” as following:

RECONCILIATION OF LIQUID FUNDS

million €	Sept. 30, 2023	Sept. 30, 2024
Cash	2,641	2,451
Cash equivalents	4,699	3,416
Cash and cash equivalents according to the balance sheet	**7,339**	**5,867**
Cash and cash equivalents of disposal groups	0	4
Liquid funds according to statement of cash flows	**7,339**	**5,871**

As of September 30, 2024 cash and cash equivalents of €131 million (prior year: €104 million) result from the joint operation HKM.

Non-cash investing activities

In the year ended September 30, 2024 a non-cash addition of €134 million (prior year: €205 million) results from of right-of-use assets according to IFRS 16.

Non-cash financing activities

In the year ended September 30, 2024 a non-cash decrease of gross financial debt of €4 million (prior year: €0 million) results from deconsolidation.

Changes of liabilities/assets from financing activities

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

RECONCILIATION IN ACCORDANCE WITH IAS 7 -YEAR ENDED SEPT. 30, 2023

	Sept. 30, 2022	Cash flows from financing activities[1]	Non-cash changes				Sept. 30, 2023
million €			Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Other changes	
Bonds	3,094	(1,000)	0	0	0	4	2,098
Loan notes / other loans	122	38	1	0	0	(1)	159
Liabilities to financial institutions	136	(65)	0	19	0	0	90
Lease liabilities	629	(147)	0	(15)	0	211	678
Other financial liabilities	0	0	0	0	0	0	0
Subtotal financial debt	**3,981**	**(1,174)**	**1**	**4**	**0**	**214**	**3,025**
Assets/liabilities from other financing activities	109	35	0	(8)	(96)	0	41
Total	**4,090**	**(1,139)**	**1**	**(4)**	**(96)**	**214**	**3,066**

[1] As far as liabilities/assets from financing activities are concerned.

RECONCILIATION IN ACCORDANCE WITH IAS 7 -YEAR ENDED SEPT. 30, 2024

	Sept. 30, 2023	Cash flows from financing activities[1]	Non-cash changes				Sept. 30, 2024
million €			Acquisitions/ divestitures of businesses	Currency differences	Fair value changes	Other changes	
Bonds	2,098	(1,500)	0	0	0	2	600
Loan notes / other loans	159	4	(4)	0	0	4	163
Liabilities to financial institutions	90	(45)	0	13	0	0	57
Lease liabilities	678	(139)	0	(10)	0	123	653
Other financial liabilities	0	0	0	0	0	0	0
Subtotal financial debt	**3,025**	**(1,680)**	**(4)**	**2**	**0**	**129**	**1,472**
Assets/liabilities from other financing activities	68	168	0	(9)	(15)	0	212
Total	**3,093**	**(1,512)**	**(4)**	**(7)**	**(15)**	**129**	**1,685**

[1] As far as liabilities/assets from financing activities are concerned.

Leases in the statement of cash flows

In the statement of cash flows, the interest component of the leases carried in the balance sheet is shown under operating cash flows and the repayment component under cash flows from financing activities. In the year ended September 30, 2024, the total cash outflows of the group as a lessee amounted to €230 million (prior year: €210 million).

The following possible cash outflows at the lessee were not included in the lease liability and will only be included in the statement of cash flows if they actually result in outflows in future periods:

POTENTIAL FUTURE LEASE PAYMENTS

million €	Sept. 30, 2023	Sept. 30, 2024
Extension and/or termination options as well as call options	(87)	(126)
Variable payments	(3)	0
Lease commitments	(3)	(29)
Total	**(92)**	**(156)**

Possible future lease payments by the lessee arising from the exercise of options were not included in the lease liability if the exercise of the respective options was not considered reasonably certain. These options include lease payments from lease extension options, penalties from the exercise of termination options and payments from purchase options. Only if there is a high probability that the options will be exercised are they considered to be exercisable and recognized as lease liabilities. If facts and circumstances change, a reassessment of the exercise of the options is undertaken.

If infinitely revolving lease extension options exist for leasehold contracts in individual cases or automatically prolonging lease contracts, their payments are not included in the possible future lease payments. An estimate of the term was made when determining the corresponding lease liability.

Individual leases can contain several options. The thyssenkrupp group uses options to achieve the greatest possible operating flexibility. Such options can generally only be exercised by the thyssenkrupp group as lessee. In addition, the leases do not contain any clauses that significantly restrict the group by requiring it to meet certain commitments.

Subsequent event

36 Subsequent event

On October 18, 2024, the signing of the sale process of the disposal group thyssenkrupp Electrical Steel India to JSW Steel Limited and JFE Steel Corporation, an Indian-Japanese consortium, took place; see also Note 03.

Other information

37 Declarations of conformity with the German Corporate Governance Code in accordance with Art. 161 of the German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board of thyssenkrupp AG issued the declaration of conformity in accordance with Art. 161 of the Stock Corporation Act (AktG) and made it publicly available to the shareholders on the company's website on October 1, 2024.

The declaration of conformity of our exchange-listed subsidiary thyssenkrupp nucera AG & KGaA was issued in September 2024 and is now publicly available to the shareholders on the company's website.

The declaration of conformity of our exchange-listed subsidiary Eisen- und Hüttenwerke AG was issued on October 1, 2024 and is now publicly available to the shareholders on the company's website.

38 Application of Art. 264 Par. 3 and Art. 264b of German Commercial Code (HGB)

The following domestic subsidiaries in the legal form of a capital corporation or a commercial partnership as defined in Art. 264a partly made use of the exemption clause included in Art. 264 Par. 3 and Art. 264b of German Commercial Code:

A	
ATLAS ELEKTRONIK GmbH	Bremen
B	
BERCO Deutschland GmbH	Ennepetal
Blohm + Voss Shipyards & Services GmbH	Hamburg
C	
CarValoo GmbH	Essen
G	
German Marine Systems GmbH	Hamburg
H	
Hagenuk Marinekommunikation GmbH	Flintbek
J	
Jacob Bek GmbH	Ulm
M	
Max Cochius GmbH	Berlin
P	
PSL Wälzlager GmbH	Dietzenbach
R	
Reisebüro Dr. Tigges GmbH	Essen
T	
thyssenkrupp Academy GmbH	Düsseldorf
thyssenkrupp Aerospace Germany GmbH	Essen
thyssenkrupp AT.Pro tec GmbH	Essen
thyssenkrupp Automation Engineering GmbH	Essen
thyssenkrupp Automotive Body Solutions GmbH	Essen
thyssenkrupp Automotive Systems GmbH	Essen
thyssenkrupp Bilstein GmbH	Ennepetal
thyssenkrupp Carbon2Chem GmbH	Essen
thyssenkrupp Components Tech GmbH	Essen
thyssenkrupp Decarbon Technologies GmbH	Essen
thyssenkrupp DeliCate GmbH	Düsseldorf
thyssenkrupp Materials Services Digital Innovations GmbH	Essen
thyssenkrupp Dritte Beteiligungsgesellschaft mbH	Duisburg
thyssenkrupp Dynamic Components GmbH	Ilsenburg
thyssenkrupp Dynamic Components Chemnitz GmbH	Chemnitz
thyssenkrupp Dynamic Components Ilsenburg GmbH	Ilsenburg
thyssenkrupp Facilities Services GmbH	Essen
thyssenkrupp Federn GmbH	Hagen
thyssenkrupp Federn und Stabilisatoren GmbH	Hagen
thyssenkrupp Fertilizer Technology GmbH	Dortmund
thyssenkrupp Gerlach GmbH	Homburg/Saar
thyssenkrupp GfT Gleistechnik GmbH	Essen
thyssenkrupp Grundbesitz Verwaltungs GmbH	Essen
thyssenkrupp Holding Germany GmbH	Essen
thyssenkrupp Industrial Crankshafts GmbH	Homburg/Saar
thyssenkrupp Industrial Solutions AG	Essen
thyssenkrupp Information Management GmbH	Essen
thyssenkrupp Intellectual Property GmbH	Essen
thyssenkrupp Management Consulting GmbH	Düsseldorf
thyssenkrupp Marine Systems GmbH	Kiel
thyssenkrupp Materials Business Services GmbH	Essen
thyssenkrupp Materials DataflowWorks GmbH	Essen
thyssenkrupp Materials Processing Europe GmbH	Krefeld
thyssenkrupp Materials Services GmbH	Essen
thyssenkrupp Materials Services Digital Innovations GmbH	Essen
thyssenkrupp Materials Trading GmbH	Essen
thyssenkrupp nucera HTE GmbH	Dortmund
thyssenkrupp nucera Participations GmbH	Dortmund
thyssenkrupp Plastics GmbH	Essen
thyssenkrupp Polysius GmbH	Essen
thyssenkrupp Presta Mülheim GmbH	Mülheim
thyssenkrupp Presta Schönebeck GmbH	Schönebeck

thyssenkrupp Projekt 1 GmbH	Essen
thyssenkrupp rothe erde Germany GmbH	Dortmund
thyssenkrupp Schulte GmbH	Essen
thyssenkrupp Senior Experts GmbH	Essen
thyssenkrupp Services GmbH	Essen
thyssenkrupp Technologies Beteiligungen GmbH	Essen
thyssenkrupp Transrapid GmbH	Kassel
thyssenkrupp Uhde Engineering Services GmbH	Dortmund
thyssenkrupp Uhde GmbH	Essen
thyssenkrupp USA Holding AG & Co KG	Essen
U	
Uhde High Pressure Technologies GmbH	Hagen
Uhde Inventa-Fischer GmbH	Berlin

The following Dutch subsidiaries made use of the exemption clause included in Art. 2:403 of the Civil Code of the Netherlands:

T	
thyssenkrupp Nederland Holding B.V.	Roermond
thyssenkrupp Veerhaven B.V.	Rotterdam

39 List of the group’s subsidiaries and equity investments

In accordance with Art. 313 Par. 2 of German Commercial Code (HGB), the complete list of the group’s subsidiaries and and equity interests and companies included in the consolidated financial statements is part of the audited consolidated financial statements filed in the German Federal Gazette (Bundesanzeiger). The full list of shareholdings has also been published on the thyssenkrupp website at **www.thyssenkrupp.com/en/investors/reporting-and-publications/**.

Independent Auditor's Report[1)]

To thyssenkrupp AG, Duisburg and Essen

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of thyssenkrupp AG, Duisburg and Essen and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of comprehensive income[2], consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 October 2023 to 30 September 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the company and the Group (hereinafter referred to as the "combined management report") for the financial year from 1 October, 2023 to 30 September, 2024.

In accordance with German legal requirements we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The summarised combined management report contains cross-references marked as unaudited that are not required by law. In accordance with German legal requirements, we have not audited the content of these cross-references or the information to which the cross-references refer.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2024 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) 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 combined management report.

[1)] This is a translation of the German original. Solely the original text in German language is authoritative.
[2)] As appropriate, this is to be aligned, ref. IAS 1.10 b) in connection with 1.81A.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Note on highlighting an issue – Immanent risk due to uncertainties regarding the legal conformity of the interpretation of the EU Taxonomy Regulation

We refer to the explanations provided by the Management in the section "EU Taxonomy" of the combined non-financial statement of the company and the group, integrated into the combined management report, pursuant to Sections 289b (1), 289c HGB and Sections 315b(1), 315c HGB.

This section describes that the EU Taxonomy Regulation and its related delegated acts contain formulations and terms that are still subject to significant interpretative uncertainties, for which clarifications have not yet been published in every case. The legal representatives explain how they have made the necessary interpretations of the EU Taxonomy Regulation and its related delegated acts. Due to the inherent risk that undefined legal terms may be interpreted differently, the compliance of the interpretations with legal requirements is subject to uncertainties. Our audit opinion on the combined management report is not modified in this regard.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The recoverability of the goodwill of thyssenkrupp Marine Systems

Please refer to Note 01 of the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions made. Information on the amount of goodwill of thyssenkrupp Marine Systems can be found in Note 04 of the notes to the consolidated financial statements. Information on the economic development of the thyssenkrupp Marine Systems operating segment can be found in the combined management report under "Business development in the segments" in the "Economic report" section.

The Financial Statement Risk

The goodwill of the business segment thyssenkrupp Marine Systems amounts to EUR 1,044 million as of September 30, 2024, which represents 10% of the Group's equity, thereby having a significant impact on the Group's net assets.

The recoverability of goodwill is tested annually for impairment regardless of specific triggers. In addition, if there are indications of impairment during the year, event-driven impairment tests are performed. For the impairment test, the carrying amount of the business segment is compared with its recoverable amount. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the business segment Marine Systems.

The impairment testing of goodwill involves significant judgment and is based on various assumptions, including expected business and earnings performance for the next five years and the discount rate applied.

During the 2023/2024 fiscal year, the carrying amount of thyssenkrupp’s net assets consistently exceeded its market capitalization, resulting in event-driven impairment tests at each quarterly reporting date and at the balance sheet date. As a result of these impairment tests, thyssenkrupp AG concluded that there was no need to recognize an impairment loss. Similarly, the annual impairment test conducted as of 30 September 2024, did not identify any impairment losses.

There is a risk for the consolidated financial statements that an existing impairment was not recognized. There is also a risk that the related disclosures in the notes are not appropriate.

Our Audit Approach

With the involvement of our valuation specialists, we assessed the appropriateness of significant assumptions and the calculation methods used by the company for both the event-driven and annual impairment tests. To this end, we discussed the expected business and earnings performance with those responsible for planning. Additionally, we reconciled this information with the budget prepared by management and approved by the supervisory board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also assessed the accuracy of the company’s previous forecasts by comparing the budgets of prior financial years with the actual results achieved and analyzing deviations. We compared the assumptions and data underlying the discount rate, particularly the risk-free rate, the market risk premium, and the beta factor, with our own assumptions and publicly available data.

To ensure the computational and methodological accuracy of the valuation model, we independently verified the calculations performed by the company and analyzed any discrepancies.

To account for existing forecast uncertainties, we examined the impact of potential changes in the discount rate or earnings performance on the value in use by conducting alternative scenario calculations (sensitivity analysis) and comparing these with the company’s results.

Finally, we assessed whether the disclosures regarding goodwill impairment in the notes to the financial statements were appropriate.

Our Observations

The calculation method underlying both the event-driven and annual impairment tests of goodwill for the business segment thyssenkrupp Marine Systems operating is consistent with the applicable valuation principles.

The assumptions and data used by the company in the valuation are appropriate.

The related disclosures in the notes are adequate.

The recoverability of the non-current assets of thyssenkrupp Steel Europe

For the applied accounting policies and valuation methods, please refer to note 1 of the consolidated financial statements. Additional information on the impairment test can be found in note 5 of the consolidated financial statements. Explanations regarding the economic development of the business segment thyssenkrupp Steel Europe are provided in the combined management report under "Business Performance in the Segments" in the Economic Report section.

The Financial Statement Risk

The consolidated income statement includes impairment expenses on non-current assets of the cash-generating unit thyssenkrupp Steel Europe totaling EUR 1.0 billion. Of this amount, EUR 0.2 billion was recognized in the first quarter and EUR 0.8 billion in the fourth quarter of the 2023/2024 fiscal year. The recognized impairment expenses have a significant impact on thyssenkrupp's earnings position.

The recoverability of non-current assets at thyssenkrupp Steel Europe is tested for impairment whenever there are indications of potential impairment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The impairment testing of property, plant and equipment is complex and involves a number of judgment-based assumptions, particularly regarding the projected cash flows and the discount rates applied.

As of the balance sheet date, the carrying amount of thyssenkrupp's net assets exceeded its market capitalization. Consequently, the recoverability of, among other things, the non-current assets of thyssenkrupp Steel Europe was tested for impairment. The impairment test was based on the current assumptions regarding business development until 2035/2036, taking into account the effects of the announced adjustments to the production network as well as the effects of the initiated green transformation. A simplified extrapolation was subsequently applied up to 2064, reflecting a growth rate aligned with the inflation expectation of 2%.

As a result of the impairment tests conducted, thyssenkrupp AG recognized impairments totaling EUR 1.0 billion on the intangible assets and property, plant and equipment of thyssenkrupp Steel Europe in the fiscal year.

There is a risk for the consolidated financial statements that existing impairments were not recognized in an appropriate amount. Additionally, there is a risk that the related disclosures in the notes are not adequate.

Our Audit Approach

With the involvement of our valuation specialists, we assessed the IFRS compliance of the company's valuation method as well as the appropriateness of the key assumptions incorporated. To this end, we discussed the expected cash flows with those responsible for planning. By reconciling the planning calculations with the budget prepared by management and approved by the supervisory board, we ensured their internal consistency. The appropriateness of the assumptions was also evaluated against external market assessments.

We additionally assessed the accuracy of the company's previous forecasts by comparing the plans from prior fiscal years with the results actually realized and analyzing any deviations.

To ensure the computational and methodological accuracy of the valuation method, we independently verified the calculations performed by the company and analyzed any discrepancies.

The assumptions and data underlying the discount rate, particularly the risk-free rate, the market risk premium, specific risk adjustments, and the beta factor, were compared against our own assumptions and publicly available data.

Finally, we assessed whether the resulting impairment requirement was accurately recognized in the financial statements.

We also evaluated whether the disclosures in the notes regarding the impairment tests were appropriate.

Our Observations
The calculation method underlying the impairment test for non-current assets of thyssenkrupp Steel Europe is consistent with the applicable valuation principles.

The assumptions and data used in the valuation are appropriate and balanced overall.

The related disclosures in the notes are adequate.

Other Information
Management respectively supervisory board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the group corporate governance statement, included in section “corporate governance statement” of the combined management report, and information extraneous to combined management reports and marked as unaudited.

The other Information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report
Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (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, management is 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, management is 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, management is responsible for the preparation of the combined 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, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs 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 combined 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 combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's 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 combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined 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 management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file
„thyssenkrupp_AG_KA+KLB_ESEF-2024-09-30.zip"
(SHA256-Hashwert: 5B4890F5822CA341D7AB86DE8762E5509BB4F940FA389E95C40ED1889D67CC73)
made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 October 2023 to 30 September 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard:

Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) if conducive to the understanding of the report at an international level: *and the International Standard on Assurance Engagements 3000 (Revised)]*. Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 2 February 2024. We were engaged by the supervisory board on 13 February 2024. We have been the group auditor of thyssenkrupp AG without interruption since financial year 2022/2023.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor´s report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Markus Zeimes.

Düsseldorf, 18 November, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ufer	Dr. Zeimes
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group, and the combined management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Essen, November 8, 2024

thyssenkrupp AG
The Executive Board

López

Burkhard Dinstuhl Henne Schulte

Additional information

4

Multi-year overview

THYSSENKRUPP GROUP

		Group					2023 / 2024 vs. 2022 / 2023	
		2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Change	in %
Result of operations								
Sales	million €	35,443	34,015	41,140	37,536	35,041	(2,494)	(7)
Gross Margin	million €	1,480	4,356	5,660	2,658	3,243	585	22
EBITDA	million €	14,724	1,421	3,248	1,679	895	(784)	(47)
EBIT	million €	10,475	451	1,827	(1,431)	(1,041)	389	27
EBT	million €	10,112	95	1,396	(1,583)	(1,196)	388	24
Net income/(loss)	million €	9,592	(25)	1,220	(1,986)	(1,450)	537	27
Earnings per share (EPS)	€	15.40	(0.18)	1.82	(3.33)	(2.42)	0.91	27
Gross margin	%	4.2	12.8	13.8	7.1	9.3	2.2	31
EBIT margin	%	29.6	1.3	4.4	(3.8)	(3.0)	0.8	22
EBT margin	%	28.5	0.3	3.4	(4.2)	(3.4)	0.8	19
Return on equity (before taxes)	%	99.4	0.9	9.5	(12.5)	(11.5)	0.9	7
Personnel expense per employee	€	64,113	66,653	66,080	69,239	74,183	4,944	7
Sales per employee	€	236,460	332,692	418,102	382,173	353,046	(29,127)	(8)
Assets/liabilities situation								
Total non-current assets	million €	10,501	11,172	11,161	9,272	8,430	(842)	(9)
Total current assets[1]	million €	25,989	25,639	26,331	23,330	20,903	(2,428)	(10)
Total assets[1]	million €	36,490	36,811	37,492	32,603	29,333	(3,270)	(10)
Total equity	million €	10,174	10,845	14,742	12,693	10,358	(2,334)	(18)
Liabilities[1]	million €	26,316	25,966	22,750	19,910	18,975	(935)	(5)
Provisions for pensions and similar obligations	million €	8,560	7,971	5,812	5,474	5,765	291	5
Financial debt non-current	million €	5,303	3,794	2,786	1,313	650	(663)	(51)
Financial debt current	million €	1,199	1,646	1,195	1,712	823	(889)	(52)
Financial debt non-current/current	million €	6,502	5,440	3,981	3,025	1,472	(1,553)	(51)
Trade accounts payable	million €	3,475	4,923	4,807	4,270	4,206	(65)	(2)
Equity ratio[1]	%	27.9	29.5	39.3	38.9	35.3	(3.6)	(9)
Gearing	%	—[2]	—[2]	—[2]	—[2]	—[2]	—	—
Inventory turnover	days	60.2	82.2	77.8	72.4	75.4	3.0	4
Average collection period	days	49.1	52.0	46.4	45.7	44.0	(1.7)	(4)

[1] The presentation of the included contract assets and contract liabilities was adjusted as of September 30, 2023 (see Note 25).
[2] Due to the strongly positive total equity and the reported net financial assets, the gearing key ratio is negative and the significance of the gearing key ratio therefore has no relevance.

THYSSENKRUPP GROUP

		Group					2023 / 2024 vs. 2022 / 2023	
		2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Change	in %
Value management								
Capital employed (average)	million €	17,526	13,410	16,224	15,415	13,045	(2,370)	(15)
ROCE	%	59.8	3.4	11.3	(9.3)	(8.0)	1.3	14
Weighted average cost of capital (WACC)	%	8.0	8.0	8.0	9.0	11.0	2.0	22
Cash flow/financing situation								
Operating cash flows	million €	(3,326)	92	617	2,064	1,353	(711)	(34)
Cash flow for investments	million €	(2,352)	(1,485)	(1,304)	(1,607)	(1,196)	412	26
Free Cashflow before M&A	million €	(4,835)	(1,273)	(476)	363	110	(253)	(70)
Cash flow from divestments	million €	14,766	975	1,027	25	66	41	++
Free cash flow	million €	9,088	(418)	340	482	224	(258)	(53)
Cash flows from financing activities	million €	(1,963)	(1,280)	(1,791)	(716)	(1,640)	(925)	--
Cash and cash equivalents	million €	11,555	9,026	7,648	7,351	5,883	(1,467)	(20)
Net financial assets	million €	5,053	3,586	3,667	4,325	4,411	86	2
thyssenkrupp AG								
Net income/(loss)	million €	(289)	(651)	2,103	(1,783)	(156)	1,627	91
Dividend per share	€	—	—	0.15	0.15	0.15[1]	—	—
Dividend payout	million €	—	—	93	93	93[1]	—	—

[1] Proposal to the Annual General Meeting

Compensation report 2023 / 2024

The following compensation report in accordance with § 162 German Stock Corporation Act (AktG) outlines and explains the compensation of the current and former members of the Executive and Supervisory Boards of thyssenkrupp AG in fiscal year 2023 / 2024.

In order to facilitate the ordering of the disclosures in this report and enhance understanding, the main features of the compensation systems in effect for the Executive and Supervisory Boards in fiscal year 2023 / 2024 are also outlined below. Detailed information can be found on the company's website via the link in the margin.

www.thyssenkrupp.com > Company > Management > Corporate governance > Compensation System / Compensation Report

A look back at compensation year 2023 / 2024

Resolution on the approval of the compensation report for fiscal year 2022 / 2023

The report on the compensation awarded or due to present and former members of the Executive Board and Supervisory Board of thyssenkrupp AG in fiscal year 2022 / 2023, which was prepared in accordance with the requirements of § 162 AktG, was approved by the Annual General Meeting on February 2, 2024 with a majority of 92.10% of the capital represented in accordance with § 120a (4) AktG. The Executive Board and Supervisory Board see this vote as confirmation of the format used since the compensation report 2020 / 2021 so it was retained in principle for the present compensation report for 2023 / 2024.

Application of the Executive Board compensation system in fiscal year 2023 / 2024

The compensation system approved by the Annual General Meeting on February 5, 2021 applied to all Executive Board members in fiscal year 2023 / 2024.

The compensation system for members of the Executive Board of thyssenkrupp AG resolved by the Supervisory Board – following preparation by the Personnel Committee – in accordance with §§ 87 (1), 87a (1) AktG and approved by the Annual General Meeting on February 5, 2021 with a majority of 96.70% of the capital represented was applied for all serving Executive Board members in fiscal year 2023 / 2024. In fiscal year 2023 / 2024, the Supervisory Board made a routine review of the compensation system. At its meeting on September 12, 2024, the Supervisory Board approved a reviewed version of the compensation system that was amended only in part; this is to be presented to the Annual General Meeting on January 31, 2025 for its approval in accordance with § 120a (1) AktG. Moreover, in fiscal year 2023 / 2024 the Executive Board members were awarded individual compensation within the meaning of § 162 AktG which, in previous fiscal years, had been promised under the compensation system in effect at that time. Where relevant, this compensation is also outlined and explained in the following.

The Personnel Committee regularly reviews the appropriateness and commensurateness of Executive Board compensation and proposes adjustments to the Supervisory Board where required to ensure within the boundaries of the applicable framework that the compensation package for Executive Board members is both in line with the market and competitive.

The appropriateness of the compensation was last reviewed with the support of an independent external compensation expert in August 2024. In this context, the compensation of the thyssenkrupp

Executive Board members was compared with DAX and MDAX companies, taking into account the criteria sales, number of employees and market capitalization; in light of the ongoing transformation, consideration was also given to various scenarios for the carve-out of further lines of business from the legal scope of consolidation of thyssenkrupp AG and its subsidiaries (subsequently referred to as the “group”). Ultimately, the compensation of thyssenkrupp Executive Board members is still in line with the market, even after realization of the changes to the portfolio.

The review of appropriateness in August 2024 included an examination of the compensation of the Executive Board relative to the compensation structures within the group. The change in Executive Board compensation was compared with the compensation of senior management, defined as the two levels of management below the Executive Board, and compared with compensation of the workforce as a whole, defined as the average compensation of the group’s full-time employees in Germany. The Personnel Committee did not identify any indications of an inappropriate development or any reasons for adjustment.

The target compensation of the Executive Board members defined by the Supervisory Board in accordance with the applicable compensation system was not changed from the prior year in fiscal year 2023 / 2024. No adjustment to the target compensation is planned for fiscal year 2024 / 2025 either.

The target compensation of Executive Board members was unchanged from the prior year.

Further, at its meeting on September 13, 2023, the Supervisory Board set the performance criteria for the performance-related, variable compensation components for fiscal year 2023 / 2024 to the extent that these do not result directly from the compensation system in effect. These performance criteria applied equally for new members Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte who joined the Executive Board in the course of the fiscal year.

The target achievement for the Short-Term Incentive (STI) determined by the Supervisory Board following the end of fiscal year 2023 / 2024 reflects the fact that the targets set by the Supervisory Board at the start of the fiscal year were not achieved for net income, despite a year-on-year improvement, or for free cash flow before M&A, which was lower than the prior-year figure. Overall achievement of the targets set for the financial performance criteria in fiscal year 2023 / 2024 was therefore around 21%. The targets for individual performance set by the Supervisory Board at the start of the fiscal year were also not achieved in full, which resulted in target achievement of 65%. In addition, the installment of the Long-Term Incentive (LTI) Plan issued for fiscal year 2020 / 2021 ended at the end of fiscal year 2023 / 2024. The resultant payout was around 57% of the target value.

In the past fiscal year, the Supervisory Board did not make use of any of the options established in the compensation system in accordance with statutory provisions to deviate temporarily from the compensation system or in certain circumstances to make adjustments to target achievement.

Personnel matters relating to the Executive Board in fiscal year 2023 / 2024

At its meeting on November 29, 2023, the Supervisory Board appointed Dr. Volkmar Dinstuhl and Ilse Henne as members of the Executive Board of thyssenkrupp AG effective January 1, 2024. In both cases, the associated Executive Board service contracts run for a period of three years until December 31, 2026 and the contractual and compensation terms agreed therein are fully in line with the Executive Board compensation system applicable at the time of their appointment.

Also at its meeting on November 29, 2023, the Supervisory Board appointed Dr. Jens Schulte for a three-year period of office as a member of the Executive Board of thyssenkrupp AG. As the successor to Dr. Klaus Keysberg, who had already informed the Supervisory Board in September 2023 that he would not be available for an extension of his contract which ran until July 31, 2024, Dr. Jens Schulte assumed the position of Chief Financial Officer (CFO) of thyssenkrupp AG. Dr. Jens Schulte assumed his position effective June 1, 2024 and the associated Executive Board service contract runs for a period until May 31, 2027. Likewise in the case of Dr. Jens Schulte, the contractual and compensation terms agreed are fully in line with the Executive Board compensation system applicable at the time of his appointment.

With the appointment of Dr. Jens Schulte, Dr. Klaus Keysberg stepped down from the Executive Board by mutual agreement effective May 31, 2024. However, on the basis of the termination period, the associated Executive Board service contract did not end until July 31, 2024, which was the date originally agreed. Under the rules of the applicable compensation system for the Executive Board, Dr. Klaus Keysberg receives prorated compensation for fiscal year 2023 / 2024. Furthermore, the virtual shares for the LTI installments for previous fiscal years that were not yet paid out are upheld in full and will result in payment at the regular end of the plan, following determination of target achievement by the Supervisory Board. There was no severance payment for the premature termination of the appointment because the service contract continued until the end of the term that was originally agreed, as described above. However, Dr. Klaus Keysberg received a lump-sum compensation payment of €50,000 for the costs incurred for legal and other advice in connection with the premature termination of his appointment. Since the service contract with Dr. Klaus Keysberg was not extended beyond July 31, 2024 and thus not beyond the age of 60, Dr. Klaus Keysberg could claim his annuity in line with the terms of his contracts when his current Executive Board contract ended, i.e., from August 2024. Moreover, the obligation for Dr. Klaus Keysberg to hold the thyssenkrupp shares purchased under the applicable Share Ownership Guidelines (SOG) ended when his service contract ended.

Effective June 7, 2024, the Supervisory Board of thyssenkrupp Materials Services GmbH appointed Ilse Henne as the Chief Executive Officer (CEO) of thyssenkrupp Materials Services GmbH. Ilse Henne has assumed this role in addition to her function as a member of the Executive Board of thyssenkrupp AG. She was not granted any separate compensation for this role.

Effective October 1, 2024, Dr. Volkmar Dinstuhl assumed the position of CEO of the Automotive Technology segment. Dr. Volkmar Dinstuhl likewise assumes this role in addition to his post on the Executive Board of thyssenkrupp AG, without receiving any separate compensation for this.

Resolution on the approval of the amended compensation system for the Supervisory Board from fiscal year 2023 / 2024

Given that the compensation for Supervisory Board members governed by § 14 of the Articles of Association was last amended by the 2014 Annual General Meeting and had thus been unchanged since fiscal year 2013 / 2014, the Executive Board and the Supervisory Board presented a resolution to the Annual General Meeting on February 2, 2024 concerning changes to some aspects of the compensation system by way of a corresponding amendment of the Articles of Association; this was approved with a majority of 99.66% of the capital represented.

Application of the compensation system for the Supervisory Board in fiscal year 2023 / 2024

The compensation system for the Supervisory Board approved by the Annual General Meeting on February 2, 2024 was fully applied as set out in § 14 of the company's Articles of Association.

Executive Board compensation in fiscal year 2023 / 2024

Overview of the design of the Executive Board compensation system

The Executive Board compensation system meets all statutory and regulatory requirements currently in effect.

The compensation system meets the requirements of the German Stock Corporation Act (AktG) and the relevant recommendations of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022, which was applicable in the reporting year. The compensation system for the Executive Board is a key supporting element that contributes to promoting the company's business strategy and thus to its long-term success. It is intended to support successful and sustainable corporate governance; the compensation of Executive Board members is therefore tied to the group's short- and long-term performance. At the same time, suitable performance criteria are selected, creating important incentives for implementing the strategic realignment of thyssenkrupp.

The compensation of the Executive Board members therefore comprises performance-independent and performance-related elements. The total target compensation of the Executive Board consists of fixed compensation, a pension allowance or company pension, fringe benefits, the STI target amount and the LTI target amount. The latter two are mainly performance-related compensation elements; the aim here is to strengthen the performance focus of the compensation system. The share of the target amount of the four-year LTI in the total target compensation exceeds that of the one-year STI. This ensures that the variable compensation resulting from the achievement of long-term targets exceeds the share of compensation from short-term targets and that, overall, the compensation system is therefore geared to sustainable and long-term development.

The following table shows the basic components of the compensation system and their design. These components and how they were actually applied in fiscal year 2023 / 2024 are explained in detail below.

Overview of all compensation components

COMPENSATION COMPONENTS

	Assessment basis / parameters
Performance-independent compensation	
Fixed compensation	The fixed compensation of Executive Board members is paid monthly as a salary
Fringe benefits	Company car, security services, insurance premiums and health checks as standard; further once-only or time-limited (transitional) benefits for new members subject to explicit resolution of Supervisory Board
Pension allowance / company pension	As of October 1, 2019 newly appointed Executive Board members receive an annual pension allowance in cash for personal pension provision in lieu of a company pension plan; previous pension commitments are protected
Performance-related compensation	
Short-Term Incentive (STI)	Annual performance bonus Basis for target achievement: • **70% group's financial performance criteria:** 35% net income, 35% free cash flow before M&A • **30% individual performance** (operational and strategic targets in connection with the transformation of the group) Supervisory Board sets individual performance targets for the annual financial performance criteria for each fiscal year Cap: 200% of target amount
Long-Term Incentive (LTI)	Performance Share Plan Performance period: 4 years Basis for target achievement: 30% relative total shareholder return (TSR) • 40% ROCE • 30% non-financial sustainability targets The Supervisory Board sets target and threshold values for the financial performance criteria and the sustainability targets before issuance of each new installment Cap: 200% of target amount
Other compensation rules	
Share Ownership Guidelines (SOG)	Requirement to purchase and hold thyssenkrupp shares for the amount of one year's fixed compensation (gross) Until this amount is reached, Executive Board members must invest each year at least 25% of the net amount of performance-related compensation paid as of the end of the fiscal year (STI + LTI) in thyssenkrupp shares
Maximum compensation	Cap on total compensation granted for one fiscal year in accordance with § 87a (1) sentence 2 no. 1 AktG: • CEO: €9.0 million • Ordinary Executive Board members: €4.5 million
Severance cap	Severance payments limited to maximum of two years' annual compensation; compensation over remaining contract term must not be exceeded
Malus and clawback rule	Malus: In the event of a serious breach of applicable law or internal policies, the Supervisory Board may reduce or cancel variable compensation components (STI/LTI) for the relevant assessment period Clawback: Supervisory Board can demand reimbursement of variable compensation that has already been paid in the event of subsequent establishment of a malus incident or inaccurate consolidated financial statements (based on the amount of the difference)

Performance-independent compensation components

Fixed compensation

The fixed compensation of Executive Board members is paid monthly in equal installments and represents a steady, plannable income for them. The current annual fixed compensation is €1,340,000 for the CEO and €700,000 for ordinary Executive Board members.

Fringe benefits

In addition to their fixed compensation, the Executive Board members receive fringe benefits which, as part of the total compensation, are also capped by the maximum compensation. The standard fringe benefits for Executive Board members in the form of benefits in kind and similar benefits include a car and driver for business and private use, security services, insurance premiums and health checks. In principle, all Executive Board members are equally entitled to these fringe benefits; the amount varies according to their personal situation.

Moreover, the Supervisory Board may grant newly appointed Executive Board members equalization payments for compensation entitlements lost due to their switch to thyssenkrupp, relocation costs and other benefits for a limited period, such as the reimbursement of costs in connection with the need to maintain two households for work purposes. In this context, due to the assumption of his position on the Executive Board at a short notice, for Miguel Ángel López Borrego the company paid reasonable expenses, including the related taxes, for a hotel room in Essen or the surrounding area for the period from the start of his appointment until May 31, 2024. Due to the need to maintain two households for work purposes, the company will also pay Dr. Jens Schulte appropriate costs for hotel accommodation or for an apartment in or close to Essen for a transitional period until May 31, 2025 at the latest. Dr. Jens Schulte will also receive an equalization payment for compensation entitlements from his previous employer which he lost due to his switch to thyssenkrupp, in the form of a sign-on bonus of €1,800,000 gross, payable in three installments of €600,000 each with his compensation for September 2024, 2025 and 2026.

Pension allowance and company pension

As specified for all Executive Board members appointed since October 1, 2019, Miguel Ángel López Borrego, Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte receive a pension allowance in the form of a fixed annual amount that may be used for personal provision in place of a company pension. This also applied for Dr. Klaus Keysberg, who left the Executive Board during fiscal year 2023 / 2024. The pension allowance is €536,000 per calendar year for the CEO and €280,000 per calendar year for an ordinary Executive Board member and is regularly paid out in December. This enables Executive Board members to take care of their pension provision independently and at their own discretion; in return, thyssenkrupp is relieved of the long-term financial burden of recognizing provisions to fund a company pension plan.

All Executive Board members appointed since October 1, 2019 receive a fixed annual pension allowance that can be used for personal provision in place of a company pension.

It was also agreed with Dr. Klaus Keysberg that the pension entitlement acquired in the course of his previous duties in the group will continue unchanged in accordance with the rules of the "pension scheme C of the Essener Verband pension association" (hereinafter pension scheme C entitlement). Dr. Klaus Keysberg will therefore receive a life-long annuity when he reaches retirement age or if he should become permanently incapacitated for work.

As an Executive Board member first appointed with effect from February 1, 2013, Oliver Burkhard has in previous years been promised benefits from a company pension scheme on the basis of a defined-contribution arrangement, which will likewise be paid out to him as a life-long annuity once he has reached retirement age or becomes permanently incapacitated for work. The amount of the later annuity is determined by the annual pension modules accrued and therefore grows gradually over the period of service. The agreed maximum annuity of €350,000 p.a. was reached in 2019, as a result of which no further regular provisions have since been recognized for increases in this entitlement.

The retirement age is 60 in the case of Oliver Burkhard, provided he no longer has a service contract with the company at that time. Since the service contract with Dr. Klaus Keysberg was not extended beyond July 31, 2024 and thus not beyond the age of 60, Dr. Klaus Keysberg could claim his annuity from August 2024.

In the case of Oliver Burkhard, pension payments will be increased by 1% per year and, in the case of Dr. Klaus Keysberg's pension scheme C entitlement, they will be reviewed by the Essener Verband pension association and adjusted in line with altered circumstances where necessary.

In the case of annuity entitlements, the surviving dependents' benefits plan provides for a payment of 60% of the pension for the spouse or life partner and 20% for each dependent child, up to a maximum of 100% of the regular pension entitlement.

As of September 30, 2024, the amounts expensed or recognized as provisions and the present values of the pension entitlements for Oliver Burkhard as the only active Executive Board member with a retirement benefit are as follows:

PENSION COMMITMENTS FOR THE MEMBERS OF THE EXECUTIVE BOARD 2023 / 2024[1)]

		Oliver Burkhard Ordinary member of the Executive Board since February 1, 2013	
€000s		2022 / 2023	2023 / 2024
Figures in accordance with IFRS	Service costs	3	3
	Present value of the obligation	5,244	6,457
Figures in accordance with the German Commercial Code (HGB)	Service costs	5	5
	Present value of the obligation	9,098	9,128

1) As described above, there are no retirement benefits for Miguel Ángel López Borrego, Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte. Instead, they receive a pension allowance in the form of a fixed annual amount that may be used for personal provision.

Performance-related compensation components

Short-Term Incentive (STI) 2023 / 2024

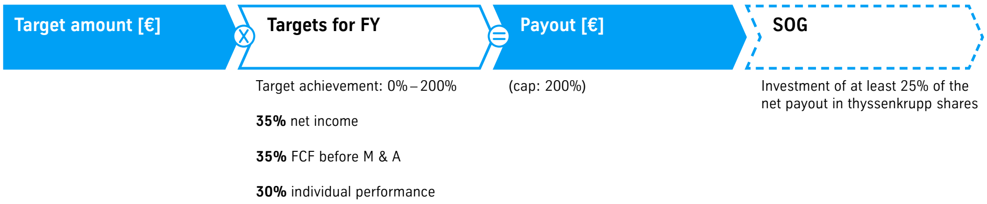
How it works

The STI is the short-term variable compensation element; it has a term of one year. 70% of the STI amount depends on the performance of two equally weighted key financial performance indicators of the group – net income for the fiscal year and free cash flow before M&A – and 30% on individual performance targets.

The STI is the short-term variable compensation element; it has a term of one year.

The payout from the STI is calculated as follows:

SHORT-TERM INCENTIVE (ANNUAL BONUS) CALCULATION



The payout from the STI is capped at 200% of the total target value. There is no guaranteed minimum target achievement; there may therefore be no payout at all.

Contribution to the group's long-term development

The STI is intended to ensure the ongoing implementation of operational targets, the achievement of which is crucial as a basis for the group's long-term development. The financial performance criteria net income for the fiscal year and free cash flow before M&A emphasize the importance of systematically improving the performance of all businesses. They create incentives in areas expected to provide the biggest lever for improving cash flow. With an eye towards thyssenkrupp's strategic realignment, they create incentives to increase the profitability of the businesses.

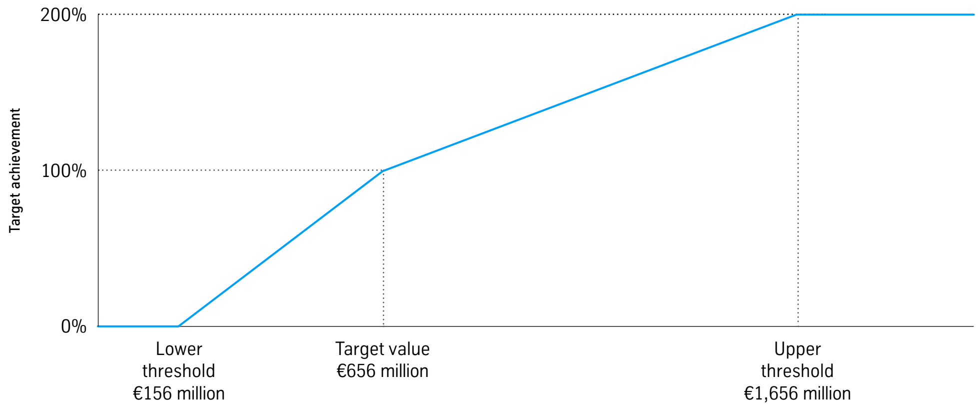
In addition, the inclusion of individual performance places emphasis on collective and individual transformation and turnaround targets, providing an even greater incentive to ensure thyssenkrupp's successful transformation.

Financial performance criteria

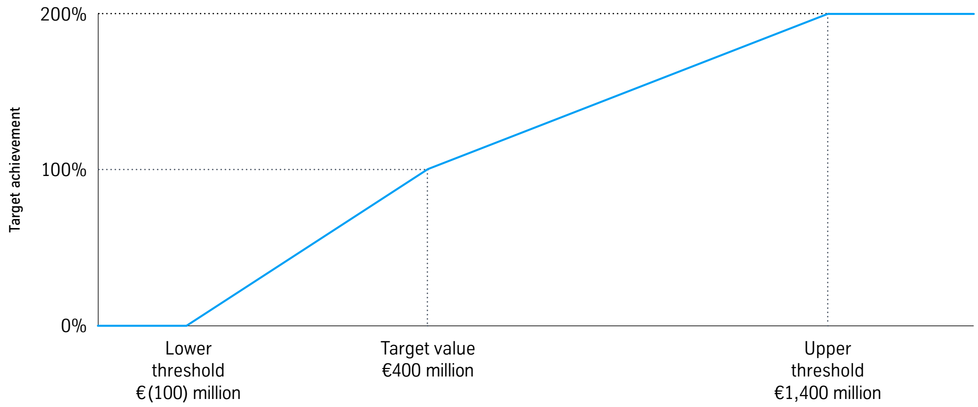
Before the beginning of the fiscal year, the Supervisory Board resolved the target and threshold values for the two financial performance criteria. The target value for each financial performance criterion is derived from the corporate planning and is equal to 100% target achievement. The lower threshold value is 0% and target achievement is capped at an upper threshold of 200%.

The target achievement curves for the financial performance criteria targets for fiscal year 2023 / 2024 are shown below.

NET INCOME



FREE CASH FLOW BEFORE M&A



After the fiscal year-end, the Supervisory Board determined the following target achievement with regard to the financial performance criteria for fiscal year 2023 / 2024:

STI 2023 / 2024 TARGET ACHIEVEMENT WITH REGARD TO THE FINANCIAL PERFORMANCE CRITERIA

Performance criterion	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2023 / 2024	Target achievement (%)
Net income (€ million)	156	656	1,656	(1,449.87)	0.00
Free cash flow before M&A (€ million)	(100)	400	1,400	109.70	41.94

Individual performance

To assess the individual performance of the Executive Board members, the Supervisory Board set the following target for fiscal year 2023 / 2024:

The Supervisory Board set a shared target for the Executive Board members for fiscal year 2023 / 2024.

- Resolute pursuit of the APEX performance program with transparent and timely monitoring of leverage, measures and activities. Progress is to be measured through the adjusted EBIT margin planned for the group for 2023 / 2024 and the achievement of the free cash flow before M&A budgeted for 2023 / 2024.

Therefore, target setting for the past fiscal year was primarily aligned with the group's financial performance and applied to all Executive Board members. This is intended to underline the aspiration that the Executive Board acts as a team, working together to address the priorities specified by the Supervisory Board. The maximum target achievement for individual performance is also 200%.

After the fiscal year-end, the Supervisory Board determined the related target achievement of 65.00% based on the results achieved and taking account of the following aspects:

- The APEX program was developed and implemented stringently.
- A monitoring system with a degree of implementation and weekly review was established.
- The adjusted EBIT margin for 2023 / 2024 was 1.62%; therefore, the planned value of 2.8% was not achieved.
- The free cash flow before M&A for 2023 / 2024 was €109.70 million; therefore, the planned value of €400 million was not achieved.

STI target achievement 2023 / 2024

For fiscal year 2023 / 2024, total target achievement for the STI is therefore as follows:

STI 2023 / 2024 SUMMARY

		Target amount (€)	Target achievement Net income (weighting: 35%)	Target achievement FCF before M&A (weighting: 35%)	Target achievement individual performance (weighting: 30%)	Overall target achievement	Payout amount (€)
Current members of the Executive Board	Miguel Ángel López Borrego	1,250,000	0.00%	41.94%	65.00%	34.18%	427,250
	Oliver Burkhard	680,000	0.00%	41.94%	65.00%	34.18%	232,424
	Dr. Volkmar Dinstuhl	510,000	0.00%	41.94%	65.00%	34.18%	174,318
	Ilse Henne	510,000	0.00%	41.94%	65.00%	34.18%	174,318
	Dr. Jens Schulte	226,667	0.00%	41.94%	65.00%	34.18%	77,475
Former members of the Executive Board	Dr. Klaus Keysberg	566,667	0.00%	41.94%	65.00%	34.18%	193,687

The amounts set out in the above table will be paid to the Executive Board members in December 2024.

STI 2023 / 2024 as part of the compensation awarded or due in fiscal year 2023 / 2024

As in the compensation reports for the years since 2021 / 2022, in the disclosures on STI in this compensation report the compensation awarded or due in the fiscal year disclosed in accordance with § 162 (1) AktG is not based on the amount paid in the reporting year for the previous fiscal year; instead the compensation for which the underlying activity was performed in full in the reporting period is disclosed. Accordingly, in the interests of a more accurate allocation to the period, the STI 2023 / 2024 is disclosed as part of the compensation awarded or due in fiscal year 2023 / 2024, even though payment is only made in December 2024 and thus in the following fiscal year (2024 / 2025). The aim of this method of presentation is to enhance the clarity and comprehensibility of the compensation report and is in line with the market practice on the interpretation of the term "awarded or due" pursuant to § 162 AktG.

A look forward to the individual targets for the STI 2024 / 2025

At its meeting on September 12, 2024, the Supervisory Board set the following individual targets for the STI for fiscal year 2024 / 2025, which again apply jointly to all Executive Board members:

- The implementation of further portfolio measures, especially for Steel Europe and Marine Systems, and of solutions for existing structural problems in the other segments; further development on this basis and the submission of a target vision for the thyssenkrupp group
- Intensive continuation of the performance measures that have been initiated, especially via the APEX program, in connection with the targets announced for fiscal year 2024 / 2025

Long-Term Incentive (LTI) 2023 / 2024

How it works

The second performance-related compensation element is the Long-Term Incentive (LTI), which has a performance period of four years. The LTI is share-based; this brings the interests of the Executive Board and those of shareholders even better into line.

The LTI is designed as a long-term incentive and has a term of four years.

The LTI is issued in annual installments. Before the new installment is issued, the Supervisory Board sets challenging target and threshold values for the following three additively linked performance criteria to the extent that these do not result directly from the compensation system in effect:

- Relative total shareholder return (TSR) (weighting 30%)
- Return on capital employed (ROCE) (weighting 40%)
- Sustainability (weighting 30%)

The target and threshold values remain valid throughout the four-year term of the installment; after each fiscal year-end during the four-year term, the Supervisory Board determines whether and to what extent the targets have been achieved (see below for details on determining the annual levels of target achievement).

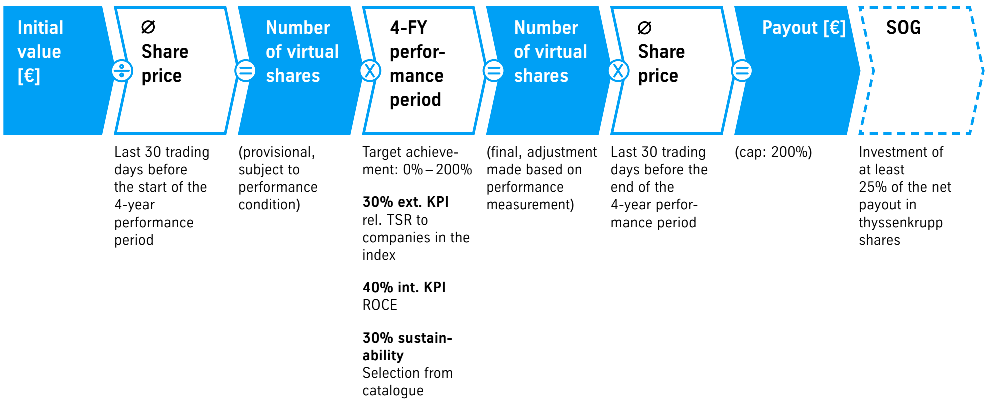
At the start of each installment, the Executive Board members are awarded a certain number of virtual shares, initially on a provisional basis. This is calculated by dividing the initial value (target amount) by the average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days before the beginning of the fiscal year for which the respective LTI installment is issued; in doing so, this number is rounded half even. The provisionally awarded number of virtual shares can therefore vary from year to year.

The number of virtual shares finally granted to Executive Board members after the end of the four-year performance period is determined by the arithmetic mean of the four annual levels of target achievement, taking into account the weighting of the performance criteria. The total target achievement is multiplied by the number of virtual shares provisionally awarded to calculate the final number of virtual shares earned.

To determine the amount of the final payout, the final number of virtual shares reached at the end of the performance period is multiplied by the average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of the final fiscal year of the four-year performance period. Instead of a cash payment, the LTI may also be granted in whole or in part in the form of thyssenkrupp AG shares as decided by the Supervisory Board.

The actual LTI payout is therefore calculated as follows:

LONG-TERM INCENTIVE (LTI) CALCULATION



The payout amount calculated in this way is capped at 200% of the LTI target amount.

Contribution to the group's long-term development

The share-linked aspect of the LTI enables the Executive Board members to participate in the relative and absolute performance of the share price, bringing the objectives of management and the interests of shareholders even more closely into line. This gives the Executive Board an incentive to sustainably increase the company's value over the long term. The implementation of relative total shareholder return means that an external performance criterion geared to the capital market is also used, enabling a comparison to be drawn with relevant competitors. This creates an incentive to outperform competitors over the long term.

ROCE as a further financial performance criterion serves portfolio optimization and creates incentives to ensure that it is primarily the profitable thyssenkrupp businesses that are continued. This also strengthens the performance of the group.

The inclusion of non-financial sustainability criteria in the LTI emphasizes thyssenkrupp's social and ecological responsibility as well as the goal of sustainable corporate development.

Virtual shares allocated for the LTI installment issued in fiscal year 2023 / 2024

For the LTI installment issued in fiscal year 2023 / 2024, the Executive Board members were provisionally allocated a total of 832,149 virtual shares (stock rights):

LTI INSTALLMENT 2023 / 2024 – ALLOCATION

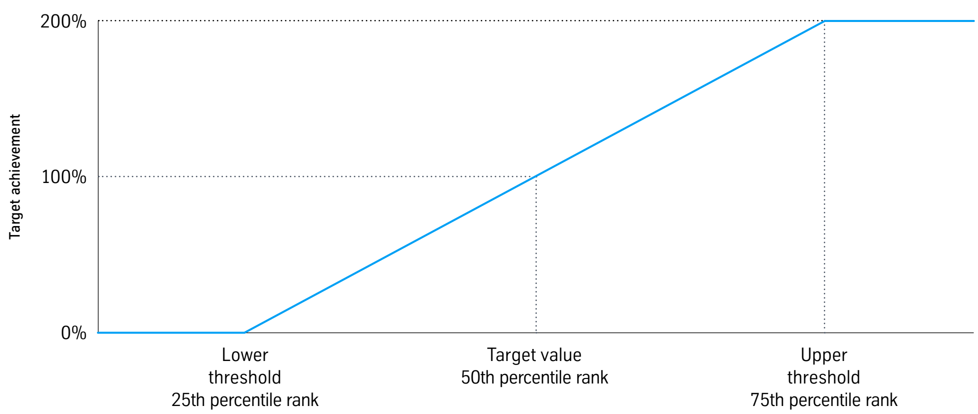
		LTI initial value (€)	Allotment price (€)[1]	Provisionally granted number of virtual shares	Present value at grant date (€)[2]	Maximum number of virtual shares (200% target achievement)
Current members of the Executive Board	Miguel Ángel López Borrego	2,000,000	7.03	284,495	1,698,435	568,990
	Oliver Burkhard	1,050,000	7.03	149,360	891,679	298,720
	Dr. Volkmar Dinstuhl	787,500	7.03	112,020	666,519	224,040
	Ilse Henne	787,500	7.03	112,020	666,519	224,040
	Dr. Jens Schulte	350,000	7.03	49,787	224,042	99,574
Former members of the Executive Board	Dr. Klaus Keysberg	875,000	7.03	124,467	743,068	248,934

[1] Average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of fiscal year 2022 / 2023.
[2] Granted to Miguel Ángel López Borrego, Oliver Burkhard and Dr. Klaus Keysberg on November 7, 2023. Granted to Dr. Volkmar Dinstuhl and Ilse Henne on January 1, 2024 due to their appointment during the course of fiscal year 2023 / 2024 and granted to Dr. Jens Schulte on June 1, 2024. This results in different present values for the virtual shares as of the grant date.

Financial performance criteria for the LTI installment issued in fiscal year 2023 / 2024

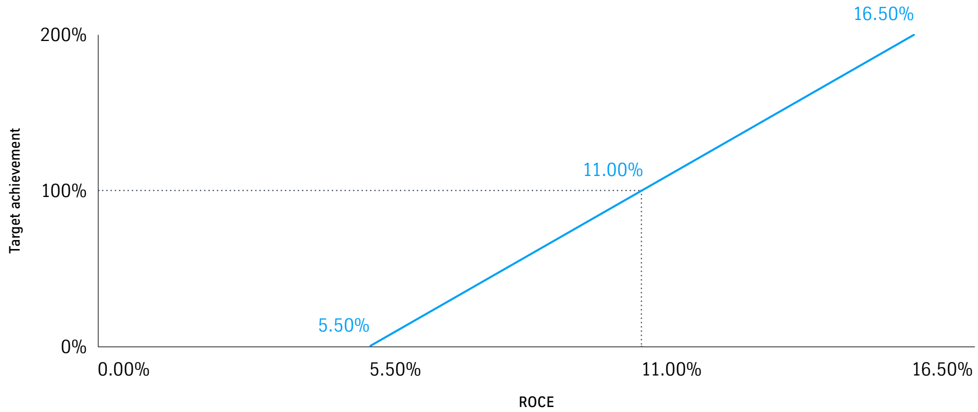
The following target and threshold values for the two performance criteria of relative TSR and ROCE apply throughout the four-year term of the installment:

RELATIVE TOTAL SHAREHOLDER RETURN



In the case of relative TSR, the target and threshold values for the comparison of thyssenkrupp's performance with the TSR performance of companies in the STOXX® Europe 600 Basic Resources are already firmly established in the compensation system in effect. TSR performance is calculated per fiscal year on the basis of the share price performance plus distributed dividends. The average share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days before the beginning or close of the fiscal year, is used for the start and end values. The TSR performance of all companies, including thyssenkrupp, is ranked on this basis. Target achievement is then determined from thyssenkrupp's positioning on the target achievement curve above, measured as a percentile rank, with intermediate values rounded up to the respective full percentile.

RETURN ON CAPITAL EMPLOYED (ROCE)



The Supervisory Board set the target value and the threshold values for ROCE on the basis of return expectations before allocation of installment 2023 / 2024 began. Target achievement for each fiscal year during the four-year performance period is measured against the target value set before the start of the installment and determined on the basis of the target achievement curve above.

Sustainability target for the LTI installment issued in fiscal year 2023 / 2024

In addition to the financial performance criteria of TSR performance and ROCE, sustainability targets are taken into account in the LTI with a weighting of 30%. As a rule, these are formulated as non-financial targets (NFTs) as part of thyssenkrupp's corporate management. In this respect, the Supervisory Board selected one sustainability target for the LTI installment for 2023 / 2024, with a focus on the area of supply chain:

The Supervisory Board has selected one sustainability target for the LTI installment for 2023 / 2024, with a focus on the area of supply chain.

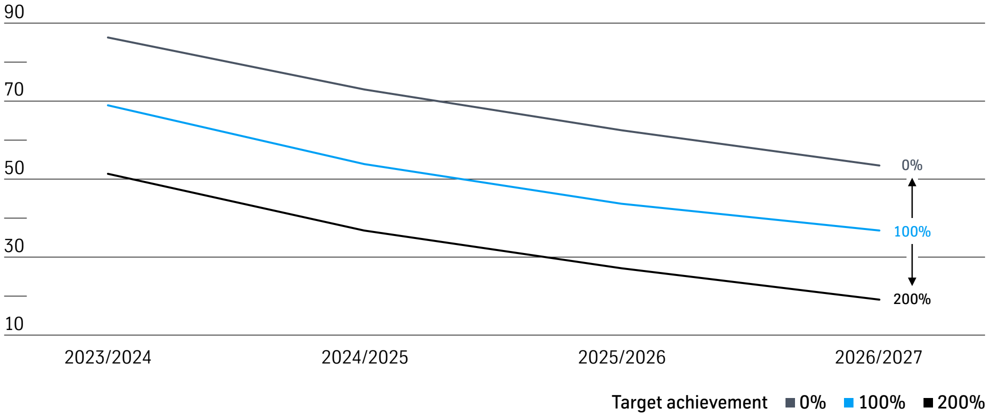
- Achievement of a High Risk Supplier Reduction (HSR) of 36.4% at group level by 2026 / 2027 (weighting: 30%).

In the future, the newly developed indicator HSR, which was implemented in the reporting year as a new NFT to accompany the integration of the LTI at group level, will be used by thyssenkrupp to report on how sustainability risks are reduced with the aid of measures in the supplier portfolio. The HSR thus replaces the previous NFT for the number of sustainability audits performed and specifically shows the proportion of suppliers classified as potentially risky in the risk analysis performed in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) relative to the total population of potentially risky suppliers. Through the reduction target, we aim to further reduce the risk of violations of the legal provisions of this legislation in respect of environmental protection, human rights, and occupational safety within the portfolio of suppliers. If any such risks are identified in the annual and ad hoc risk analysis, these must be mitigated as soon as possible, irrespective of the objectives set within the framework of the HSR, by taking by prompt measures that are consistent with the provisions of the LkSG.

Like the other sustainability targets, the HSR is formulated using measurable key indicators, for which the Supervisory Board has resolved the target and threshold values shown in the graphic below. These apply throughout the four-year term of the installment. During the four-year term, the Supervisory Board determines the degree of target achievement each year within a range of 0 to 200%; this is based on the results achieved in the respective fiscal year.

TARGETS AND THRESHOLDS FOR THE HIGH RISK SUPPLIER REDUCTION

at group level through to 2026/2027



Annual levels of target achievement of the performance criteria for the LTI installments not yet settled in fiscal year 2023 / 2024

As outlined above, target achievement for the performance criteria for the LTI are determined on an annual basis and any payment is only due after the end of the four-year performance period. For fiscal year 2023 / 2024, the Supervisory Board determined the following target achievements:

LTI 2020 / 2021 – 2023 / 2024: TARGET ACHIEVEMENT ON ANNUAL BASIS FOR 2023 / 2024[1)]

Performance criterion	Weighting	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2023 / 2024	Target achievement
Relative Total Shareholder Return (Percentile)	30%	25	50	75	0	0.00%
Return on Capital Employed (%)	40%	0.00	4.00	8.50	(7.98)	0.00%
Accident frequency rate per 1 million working hours	15%	3.10	2.50	2.10	2.39	127.50%
Proportion of women in leadership positions (%)	15%	14.00	15.00	16.00	16.14	200.00%
Total	**100%**					**49.13%**

[1)] For detailed information on the targets and the target and threshold values for the LTI installment launched in fiscal year 2020 / 2021, see the Compensation Report 2020 / 2021

LTI 2021 / 2022 – 2024 / 2025: TARGET ACHIEVEMENT ON ANNUAL BASIS FOR 2023 / 2024[1)]

Performance criterion	Weighting	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2023 / 2024	Target achievement
Relative Total Shareholder Return (Percentile)	30%	25	50	75	0	0.00%
Return on Capital Employed (%)	40%	5.00	10.00	15.00	(7.98)	0.00%
Emissions intensity[2)] (t CO_2-equivalent per €1 million sales p.a.)	15%	37.50	35.50	33.50	31.12	200.00%
Verified production volume of net CO_2-reduced steel (kt p.a.)[3)]	15%	50.00	150.00	250.00	204.51	154.51%
Total	**100%**					**53.18%**

[1)] For detailed information on the targets and the target and threshold values for the LTI installment launched in fiscal year 2021 / 2022, see the Compensation Report 2021 / 2022
[2)] Calculated on the basis of scope 1 and scope 2 emissions at group level, excluding Steel Europe
[3)] Formally referred to as net climate-neutral steel.

LTI 2022 / 2023 – 2025 / 2026: TARGET ACHIEVEMENT ON ANNUAL BASIS FOR 2023 / 2024[1)]

Performance criterion	Weighting	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2023 / 2024	Target achievement
Relative Total Shareholder Return (Percentile)	30%	25	50	75	0	0.00%
Return on Capital Employed (%)	40%	5.60	11.20	16.80	(7.98)	0.00%
Proportion of women in leadership positions (%)	15%	14.00	15.00	16.00	16.14	200.00%
Employee Net Promoter Score	15%	(20.00)	(5.00)	5.00	(5.00)	100.00%
Total	**100%**					**45.00%**

[1)] For detailed information on the targets and the target and threshold values for the LTI installment launched in fiscal year 2022 / 2023, see the Compensation Report 2022 / 2023

LTI 2023 / 2024 – 2026 / 2027: TARGET ACHIEVEMENT ON ANNUAL BASIS FOR 2023 / 2024

Performance criterion	Weighting	Threshold value for 0% target achievement	Target value for 100% target achievement	Threshold value for 200% target achievement	Result for 2023 / 2024	Target achievement
Relative Total Shareholder Return (Percentile)	30%	25	50	75	0	0.00%
Return on Capital Employed (%)	40%	5.50	11.00	16.50	(7.98)	0.00%
High Risk Supplier Reduction (%)	30%	86.40	68.90	51.40	57.03	167.83%
Total	**100%**					**50.35%**

Payout of the LTI 2020 / 2021

Final target achievement and payout of the LTI installment 2020 / 2021

The performance period of the LTI installment issued in fiscal year 2020 / 2021 ended on September 30, 2024 and thus at the close of the fiscal year. The total target achievement is calculated on the basis of the underlying performance criteria as the arithmetic mean of the four annual target achievement rates.

The performance period for the LTI installment 2020 / 2021 ended at the end of fiscal year 2023 / 2024.

LTI 2020 / 2021: TARGET ACHIEVEMENT OF PERFORMANCE CRITERIA[1)]

Performance criterion	Weighting	Target achievement 2020 / 2021	Target achievement 2021 / 2022	Target achievement 2022 / 2023	Target achievement 2023 / 2024	Overall target achievement
Relative Total Shareholder Return (Percentile)	30%	176.00%	0.00%	200.00%	0.00%	–
Return on Capital Employed (%)	40%	84.05%	200.00%	0.00%	0.00%	–
Accident frequency rate per 1 million working hours	15%	150.00%	190.00%	147.50%	127.50%	–
Proportion of women in leadership positions (%)	15%	120.00%	109.00%	161.00%	200.00%	–
Total	**100%**	**126.92%**	**124.85%**	**106.28%**	**49.13%**	**101.80%**

[1)] A detailed calculation of the annual target achievement in respect of the individual performance criteria can be found in the compensation reports for the respective fiscal years.

The aforementioned total target achievement is multiplied by the number of virtual shares provisionally awarded to calculate the number of virtual shares actually earned. The amount of the final payout is determined by multiplying with the average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of the final fiscal year of the four-year performance period. This resulted in the following amounts, which will be paid in December 2024 to the current and former members of the Executive Board listed below:

LTI INSTALLMENT 2020 / 2021 – SUMMARY

		Initial value (€)	Allotment price (€)[1)]	Provisionally granted number of virtual shares	Target achievement of performance criteria	Finally granted number of virtual shares	Payout ratio (€)[2)]	Payout amount (€)
Current members of the Executive Board	Oliver Burkhard	1,050,000	5.63	186,501	101.80%	189,858	3.13	594,255.54
Former members of the Executive Board	Dr. Klaus Keysberg	1,050,000	5.63	186,501	101.80%	189,858	3.13	594,255.54
	Martina Merz	2,000,000	5.63	355,240	101.80%	361,634	3.13	1,131,914.42

[1)] Average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of fiscal year 2019 / 2020.
[2)] Average thyssenkrupp share price, calculated as the arithmetic mean of the closing prices on the last 30 stock exchange trading days of fiscal year 2023 / 2024.

Miguel Ángel López Borrego, Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte were not members of the Executive Board of thyssenkrupp AG in fiscal year 2020 / 2021; therefore, they did not receive any payouts from the installment launched for the Executive Board at that time.

LTI 2020 / 2021 as part of the compensation awarded or due in fiscal year 2023 / 2024

As outlined above, the performance period for the LTI installment 2020 / 2021 ended on September 30, 2024 and all conditions for payment were fulfilled at this time. Accordingly, in the interests of a more accurate allocation to the period, the payout of the LTI 2020 / 2021 is disclosed as part of the compensation awarded or due in fiscal year 2023 / 2024, even though payment will only be made in December 2024 and thus in the following fiscal year (2024 / 2025). Like the STI disclosure, the aim of this method of presentation is to enhance the clarity and comprehensibility of the compensation report and is in line with the market practice on the interpretation of the term “awarded or due” pursuant to § 162 AktG.

A look forward to the sustainability targets for the LTI installment 2024 / 2025

The Supervisory Board has selected the following sustainability target for the LTI installment to be launched in fiscal year 2024 / 2025, which will run from 2024 / 2025 until 2027 / 2028:

- Reduction in the accident frequency rate to a value significantly lower than 2.0 per one million hours worked within the thyssenkrupp group by fiscal year 2027 / 2028 (weighting: 30%).

Other compensation rules

Share ownership guidelines (SOG)

Share ownership guidelines have been agreed for the Executive Board members.

All Executive Board members are required to purchase thyssenkrupp shares to a total value of one full annual fixed salary (gross) and to hold them for the duration of their appointment. This brings the interests of the Executive Board and shareholders further into alignment and, in addition to the LTI, recognizes thyssenkrupp’s sustainable and long-term development. The annual investment is 25% of the net payout from the performance-related compensation components (STI and LTI) in the respective fiscal year until the prescribed investment amount is reached. Fulfillment of the share buy and hold requirement is determined based on the purchase price at the acquisition date.

Under the program in effect, in fiscal year 2023 / 2024 shares were purchased using the STI paid in December 2023 for fiscal year 2022 / 2023. No LTI was paid in fiscal year 2023 / 2024. Therefore, the payment from the LTI for 2020 / 2021 due in December 2024 will not be withheld until fiscal year 2024 / 2025. In the case of Dr. Volkmar Dinstuhl, Ilse Henne and Dr. Jens Schulte, who were appointed during the year on January 1, 2024 (Dr. Volkmar Dinstuhl, Ilse Henne) and June 1, 2024 (Dr. Jens Schulte), no variable compensation payment was yet due in fiscal year 2023 / 2024; therefore, no shares could be purchased under the SOG with the withheld parts of the variable compensation. In his case, the first purchase of shares will be made in fiscal year 2024 / 2025 out of the payout due in December 2024 for the STI for fiscal year 2023 / 2024. However, Dr. Jens Schulte made use of the option to transfer shares he had previously purchased privately to the SOG program on a one-time basis upon joining the Executive Board. By contrast, for Dr. Klaus Keysberg the obligation to hold the shares purchased under the applicable SOG ended when his service contract ended on July 31, 2024. Moreover, he no longer has an obligation to purchase shares in the future.

The following table shows the investments made and the fulfillment of the requirements in fiscal year 2023 / 2024:

SHARE OWNERSHIP GUIDELINES: INVESTMENTS AND FULFILLMENT OF THE SHARE HOLDING REQUIREMENTS IN FY 2023 / 2024

	Status quo per Sept. 30, 2023			Investments made in FY 2023 / 2024		Status quo per Sept. 30, 2024		
	Number of shares in deposit account	Investments made (€)	in % of SOG requirements	Number of shares	Value taken into account (€)	Number of shares in deposit account	Investments made (€)	in % of SOG requirements
Miguel Ángel López Borrego[1)]	–	–	–	7,499	35,989	7,499	35,989	3
Oliver Burkhard	63,310	574,789	82	13,262	63,647	76,572	638,436	91
Dr. Volkmar Dinstuhl	–	–	–	–	–	–	–	0
Ilse Henne	–	–	–	–	–	–	–	0
Dr. Klaus Keysberg[2)]	30,342	231,916	33	13,262	63,647	43,604	295,563	42
Dr. Jens Schulte[3)]	–	–	–	55,000	256,300	55,000	256,300	37

[1)] Miguel Ángel López Borrego has notified the company that on May 12, 2023 he privately purchased 238,000 thyssenkrupp shares at a total cost of €1,513,680. At his own request, he did not make use of the option to transfer these shares to the SOG program, so he is still required to purchase and hold shares to the value of one year's fixed compensation (€1,340,000 gross) for the duration of his appointment.
[2)] The disclosure on the status quo for Dr. Klaus Keysberg in 2024 refers to the date on which his service contract ended, July 31, 2024, which also marked the end of his obligation to hold the thyssenkrupp shares purchased under the applicable SOG.
[3)] Dr. Jens Schulte made use of the option to transfer shares he had previously purchased privately to the SOG program on a one-time basis upon joining the Executive Board.

Observance of the maximum compensation of Executive Board members

The compensation of Executive Board members is capped in two respects. Firstly, caps are set for each of the performance-related components; under the current compensation system they are 200% of the target amount both for the STI and for the LTI. With regard to the performance-related compensation awarded or due in fiscal year 2023 / 2024, these caps were observed in all cases, as shown in the following tables:

All aspects of the maximum compensation of Executive Board members were observed in 2023 / 2024.

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE PERFORMANCE-RELATED COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024 (1 / 2)

		Miguel Ángel López Borrego			Oliver Burkhard			Dr. Volkmar Dinstuhl		
		Chairman of the Executive Board since June 1, 2023			Ordinary member of the Executive Board since February 1, 2013			Ordinary member of the Executive Board since January 1, 2024		
€000s		Target compensation	Maximum	Payout	Target compensation	Maximum	Payout	Target compensation	Maximum	Payout
One-year variable compensation	STI 2023 / 2024	1,250	2,500	427	680	1,360	232	510	1,020	174
Multiple-year variable compensation	LTI 2020 / 2021	–	–	–	1,050	2,100	594	–	–	–

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE PERFORMANCE-RELATED COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024 (2 / 2)

		Ilse Henne			Dr. Jens Schulte		
		Ordinary member of the Executive Board since January 1, 2024			Ordinary member of the Executive Board since June 1, 2024		
€000s		Target compensation	Maximum	Payout	Target compensation	Maximum	Payout
One-year variable compensation	STI 2023 / 2024	510	1,020	174	227	453	77
Multiple-year variable compensation	LTI 2020 / 2021	–	–	–	–	–	–

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE PERFORMANCE-RELATED COMPENSATION OF THE FORMER MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024

		Dr. Klaus Keysberg			Martina Merz		
		Ordinary member of the executive board Oct. 1, 2019 – May 31, 2024			Chairwoman of the Executive Board October 1, 2019 – May 31, 2023		
€000s		Target compensation	Maximum	Payout	Target compensation	Maximum	Payout
One-year variable compensation	STI 2023 / 2024	567	1,133	194	–	–	–
Multiple-year variable compensation	LTI 2020 / 2021	1,050	2,100	594	2,000	4,000	1,132

Secondly, in accordance with § 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set a maximum compensation amount that limits the total compensation granted and to be paid for a particular fiscal year (consisting of annual fixed compensation, pension allowance or pension plan, fringe benefits, payout from STI and payout from LTI as well as any other compensation). The maximum compensation amount is €9.0 million for a CEO and €4.5 million each for ordinary Executive Board members. This maximum compensation can only be reviewed retrospectively once the payout from the LTI installment launched for the respective fiscal year has been determined. The LTI installment launched in fiscal year 2020 / 2021 ended in fiscal year 2023 / 2024 so it is only now possible to report on compliance with the maximum compensation set for fiscal year 2020 / 2021. This corresponded to the amount and definition of maximum compensation applicable in fiscal year 2023 / 2024 and was observed for all Executive Board members in office at the time, as shown by the following table:

OBSERVANCE OF THE MAXIMUM COMPENSATION WITH REGARD TO THE TOTAL COMPENSATION OF THE CURRENT AND THE FORMER MEMBERS OF THE EXECUTIVE BOARD GRANTED FOR FY 2020 / 2021

		Martina Merz			Oliver Burkhard			Dr. Klaus Keysberg		
		Chairwoman of the Executive Board October 1, 2019 – May 31, 2023			Ordinary member of the Executive Board since February 1, 2013			Ordinary member of the executive board Oct. 1, 2019 – May 31, 2024		
€000s		Target compensation	Maximum compensation	Payout	Target compensation	Maximum compensation	Payout	Target compensation	Maximum compensation	Payout
Performance-independent compensation	Fixed compensation 2020 / 2021	1,340	1,340	1,340	700	700	700	700	700	700
	Fringe benefits 2020 / 2021	24	24	24	75	75	75	121	121	121
	Pension allowance 2020 / 2021	536	536	536	–	–	–	280	280	280
Total		**1,900**	**1,900**	**1,900**	**775**	**775**	**775**	**1,101**	**1,101**	**1,101**
One-year variable compensation	STI 2020 / 2021	1,250	2,500	1,738	680	1,360	945	680	1,360	945
Multiple-year variable compensation	LTI 2020 / 2021	2,000	4,000	1,132	1,050	2,100	594	1,050	2,100	594
Total		**5,150**	**8,400**	**4,770**	**2,505**	**4,235**	**2,314**	**2,831**	**4,561**	**2,640**
Pension	Service costs 2019 / 2020	–	–	–	1	1	1	157	157	157
Total compensation		**5,150**	**9,000**	**4,770**	**2,506**	**4,500**	**2,315**	**2,988**	**4,500**	**2,797**

Termination benefits

Severance payment provisions

The Executive Board service contracts contain severance payment provisions that comply with the recommendations of the German Corporate Governance Code. In the event that the service contract is terminated before the end of the agreed contract term at the instigation of the company, the Executive Board member may receive a severance payment.

The severance payment provisions contained in the Executive Board service contracts comply with the recommendations of the German Corporate Governance Code.

The amount of the severance payment is determined by the sum of the annual fixed salary and the STI actually paid out for the past fiscal year, as well as the annual fixed salary and the expected STI for the current fiscal year in which the Executive Board service contract ends, but does not exceed the sum of the annual fixed salaries and the expected STI benefits for the remaining term of the Executive Board service contract. Other compensation, in particular retirement benefit costs, LTI and fringe benefits, are not considered.

If Executive Board members join or leave during the year

If Executive Board members join or leave during the year, the total compensation is paid pro rata temporis for the duration of the service contract in the relevant fiscal year.

Upon termination of the appointment or the start of pension benefits, an Executive Board member is entitled to payment of the (possibly pro rata) STI and LTI for the period of service until termination. In the case of the LTI, the as yet unpaid virtual shares for the current fiscal year and the LTI installments issued for the previous fiscal years are maintained in the agreed amount and are paid out in line with the regular provisions after determination of the target achievement by the Supervisory Board. There is no entitlement to payout of the STI or LTI if good cause exists entitling the company to terminate the service contract for cause or if the Executive Board member resigns without good cause. In these cases, the claims will lapse without compensation.

Post-contractual non-compete clause

The Executive Board service contracts do not currently contain a post-contractual non-compete clause.

Change of control

Executive Board service contracts entered into or extended since April 1, 2020 do not include any commitments for benefits in the event of early termination by the Executive Board member due to a change of control.

Executive Board service contracts entered into or extended since April 1, 2020 do not contain any commitments for benefits in the event of a change of control.

Malus/clawback

In the event of serious breaches by Executive Board members of applicable law or applicable internal company or group policies and guidelines, the Supervisory Board has the option to reduce or completely cancel any variable compensation components not yet paid out and – if a breach is subsequently discovered – to reclaim in part or in full any variable compensation components already paid out. In the case of variable compensation components paid out on the basis of inaccurate consolidated financial statements, the latter also applies to the difference determined on the basis of corrected financial statements.

In the past fiscal year, the Supervisory Board did not find any cause to make use of the option provided for under the compensation system to reduce, completely cancel or reclaim variable compensation components.

Third-party benefits

In the past fiscal year, no Executive Board member was promised or granted benefits by a third party in connection with their activity as an Executive Board member.

Compensation for supervisory board positions within and outside the thyssenkrupp group

In the past fiscal year, the Executive Board members Miguel Ángel López Borrego, Dr. Volkmar Dinstuhl and Dr. Klaus Keysberg were granted compensation for holding positions on the supervisory board of thyssenkrupp nucera AG & Co. KGaA. Under the corresponding regulations of the valid Executive Board compensation system, these were offset against their compensation payments and thus did not result in higher total compensation. With a view to clarity and understandability, these amounts are therefore not disclosed in the tables presenting the overview of compensation awarded or due to Executive Board members in fiscal year 2023 / 2024.

No further compensation was granted to Executive Board members for holding supervisory board positions within the group in the past fiscal year. This also applies to positions held on external supervisory boards in connection with their work for the Executive Board and in the interests of thyssenkrupp.

Executive Board compensation disclosed for each member individually

Compensation awarded or due to current Executive Board members in fiscal year 2023 / 2024

The following tables show the fixed and variable compensation components awarded or due to the current Executive Board members in the past fiscal year, including their relative share, in accordance with § 162 AktG. These comprise the annual fixed salary paid for their services in fiscal year 2023 / 2024, the fringe benefits granted, the pension allowance paid for their services in the fiscal year, the STI granted for their services in fiscal year 2023 / 2024 and due in December 2024, the payout from the LTI installment for fiscal year 2020 / 2021, for which the performance period ended at the end of fiscal year 2023 / 2024. Current pension service costs for the present Executive Board members for their service in the past fiscal year are not included in this definition but are nevertheless presented separately as voluntary additional disclosures.

COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024 (1 / 2)

		Miguel Ángel López Borrego				Oliver Burkhard				Dr. Volkmar Dinstuhl			
		Chairman of the Executive Board since June 1, 2023				Ordinary member of the Executive Board since February 1, 2013				Ordinary member of the Executive Board since January 1, 2024			
		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024	
		€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %
Performance-independent compensation	Fixed compensation	447	48	1,340	57	700	40	700	44	–	–	525	56
	Fringe benefits	8	1	41	2	123	7	71	4	–	–	32	3
	Pension allowance	179	19	536	23	–	–	–	–	–	–	210	22
Total		**633**	**68**	**1,917**	**82**	**823**	**47**	**771**	**48**	**–**	**–**	**767**	**82**
One-year variable compensation	STI 2022 / 2023	298	32	–	–	486	28	–	–	–	–	–	–
	STI 2023 / 2024	–	–	427	18	–	–	232	15	–	–	174	18
Multiple-year variable compensation	LTI 2019 / 2020	–	–	–	–	448	26	–	–	–	–	–	–
	LTI 2020 / 2021	–	–	–	–	–	–	594	37	–	–	–	–
Total		**931**	**100**	**2,344**	**100**	**1,757**	**100**	**1,597**	**100**	**–**	**–**	**941**	**100**
Other compensation		–	–	–	–	–	–	–	–	–	–	–	–
Total compensation in accordance with § 162 AktG		**931**	**100**	**2,344**	**100**	**1,757**	**100**	**1,597**	**100**	**–**	**–**	**941**	**100**
Service costs[1]		–	–	–	–	3	–	3	–	–	–	–	–
Total compensation incl. service costs[1]		**931**	**–**	**2,344**	**–**	**1,760**	**–**	**1,600**	**–**	**–**	**–**	**941**	**–**

[1] Voluntary additional disclosure; based on IFRS

COMPENSATION OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024 (2 / 2)

		Ilse Henne				Dr. Jens Schulte[1]			
		Ordinary member of the Executive Board since January 1, 2024				Ordinary member of the Executive Board since June 1, 2024			
		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024	
		€000s	in %	€000s	in %	€000s	in %	€000s	in %
Performance-independent compensation	Fixed compensation	–	–	525	57	–	–	233	23
	Fringe benefits	–	–	13	1	–	–	622	61
	Pension allowance	–	–	210	23	–	–	93	9
Total		**–**	**–**	**748**	**81**	**–**	**–**	**949**	**92**
One-year variable compensation	STI 2022 / 2023	–	–	–	–	–	–	–	–
	STI 2023 / 2024	–	–	174	19	–	–	77	8
Multiple-year variable compensation	LTI 2019 / 2020	–	–	–	–	–	–	–	–
	LTI 2020 / 2021	–	–	–	–	–	–	–	–
Total		**–**	**–**	**922**	**100**	**–**	**–**	**1,026**	**100**
Other compensation		–	–	–	–	–	–	–	–
Total compensation in accordance with § 162 AktG		**–**	**–**	**922**	**100**	**–**	**–**	**1,026**	**100**
Service costs[2]		–	–	–	–	–	–	–	–
Total compensation incl. service costs[1]		**–**	**–**	**922**	**–**	**–**	**–**	**1,026**	**–**

[1] The fringe benefits for Dr. Jens Schulte for fiscal year 2023 / 2024 include the first of a total of three part-payments of €600,000 each for the contractually agreed sign-on bonus. The details are explained above in the description of the performance-independent compensation components in the "Fringe benefits" section.
[2] Voluntary additional disclosure; based on IFRS

Compensation awarded or due to former Executive Board members in fiscal year 2023 / 2024

The following table contains the fixed and variable compensation components awarded or due in fiscal year 2023 / 2024 to former members of the Executive Board who terminated their activity within the past ten fiscal years, including their relative share, in accordance with § 162 AktG. These comprise the annual fixed salary paid for any services in fiscal year 2023 / 2024, the fringe benefits granted, the pension allowance paid for any services in fiscal year 2023 / 2024, the STI granted for any services in fiscal year 2023 / 2024 and due in December 2024, the payout from the LTI installment for fiscal year 2020 / 2021, for which the performance period ended at the end of fiscal year 2023 / 2024. They also include any pension benefits drawn for fiscal year 2023 / 2024.

COMPENSATION OF THE FORMER MEMBERS OF THE EXECUTIVE BOARD AWARDED OR DUE IN FY 2023 / 2024

		Dr. Heinrich Hiesinger				Dr. Klaus Keysberg				Martina Merz			
		Vice Chairman of the Executive Board Oct. 1, 2010 – Jan. 20, 2011 Chairman of the Executive Board Jan. 21, 2011 – July 6, 2018				Ordinary member of the executive board Oct. 1, 2019 – May 31, 2024				Chairwoman of the Executive Board October 1, 2019 – May 31, 2023			
		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024	
		€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %	€000s	in %
Performance-independent compensation	Fixed compensation	–	–	–	–	700	36	583	34	1,005	34	–	–
	Fringe benefits	–	–	–	–	57	3	43	2	18	1	–	–
	Pension allowance	–	–	–	–	280	14	233	14	402	14	–	–
Total		**–**	**–**	**–**	**–**	**1,037**	**53**	**860**	**50**	**1,425**	**48**	**–**	**–**
One-year variable compensation	STI 2022 / 2023	–	–	–	–	486	25	–	–	670	23	–	–
	STI 2023 / 2024	–	–	–	–	–	–	194	11	–	–	–	–
Multiple-year variable compensation	LTI 2019 / 2020	–	–	–	–	448	23	–	–	853	29	–	–
	LTI 2020 / 2021	–	–	–	–	–	–	594	34	–	–	1,132	100
Total		**–**	**–**	**–**	**–**	**1,971**	**100**	**1,648**	**96**	**2,948**	**100**	**1,132**	**100**
Other compensation	Pension payments	749	100	785	100	–	–	26	2	–	–	–	–
	Compensation for consultancy fees	–	–	–	–	–	–	50	3	–	–	–	–
Total compensation in accordance with § 162 AktG		**749**	**100**	**785**	**100**	**1,971**	**100**	**1,724**	**100**	**2,948**	**100**	**1,132**	**100**
Service costs[1]		–	–	–	–	559	–	–	–	–	–	–	–
Total compensation incl. service costs[2]		**749**	**–**	**785**	**–**	**2,530**	**–**	**1,724**	**–**	**2,948**	**–**	**1,132**	**–**

[1] Voluntary additional disclosure; based on IFRS

Target compensation and actual compensation of the current Executive Board members for the past fiscal year

As a voluntary additional disclosure of the compensation awarded or due for fiscal year 2023 / 2024 as defined in § 162 AktG, the following table presents the target compensation of the current Executive Board members for the fiscal year 2023 / 2024. This includes the target compensation promised for the fiscal year, which is granted in the event of 100% target achievement, supplemented by details of the individually attainable minimum and maximum compensation.

TARGET COMPENSATION VS. COMPENSATION AWARDED OR DUE OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD FOR FY 2023 / 2024 (1 / 2)

		Miguel Ángel López Borrego				Oliver Burkhard				Dr. Volkmar Dinstuhl			
		Chairman of the Executive Board since June 1, 2023				Ordinary member of the Executive Board since February 1, 2013				Ordinary member of the Executive Board since January 1, 2024			
€000s		Target compen-sation	Minimum compen-sation	Maximum compen-sation	Awarded or due	Target compen-sation	Minimum compen-sation	Maximum compen-sation	Awarded or due	Target compensation[1]	Minimum compen-sation	Maximum compen-sation[1]	Awarded or due
Performance-independent compensation	Fixed compensation	1,340	1,340	1,340	1,340	700	700	700	700	525	525	525	525
	Fringe benefits	41	41	41	41	71	71	71	71	32	32	32	32
	Pension allowance	536	536	536	536	–	–	–	–	210	210	210	210
Total		**1,917**	**1,917**	**1,917**	**1,917**	**771**	**771**	**771**	**771**	**767**	**767**	**767**	**767**
One-year variable compensation	STI 2023 / 2024	1,250	0	2,500	427	680	0	1,360	232	510	0	1,020	174
Multiple-year variable compensation	LTI 2020 / 2021	–	–	–	–	–	–	–	594	–	–	–	–
	LTI 2023 / 2024	2,000	0	4,000	–	1,050	0	2,100	–	788	0	1,575	–
Total		**5,167**	**1,917**	**8,417**	**2,344**	**2,501**	**771**	**4,231**	**1,597**	**2,065**	**767**	**3,362**	**941**
Other compensation		–	–	–	–	–	–	–	–	–	–	–	–
Total compensation		**5,167**	**1,917**	**9,000**	**2,344**	**2,501**	**771**	**4,500**	**1,597**	**2,065**	**767**	**3,375**	**941**

[1] Since Dr. Volkmar Dinstuhl was appointed to the Executive Board during the year, the target and maximum compensation for fiscal year 2023 / 2024 were determined on a prorated basis.

TARGET COMPENSATION VS. COMPENSATION AWARDED OR DUE OF THE CURRENT MEMBERS OF THE EXECUTIVE BOARD FOR FY 2023 / 2024 (2 / 2)

		Ilse Henne				Dr. Jens Schulte			
		Ordinary member of the Executive Board since January 1, 2024				Ordinary member of the Executive Board since June 1, 2024			
€000s		Target compen-sation[1]	Minimum compen-sation	Maximum compen-sation[1]	Awarded or due	Target compen-sation[1]	Minimum compen-sation	Maximum compen-sation[1]	Awarded or due
Performance-independent compensation	Fixed compensation	525	525	525	525	233	233	233	233
	Fringe benefits	13	13	13	13	622	622	622	622
	Pension allowance	210	210	210	210	93	93	93	93
Total		**748**	**748**	**748**	**748**	**949**	**949**	**949**	**949**
One-year variable compensation	STI 2023 / 2024	510	0	1,020	174	227	0	453	77
Multiple-year variable compensation	LTI 2020 / 2021	–	–	–	–	–	–	–	–
	LTI 2023 / 2024	788	0	1,575	–	350	0	700	–
Total		**2,046**	**748**	**3,343**	**922**	**1,525**	**949**	**2,102**	**1,026**
Other compensation		–	–	–	–	–	–	–	–
Total compensation		**2,046**	**748**	**3,375**	**922**	**1,525**	**949**	**1,500**	**1,026**

[1] Since Ilse Henne and Dr. Jens Schulte were appointed to the Executive Board during the year, the target and maximum compensation for fiscal year 2023 / 2024 were determined on a prorated basis.

Supervisory Board compensation in fiscal year 2023 / 2024

Fundamentals of the compensation system for the Supervisory Board

The compensation system for the Supervisory Board is governed by § 14 of the Articles of Association and provides both the abstract and the concrete framework for Supervisory Board member compensation. This ensures that compensation of Supervisory Board members always complies with the compensation system resolved by the Annual General Meeting.

The compensation system for the Supervisory Board is governed by the Articles of Association.

Under § 14 of the Articles of Association, Supervisory Board members are entitled to an annual basic compensation component and a meeting attendance fee. The amount of compensation awarded to members of the Supervisory Board is based on the member's duties on the Supervisory Board or its committees. The compensation arrangements therefore reflect the requirements of the GCGC in particular. The fixed basic compensation, the compensation for additional committee activities, meeting attendance fees and the lack of any performance-related Supervisory Board compensation are intended in particular to promote the independence of Supervisory Board members. The supervisory and advisory activities usefully carried out by the Supervisory Board are intended to support the company's long-term development.

Design and application of the Supervisory Board compensation system in fiscal year 2023 / 2024

As outlined above, the compensation for Supervisory Board members was adjusted from fiscal year 2023 / 2024 on the basis of a resolution adopted by the Annual General Meeting on February 2, 2024. This adjustment included an increase in individual elements of the compensation for the Supervisory Board to an appropriate level in line with market standards on the basis of an external benchmark comparison. As a result, the compensation for Supervisory Board members in fiscal year 2023 / 2024 was composed as follows:

- In addition to having their expenses reimbursed, Supervisory Board members receive annual basic compensation of €70,000 (formerly: €50,000).

- For membership of a committee – with the exception of the Committee defined in § 27 (3) of the German Codetermination Act (MitbestG) and the Audit Committee – the Supervisory Board members receive an additional payment of €17,500 (formerly: €12,500) on top of their annual basic compensation, while the chair of each committee receives an additional payment of €35,000 (formerly: €25,000). Each member of the Audit Committee receives an additional payment of €30,000 (formerly: €20,000) on top of their annual basic compensation, while the Chairman of the Audit Committee receives an additional payment of €60,000 (formerly €40,000).

- The annual compensation is €200,000 for the Supervisory Board Chairman and €150,000 for the Vice Chairman (both unchanged). This also covers memberships and chairs of the Executive Committee and the Personnel Committee (formerly: covers memberships and chairs of all committees).

- Supervisory Board members who serve on the Supervisory Board or a committee for only part of the fiscal year receive prorated compensation.

- In addition, members of the Supervisory Board and the committees receive an attendance fee of €1,000 (formerly: €500) for each meeting attended in the form of an in-person meeting, telephone or video conference or similar. If several meetings (full Supervisory Board or its committees) are held on the same day, the attendance fee is only paid once (formerly: a separate attendance fee for each meeting, even on the same day).

All aspects of the Supervisory Board compensation system as set out in § 14 of the company's Articles of Association were applied in fiscal year 2023 / 2024. In the reporting year, the Supervisory Board members received no further compensation or benefits for personal services rendered, in particular advisory and agency services.

Supervisory Board compensation disclosed for each member individually

The following table shows the fixed and variable compensation components awarded or due to the Supervisory Board members in the past fiscal year, including their relative share, in accordance with § 162 AktG. Under § 14 (7) of the company's Articles of Association, the total compensation of the Supervisory Board is only payable after the close of the fiscal year. However, in line with the practice in the prior years' compensation reports, the Supervisory Board compensation disclosed in the present report is systematically allocated to the fiscal year in which the underlying activity was performed – to allow allocation to the correct period and in the interests of clarity and understandability and to align it with the disclosure of the Executive Board compensation.

The following presentation of the compensation awarded or due to the members of the Supervisory Board in fiscal year 2023 / 2024 therefore comprises compensation components payable in fiscal year 2024 / 2025, but where the amount and entitlement comprises already established fixed compensation and compensation for membership of committees for activities performed in fiscal year 2023 / 2024 and meeting attendance fees incurred for fiscal year 2023 / 2024.

COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD AWARDED OR DUE IN FY 2023 / 2024

	Basic compensation				Compensation for committee work				Meeting fee				Compensation from directorships within the group				Total compensation according to § 162 AktG			
	2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024		2022 / 2023		2023 / 2024	
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm, Chairman	200,000	92	200,000	68	–	–	70,000	24	17,000	8	22,000	8	–	–		–	217,000	100	292,000	100
Jürgen Kerner, Vice Chairman	150,000	92	150,000	80	–	–	17,500	9	13,500	8	19,000	10	–	–		–	163,500	100	186,500	100
Birgit A. Behrendt	50,000	81	70,000	73	8,333	13	17,500	18	3,500	6	8,000	8	–	–		–	61,833	100	95,500	100
Dr. Patrick Berard	33,333	93	70,000	93	–	–		–	2,500	7	5,000	7	–	–		–	35,833	100	75,000	100
Stefan Erwin Buchner	50,000	78	70,000	73	8,333	13	17,500	18	5,500	9	9,000	9	–	–		–	63,833	100	96,500	100
Dr. Wolfgang Colberg	50,000	73	70,000	63	13,333	20	30,000	27	5,000	7	11,000	10	–	–		–	68,333	100	111,000	100
Prof. Dr. Dr. h. c. Ursula Gather	50,000	61	70,000	61	25,000	31	35,000	30	6,500	8	10,000	9	–	–		–	81,500	100	115,000	100
Angelika Gifford	50,000	93	70,000	93	–	–		–	3,500	7	5,000	7	–	–		–	53,500	100	75,000	100
Dr. Bernhard Günther	50,000	40	70,000	40	57,500	46	82,500	47	17,500	14	22,000	13	–	–		–	125,000	100	174,500	100
Achim Hass	50,000	84	70,000	86	–	–		–	3,500	6	6,000	7	5,800	10	5,600	7	59,300	100	81,600	100
Tanja Jacquemin	50,000	66	70,000	64	20,000	26	30,000	27	6,000	8	10,000	9	–	–		–	76,000	100	110,000	100
Daniela Jansen	50,000	67	70,000	61	19,167	26	17,500	15	5,500	7	9,000	8	–	–	17,734	16	74,667	100	114,234	100
Christian Julius	50,000	83	70,000	88	–	–		–	3,500	6	6,000	8	6,800	11	3,151	4	60,300	100	79,151	100
Thorsten Koch	50,000	79	70,000	69	4,167	7	17,500	17	4,000	6	9,000	9	5,450	9	5,450	5	63,617	100	101,950	100
Katrin Krawinkel	37,500	93	70,000	92	–	–		–	3,000	7	6,000	8	–	–		–	40,500	100	76,000	100
Dr. Ingo Luge	50,000	61	70,000	61	25,000	31	35,000	31	6,500	8	9,000	8	–	–		–	81,500	100	114,000	100
Tekin Nasikkol	50,000	48	70,000	36	27,500	27	82,500	43	9,000	9	22,000	11	16,750	16	19,426	10	103,250	100	193,926	100
Dr. Verena Volpert	50,000	52	70,000	50	40,000	42	60,000	43	6,000	6	11,000	8	–	–		–	96,000	100	141,000	100
Ulrich Wilsberg	33,333	55	70,000	54	11,875	20	30,000	23	4,500	7	11,000	8	10,613	18	18,750	14	60,321	100	129,750	100
Kirstin Zeidler	12,500	74	70,000	75	–	–		–	500	3	6,000	6	3,784	23	16,750	18	16,784	100	92,750	100
Total	**1,166,667**		**1,610,000**		**260,208**		**542,500**		**126,500**		**216,000**		**49,197**		**86,861**		**1,602,572**		**2,455,361**	

The employee representatives who are members of a trade union have declared they will pass their compensation to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation.

Comparative table of changes in compensation and company performance

The following comparative presentation shows the annual change in compensation awarded or due to current and former Executive and Supervisory Board members, the company's earnings performance and the compensation awarded to employees on a full-time equivalent basis, with the latter being based on the average wages and salaries of the employees of all group companies in Germany in the fiscal year in question. The internal peer group is deliberately limited to Germany, firstly because of the external comparison of thyssenkrupp Executive Board compensation with DAX and MDAX companies and secondly because this is where most staff members are employed.

COMPARATIVE TABLE OF CHANGES IN COMPENSATION AND COMPANY PERFORMANCE FOR THE MEMBERS OF THE EXECUTIVE BOARD

	Compensation awarded or due in 2023 / 2024	Compensation awarded or due in 2022 / 2023	Changes 2023 / 2024 towards 2022 / 2023		Changes 2022 / 2023 towards 2021 / 2022		Changes 2021 / 2022 towards 2020 / 2021		Changes 2020 / 2021 towards 2019 / 2020		Changes 2019 / 2020 towards 2018 / 2019	
	€000s	€000s	absolute	in %	absolute	in %	absolute	in %	absolute	in %	absolute	in %
Current members of the Executive Board												
Miguel Ángel López Borrego	2,344	931	1,413	152	931	–	–	–	–	–	–	–
Oliver Burkhard	1,597	1,757	(160)	(9)	(598)	(25)	127	6	1,074	93	(247)	(18)
Dr. Volkmar Dinstuhl	941	–	941	–	–	–	–	–	–	–	–	–
Ilse Henne	922	–	922	–	–	–	–	–	–	–	–	–
Dr. Jens Schulte	1,026	–	1,026	–	–	–	–	–	–	–	–	–
Former members of the Executive Board												
Dr. Heinrich Hiesinger	785	749	36	5	54	8	(793)	(53)	1,083	267	(1,645)	(80)
Dr. Klaus Keysberg	1,724	1,971	(247)	(13)	556	39	(631)	(31)	802	64	1,244	–
Martina Merz	1,132	2,948	(1,816)	(62)	355	14	(1,045)	(29)	1,202	49	2,436	–
Employees												
Avg. employees in Germany	72	71	1	1	4	6	3	4	2	4	(2)	(4)
Company performance												
Net income tk group (€ million)	(1,450)	(1,986)	536	+	(3,206)	--	1,245	++	(9,617)	--	9,852	++
Net income thyssenkrupp AG (€ million)	(156)	(1,783)	1,627	++	(3,886)	--	2,754	++	(362)	-	1,518	++

COMPARATIVE TABLE OF CHANGES IN COMPENSATION AND COMPANY PERFORMANCE FOR THE MEMBERS OF THE SUPERVISORY BOARD

	Compen-sation awarded or due in 2023 / 2024	Compen-sation awarded or due in 2022 / 2023	Changes 2023 / 2024 towards 2022 / 2023		Changes 2022 / 2023 towards 2021 / 2022		Changes 2021 / 2022 towards 2020 / 2021		Changes 2020 / 2021 towards 2019 / 2020		Changes 2019 / 2020 towards 2018 / 2019	
	in €	in €	absolute	in %	absolute	in %	absolute	in %	absolute	in %	absolute	in %
Current members of the Supervisory Board												
Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm, Chairman	292,000	217,000	75,000	35	(2,500)	(1)	1,500	1	(12,000)	(5)	194,250	543
Jürgen Kerner, Vice Chairman	186,500	163,500	23,000	14	(3,000)	(2)	(500)	0	38,500	30	128,500	-
Birgit A. Behrendt	95,500	61,833	33,667	54	8,833	17	1,000	2	11,000	27	41,000	-
Dr. Patrick Berard	75,000	35,833	39,167	109	35,833	–	-	-	-	-	-	-
Stefan Erwin Buchner	96,500	63,833	32,667	51	11,333	22	18,167	53	34,333	-	-	-
Dr. Wolfgang Colberg	111,000	68,333	42,667	62	15,333	29	1,000	2	(5,000)	(9)	7,333	15
Prof. Dr. Dr. h. c. Ursula Gather	115,000	81,500	33,500	41	1,000	1	500	1	(4,500)	(5)	(6,500)	(7)
Angelika Gifford	75,000	53,500	21,500	40	500	1	1,000	2	1,167	2	50,833	-
Dr. Bernhard Günther	174,500	125,000	49,500	40	(6,833)	(5)	(12,167)	(8)	29,875	26	114,125	-
Achim Hass	81,600	59,300	22,300	38	300	1	1,600	3	(3,000)	(5)	1,000	2
Tanja Jacquemin	110,000	76,000	34,000	45	1,000	1	500	1	(3,500)	(4)	1,000	1
Daniela Jansen	114,234	74,667	39,567	53	5,167	7	47,667	218	21,833	-	-	-
Christian Julius	79,151	60,300	18,851	31	25,690	74	34,610	-	-	-	-	-
Thorsten Koch	101,950	63,617	38,333	60	54,291	582	9,326	-	-	-	-	-
Katrin Krawinkel	76,000	40,500	35,500	88	40,500	–	-	-	-	-	-	-
Dr. Ingo Luge	114,000	81,500	32,500	40	1,500	2	0	0	8,417	12	71,583	-
Tekin Nasikkol	193,926	103,250	90,676	88	19,250	23	500	1	68,584	460	(8,482)	(36)
Dr. Verena Volpert	141,000	96,000	45,000	47	7,167	8	21,500	32	67,333	-	-	-
Ulrich Wilsberg	129,750	60,321	69,429	115	60,321	–	-	-	-	-	-	-
Kirstin Zeidler	92,750	16,784	75,966	453	16,784	–	-	-	-	-	-	-
Employees												
Avg. employees in Germany	72,378	71,367	1,011	1	3,798	6	2,880	4	2,460	4	(2,294)	(4)
Company performance												
Net income tk group (€ million)	(1,450)	(1,986)	536	+	(3,206)	--	1,245	++	(9,617)	--	9,852	++
Net income thyssenkrupp AG (€ million)	(156)	(1,783)	1,627	++	(3,886)	--	2,754	++	(362)	-	1,518	++

Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To thyssenkrupp AG, Duisburg und Essen,

Opinion

We have formally examined the remuneration report of thyssenkrupp AG, Duisburg und Essen, for the financial year from 1 October 2023 to 30 September 2024 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (09.2023)). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of thyssenkrupp AG, Duisburg und Essen, are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Handling Potential Misleading Presentations

In connection with our examination our responsibility is to read the remuneration report by taking into account the findings of the audit of the annual financial statements and, in doing so, remain alert for indications of misleading presentations in the remuneration report to determine whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

If, based on the work we have performed, we conclude that there is such misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Düsseldorf, 18 November 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ufer	Dr. Zeimes
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Executive Board

As of September 30, 2024

Miguel Ángel López Borrego

Appointed until May 2026 // Spanish
Chair
Corporate Functions Communications, Investor Relations Management, Legal & Compliance, Strategy, Markets & Portfolio
Chief Executive Officer of thyssenkrupp Decarbon Technologies GmbH

Subsidiaries of thyssenkrupp AG:
- ● thyssenkrupp nucera AG & Co. KGaA
- ■ thyssenkrupp nucera Management AG
- ■ thyssenkrupp Steel Europe AG

Oliver Burkhard

Appointed until September 2028 // German
Corporate Function Human Relations Management
Service Unit thyssenkrupp Services
Chief Executive Officer of thyssenkrupp Marine Systems GmbH

- □ PEAG Holding GmbH (Chair)

Subsidiaries of thyssenkrupp AG:
- ■ thyssenkrupp Decarbon Technologies GmbH
- ■ thyssenkrupp Steel Europe AG

Dr. Volkmar Dinstuhl

(since January 1, 2024)
Appointed until December 2026 // German
Corporate Function Mergers & Acquisitions

- ■ Vertical Topco S.a.r.l., Luxembourg (TK Elevator/thyssenkrupp shareholder representative)

Subsidiaries of thyssenkrupp AG:
- ■ thyssenkrupp Industrial Solutions AG (Chair)
- ● thyssenkrupp nucera AG & Co. KGaA (Chair)
- ■ thyssenkrupp nucera Management AG (Chair)
- ■ thyssenkrupp Steel Europe AG
- □ thyssenkrupp (China) Ltd., PR China (Chair)

Ilse Henne

(since January 1, 2024)
Appointed until December 2026 // Belgian
Corporate Function Sustainability
Service Unit thyssenkrupp Information Management
Chief Executive Officer of thyssenkrupp Materials Services GmbH

- ● Rockwool A/S, Denmark
- ● Arkema S. A., France

Subsidiaries of thyssenkrupp AG:
- ■ thyssenkrupp Decarbon Technologies GmbH
- ■ thyssenkrupp Services GmbH (Chair)
- ■ thyssenkrupp Steel Europe AG
- □ thyssenkrupp Materials NA, Inc., USA
- □ thyssenkrupp NA Holding Corp., USA (Chair)
- □ thyssenkrupp North America, LLC, USA (Chair)

Dr. Jens Schulte

(since June 1, 2024)
Appointed until May 2027 // German
Corporate Functions Controlling, Accounting & Risk, Corporate Finance, Taxes & Customs, Internal Auditing

- ● Altana AG

Subsidiaries of thyssenkrupp AG:
- ■ thyssenkrupp Marine Systems GmbH (Chair)
- ■ thyssenkrupp Materials Services GmbH (Chair)
- ■ thyssenkrupp Steel Europe AG

Dr. Klaus Keysberg

Left the Executive Board at the end of May 31, 2024 // German
Corporate Functions Controlling, Accounting & Risk, Corporate Finance, Taxes & Customs, Internal Auditing, Mergers & Acquisitions
Service Unit thyssenkrupp Information Management
Executive Board of thyssenkrupp Decarbon Technologies GmbH

- □ Chiron Group SE

Subsidiaries of thyssenkrupp AG:
- ■ thyssenkrupp Materials Services GmbH (Chair)
- ■ thyssenkrupp Marine Systems GmbH (Chair)
- ● thyssenkrupp nucera AG & Co. KGaA
- ■ thyssenkrupp nucera Management AG
- ■ thyssenkrupp Steel Europe AG
- □ thyssenkrupp NA Holding Corp., USA (Chair)
- □ thyssenkrupp North America, LLC, USA (Chair)

■ Membership of supervisory boards within the meaning of § 125 of the German Stock Corporation Act (AktG) (as of September 30, 2024)
□ Membership of comparable German and non-German control bodies of business enterprises within the meaning of § 125 of the German Stock Corporation Act (AktG) (as of September 30, 2024)
● / ○ Company listed on the stock exchange

Supervisory Board

As of September 30, 2024

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm, Michelau

Consultant
President of the Federation of German Industries (BDI)
Chair
Appointed until 2026 // German

- ■ Dr. Johannes Heidenhain GmbH
- ■ Voith GmbH & Co. KGaA (Chairman of the Supervisory Board and Shareholders' Committee)

Jürgen Kerner, Berlin

Deputy Chair of IG Metall
Appointed until 2029 // German

- ■ Airbus GmbH
- ■ MAN Truck & Bus SE
- ● Siemens AG
- ● Siemens Energy AG
- ● Traton SE

Birgit A. Behrendt, Cologne

Consultant
Appointed until 2026 // German

- ■ Ford Werke GmbH
- ● Kion Group AG
- □ Infinium Holdings, Inc., USA
- □ Rolls Royce plc, UK
- □ Stulz Verwaltungs GmbH & Co.KG
- □ Umicore S.A., Belgium

Dr. Patrick Berard, Boulogne / France

Consultant
Appointed until 2026 // French

- ● LKQ Corporation, USA
- □ Geodis S.A., France

Stefan Erwin Buchner, Bietigheim-Bissingen

Former member of the Executive Board of Daimler Truck AG
Appointed until 2026 // German

- ● Continental AG
- □ Mosolf SE & Co. KG
- □ Hörmann Holding GmbH & Co. KG

Dr. Wolfgang Colberg, Munich

Consultant, Independent Director
Appointed until 2026 // German

- □ AMSilk GmbH (Chair)
- ○ Burelle S.A., France
- □ ChemicalInvest Holding BV, Netherlands (Chair)
- □ Fire (BC) Holdco Ltd. (Italmatch), UK
- ○ Pernod Ricard S.A., France
- ○ Solvay S.A., Belgium

Prof. Dr. Dr. h.c. Ursula Gather, Essen

Chairwoman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation
Appointed until 2028 // German

Angelika Gifford, Kranzberg

Vice President EMEA Meta Inc. (USA)
Appointed until 2026 // German

Dr. Bernhard Günther, Haan

Chief Transformation Officer Fortum Corporation, Espoo, Finland
Appointed until 2026 // German

Achim Hass, Schwartbruck

Power electronics technician // Chairman of the Works Council of thyssenkrupp Marine Systems GmbH (Kiel) // Chairman of the General Works Council of thyssenkrupp Marine Systems GmbH
Appointed until 2029 // German

- ■ Babcock Pensionskasse VvaG

Subsidiaries of thyssenkrupp AG:

- ■ thyssenkrupp Marine Systems GmbH

■ Membership of supervisory boards within the meaning of § 125 of the German Stock Corporation Act (AktG) (as of September 30, 2024)
□ Membership of comparable German and non-German control bodies of business enterprises within the meaning of § 125 of the German Stock Corporation Act (AktG) (as of September 30, 2024)
● / ○ Company listed on the stock exchange

Tanja Jacquemin, Frankfurt am Main
Lecturer for the research and teaching area “Supervisory Boards and Corporate Codetermination” at the Academy of Labour
Appointed until 2029 // German

Daniela Jansen, Aachen
Political Secretary to the Executive Board of IG Metall
Appointed until 2029 // German
Subsidiaries of thyssenkrupp AG:
- thyssenkrupp Decarbon Technologies GmbH

Christian Julius, Lippstadt
Fitter // Chairman of the General Works Council of thyssenkrupp rothe erde Germany GmbH
Appointed until 2029 // German

Thorsten Koch, Wadern
Toolmaker // Chairman of the Works Council of Automotive Body Solutions GmbH (Lockweiler) // Chairman of the Works Council Union of thyssenkrupp Automotive Technology
Appointed until 2029 // German
Subsidiaries of thyssenkrupp AG:
- thyssenkrupp Automotive Body Solutions GmbH

Katrin Krawinkel, Düsseldorf
Attorney // Compliance Officer at thyssenkrupp Corporate Function Legal & Compliance // Chairwoman of the Executives’ Committee of thyssenkrupp AG and executive member of the Group Executives’ Committee
Appointed until 2029 // German

Dr. Ingo Luge, Hanover
Director and Management Consultant
Appointed until 2026 // German
- ◻ Gradyent Holding B.V., Netherlands (Chair)

Investments within the E.ON group:
- Avacon AG
- E.ON Energie Deutschland GmbH
- PreussenElektra GmbH (Chair)

Tekin Nasikkol, Ratingen
Bachelor of Arts (Business Administration) // Member of the Works Council and Chairman of the General Works Council of thyssenkrupp Steel Europe AG // Chairman of the Group Works Council of thyssenkrupp AG
Appointed until 2029 // German
- ◻ Novitas BKK Pflegekasse
- ◻ PEAG Holding GmbH

Dr. Verena Volpert, Lennestadt
Tax accountant
Appointed until 2027 // German
- Vibracoustic SE

Ulrich Wilsberg, Duisburg
Wholesale and foreign trade clerk // Chairman of the thyssenkrupp Materials Services Works Council Union, Chairman of the thyssenkrupp GfT Gleistechnik GmbH works council
Appointed until 2029 // German
Subsidiaries of thyssenkrupp AG:
- thyssenkrupp Materials Services GmbH

Kirstin Zeidler, Dortmund
Chairwoman of the Works Council of thyssenkrupp Steel Europe AG, Dortmund location, and Vice Chairwoman of the General Works Council of thyssenkrupp Steel Europe AG
Appointed until 2029 // German
- ◻ VKH Vorsorgekasse Hoesch

Subsidiaries of thyssenkrupp AG:
- thyssenkrupp Steel Europe AG

In the course of fiscal year 2023 / 2024, no members left the Supervisory Board.

Supervisory Board Committees

As of September 30, 2024

Executive Committee

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (Chair)
Dr. Bernhard Günther
Jürgen Kerner
Tekin Nasikkol

Mediation Committee under § 27 (3) Codetermination Act

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (Chair)
Dr. Bernhard Günther
Jürgen Kerner
Tekin Nasikkol

Personnel Committee

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (Chair)
Dr. Bernhard Günther
Jürgen Kerner
Tekin Nasikkol

Audit Committee

Dr. Verena Volpert (Chair)
Dr. Wolfgang Colberg
Dr. Bernhard Günther
Tanja Jacquemin
Tekin Nasikkol
Ulrich Wilsberg

Strategy, Finance and Investment Committee

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (Chair)
Stefan E. Buchner
Prof. Dr. Dr. h.c. Ursula Gather
Daniela Jansen
Jürgen Kerner
Thorsten Koch
Dr. Ingo Luge
Tekin Nasikkol

Nomination Committee

Prof. Dr.-Ing. Dr.-Ing. E. h. Siegfried Russwurm (Chair)
Birgit A. Behrendt
Prof. Dr. Dr. h.c. Ursula Gather
Dr. Bernhard Günther
Dr. Ingo Luge

Glossary

List of definitions and abbreviations

Adjusted EBIT margin
Adjusted EBIT divided by sales

Business cash flow
Mainly FCF before M&A less interest and tax payments

Capital employed
Interest-bearing invested capital

Cash conversion rate
Business cash flow divided by EBIT

Climate Action Program for Sustainable Solutions (CAPS)
Groupwide program to implement the thyssenkrupp climate targets on the way to greenhouse gas neutrality

CO_2 equivalents (CO_2e)
Conversion of different greenhouse gas emissions into equivalent amounts of carbon dioxide (CO_2)

COSO
Committee of Sponsoring Organizations of the Treadway Commission

Corporate Sustainability Reporting Directive (CSRD)
The Corporate Sustainability Reporting Directive (CSRD) is an EU directive requiring companies to produce standardized and detailed reports on environmental, social and governance (ESG) factors. It came into force on January 5, 2023 and expands on the former NFRD (Non-Financial Reporting Directive). It applies to major listed companies from fiscal year 2024.

GCGC
German Corporate Governance Code

Disposal group
A group of assets that are intended for disposal by sale or otherwise in a single transaction, along with the liabilities directly related to these assets

EBIT
Earnings before interest and taxes

EBIT margin
EBIT divided by sales

EBITDA
Earnings before interest, taxes, depreciation and amortization

Equity ratio
Total equity divided by total assets

EMIR audit
European Market Infrastructure Regulation;
adopted in August 2012. Designed to make over-the-counter trading in derivatives more transparent and secure. Compliance is audited annually.

Environment, social, governance (ESG)
ESG covers the three dimensions of environment, social and governance which are crucial to assessing a company's sustainability performance. They refer to environmental, social and responsible corporate governance, as well as the sustainability topics assigned to these aspects.

FCF before M&A
Operating cash flow plus cash flows from investing activities excluding cash inflows or outflows from material M&A transactions and adjustments resulting from IFRS 16

Continuing operations
Continuing operations are operations that are not defined by IFRS 5 as discontinued operations.

Gearing
Net financial debt (assets) divided by total equity

FY
Fiscal year

Greater China
thyssenkrupp defines this region as China, Hong Kong, Mongolia, Macau and Taiwan.

High Risk Supplier Reduction (HSR)
thyssenkrupp's own indicator for recording the annual reduction in the proportion of suppliers still classified as high risk – even after any risk-mitigating measures – relative to the total population of potentially high-risk suppliers. Risk categorization is based on the risk analysis required by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

Net income/(loss)
The profit or loss for a given fiscal year. It is calculated as the balance of all income and expenses.

Weighted average cost of capital (WACC)
Minimum rate of return defined by investors

German Act on Corporate Due Diligence Obligations in Supply Chains
Legislation that came into force in Germany on January 1, 2023 to regulate the responsibility of enterprises to respect human rights both within their own organization and in global supply chains. This includes protection from child labor, the right to fair pay and protection of the environment.

Long-Term Incentive plan (LTI)
Multi-year variable compensation for the members of the Executive Board and other selected managers through stock rights

Net financial debt/assets
Difference between cash and cash equivalents shown in the statement of financial position plus current debt instruments and current and non-current financial debt. The corresponding assets and liabilities of the disposal groups – where applicable – are also taken into account. Net financial assets are shown as a positive figure in the tables.

Non-financial targets (NFT)
Non-financial targets relate to ESG targets used by a company to measure sustainability performance.

Operating cash flows
Inflow/outflow of cash and cash equivalents outside of investment, divesting and financing activities

Relative TSR (relative total shareholder return)
TSR is the metric showing how the value of a shareholding has developed over time. It includes both the dividends paid in the investment period and changes in the stock price. Relative TSR describes the TSR for thyssenkrupp stock compared with the TSR of other selected companies.

ROCE (return on capital employed)
EBIT divided by average capital employed

Science-Based Targets initiative (SBTi)
An initiative by the World Wide Fund for Nature, the World Resources Institute, the CDP and the United Nations Global Compact to mobilize companies to set targets for reducing greenhouse gas emissions and verify that these targets are consistent with scientific findings.

Short-Term Incentive (STI)
One-year variable compensation

TISAX
Trusted Information Security Assessment Exchange.
Cross-company testing and exchange process for information security in the automotive industry. Focuses on data protection, data integrity and data availability in the production process and the operation of vehicles.

tkVA (thyssenkrupp Value Added)
EBIT less/plus the cost of capital employed in the operating business

Subsidiaries
Companies controlled directly or indirectly by thyssenkrupp AG that are included in the consolidated financial statements.

Inventory turnover
Inventory divided by sales and multiplied by 360

Average collection period
Trade accounts receivable divided by sales and multiplied by 360

Contact and 2025 / 2026 financial calendar

For more information please contact:

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2025 / 2026 financial calendar

January 31, 2025
Annual General Meeting

February 13, 2025
Interim report 1st quarter 2024 / 2025 (October to December)

May 15, 2025
Interim report 1st half 2024 / 2025 (October to March)

August 14, 2025
Interim report 9 months 2024 / 2025 (October to June)

November 20, 2025
Annual report 2024 / 2025 (October to September)

January 30, 2026
Annual General Meeting

This annual report was published on November 19, 2024.
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Forward-looking statements
This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond thyssenkrupp's ability to control or estimate precisely, such as the future market environment and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks or uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may be materially different from those expressed or implied by such statements. If any of these or other risks or uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may be materially different from those expressed or implied by such statements.

Rounding differences, rates of change and notes on energy data
Percentages and figures in this report may include rounding differences, meaning that the total of the individual figures stated may not always be exactly the same as the total shown or that it may not be possible to calculate the stated percentages from the individual figures to which they relate. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets ( ). Very high positive and negative rates of change (≥100% or ≤(100)%) are indicated by ++ and −− respectively. In order to meet the publication deadlines, the energy data for the last weeks of the fiscal year are extrapolated where necessary, using established forecasting and extrapolation methods, in order to report precise data that are as close as possible to the actual figures for the fiscal year. The indicators relating to total energy consumption include all fully consolidated companies. Since these indicators are only determined at year-end, they refer to the scope of consolidation as of this date.

Variances for technical reasons
Due to statutory disclosure requirements the Company must submit this financial report electronically to the Federal Gazette (Bundesanzeiger). For technical reasons there may be variances in the accounting documents published in the Federal Gazette.
German and English versions of the financial report can be downloaded from the internet at www.thyssenkrupp.com. In the event of variances, the German version shall take precedence over the English translation.

www.thyssenkrupp.com