Consolidated Financial Statements

03

Consolidated Income Statement

of the CLAAS Group for the fiscal year from October 1, 2021, to September 30, 2022

in € '000	Note	2022	2021
Net sales	(7)	4,925,520	4,797,758
Cost of sales		-3,967,122	-3,737,447
Gross profit on sales		**958,398**	**1,060,311**
Selling expenses		-287,190	-269,784
General and administrative expenses		-210,043	-204,519
Research and development expenses	(8)	-256,362	-251,929
Other operating income	(10)	140,833	97,219
Other operating expenses	(10)	-148,561	-64,386
Operating income		**197,075**	**366,912**
Income from investments accounted for using the equity method, net	(11)	22,003	22,362
Income from other investments, net	(11)	-383	-259
Financial result	(12)	-52,421	-31,911
thereof: interest and similar expenses		(-23,408)	(-27,751)
Income before taxes		**166,274**	**357,104**
Income taxes	(13)	-78,169	-84,466
Net income		**88,105**	**272,638**
thereof: attributable to shareholders of CLAAS KGaA mbH		86,722	272,118
thereof: attributable to minority interests		1,383	520

Consolidated Statement of Comprehensive Income

of the CLAAS Group for the fiscal year from October 1, 2021, to September 30, 2022

in € '000	Note	2022	2021
Net income		**88,105**	**272,638**
Items to be reclassified subsequently to profit or loss			
Net unrealized gains/losses from currency translation		47,644	18,259
Net unrealized gains/losses from derivative financial instruments	(34)	-4,989	-15,290
Items never to be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	(29)	75,674	17,888
Other comprehensive income, after taxes		**118,329**	**20,857**
Comprehensive income		**206,434**	**293,495**
thereof: attributable to shareholders of CLAAS KGaA mbH		205,051	292,975
thereof: attributable to minority interests		1,383	520

Consolidated Balance Sheet

of the CLAAS Group as of September 30, 2022

in € '000	Note	Sept. 30, 2022	Sept. 30, 2021
Assets			
Intangible assets	(14)	318,513	313,520
Property, plant and equipment	(15)	613,803	612,218
Right-of-use assets	(16)	89,655	82,552
Investments accounted for using the equity method	(17)	156,345	160,766
Other investments		8,523	5,731
Deferred tax assets	(13)	118,516	145,693
Other financial assets	(20)	35,376	46,429
Other non-financial assets	(21)	21,435	22,324
Non-current assets		**1,362,166**	**1,389,233**
Inventories	(18)	1,348,782	926,492
Trade receivables	(19)	454,260	441,296
Other financial assets	(20)	209,858	156,342
Other non-financial assets	(21)	149,300	94,921
Securities	(22)	533,871	698,774
Cash and cash equivalents	(23)	507,902	539,059
Current assets		**3,203,973**	**2,856,884**
Total assets		**4,566,139**	**4,246,117**
Equity and liabilities			
Subscribed capital		78,000	78,000
Capital reserve		38,347	38,347
Other reserves		1,725,419	1,595,550
Equity before minority interests		**1,841,766**	**1,711,897**
Minority interests		6,099	5,219
Equity	(24)	**1,847,865**	**1,717,116**
Financial liabilities	(25)	420,541	523,701
Silent partnership	(26)	62,104	58,467
Deferred tax liabilities	(13)	4,930	4,099
Other financial liabilities	(27)	679	579
Pension provisions	(29)	224,486	327,595
Other provisions	(30)	77,945	80,640
Non-current liabilities		**790,685**	**995,081**
Financial liabilities	(25)	191,209	233,650
Trade payables		454,068	278,375
Other financial liabilities	(27)	71,185	45,518
Other non-financial liabilities	(28)	428,527	251,980
Income tax provisions	(30)	51,432	60,312
Other provisions	(30)	731,168	664,085
Current liabilities		**1,927,589**	**1,533,920**
Total equity and liabilities		**4,566,139**	**4,246,117**

Consolidated Statement of Cash Flows

of the CLAAS Group for the fiscal year from October 1, 2021, to September 30, 2022

in € '000	Note	2022	2021
Income before taxes		**166,274**	**357,104**
Amortization/impairment of intangible assets and depreciation/impairment of property, plant and equipment/right-of-use assets	(14), (15), (16)	245,697	147,911
Income from investments accounted for using the equity method, net, if non-cash		-22,003	-22,250
Change in non-current provisions		-2,009	34,627
Income taxes paid		-86,235	-73,455
Other non-cash expenses (+)/income (-)		12,253	8,599
Cash earnings		**313,977**	**452,536**
Change in current provisions		32,266	93,091
Income from the disposal of non-current assets and securities		-2,909	-162
Change in working capital		-52,409	14,890
thereof: inventories		(-373,016)	(-9,022)
thereof: trade receivables		(29,586)	(-63,451)
thereof: trade payables		(150,139)	(43,127)
Other change in assets/equity and liabilities, if not investing or financing activities		-65,472	20,190
Cash flows from operating activities	(36)	**225,453**	**580,545**
Payments for investments in			
Intangible assets and property, plant and equipment (excl. capitalized development costs)	(14), (15)	-129,836	-138,085
Shares of fully consolidated companies and investments		-8,530	-800
Borrowings		-3,177	-20,913
Receipts from disposals/divestments			
Intangible assets and property, plant and equipment		6,203	4,024
Shares of fully consolidated companies and investments		-	112
Borrowings		2,793	12,507
Additions to capitalized development costs	(14)	-70,726	-55,881
Change in securities		149,662	-308,258
Cash flows from investing activities		**-53,611**	**-507,294**
Proceeds from the increase in loans and the issuance of bonds		120,415	154,113
Repayment of bonds and loans		-267,944	-158,737
Repayment of lease liabilities		-24,953	-26,303
Proceeds from silent partnership		3,637	3,446
Change in liabilities to shareholders		-4,827	-476
Payment to minority shareholders		-541	-298
Dividend payments	(24)	-75,010	-40,020
Cash flows from financing activities		**-249,223**	**-68,275**
Effect of foreign exchange rate changes on cash and cash equivalents		46,224	9,978
Net change in cash and cash equivalents		**-31,157**	**14,954**
Cash and cash equivalents at beginning of year	(23)	539,059	524,105
Cash and cash equivalents at end of year	(23)	**507,902**	**539,059**

Consolidated Statement of Changes in Equity

of the CLAAS Group for the fiscal year from October 1, 2021, to September 30, 2022

			Other reserves						
			Retained earnings		Accumulated other comprehensive income				
in € '000	Subscribed capital	Capital reserve	Accumulated profit	Remeasurements of defined benefit pension plans	Foreign currency translation	Derivative financial instruments	Equity before minority interests	Minority interests	Equity
Balance as of Oct. 1, 2020	**78,000**	**38,347**	**1,547,747**	**-94,394**	**-121,513**	**10,903**	**1,459,090**	**4,997**	**1,464,087**
Net income	-	-	272,118	-	-	-	272,118	520	272,638
Other comprehensive income	-	-	-	17,888	18,259	-15,290	20,857	-	20,857
Comprehensive income	**-**	**-**	**272,118**	**17,888**	**18,259**	**-15,290**	**292,975**	**520**	**293,495**
Dividend payments	-	-	-40,020	-	-	-	-40,020	-298	-40,318
Consolidation adjustments	-	-	-148	-	-	-	-148	-	-148
Balance as of Sept. 30, 2021	**78,000**	**38,347**	**1,779,697**	**-76,506**	**-103,254**	**-4,387**	**1,711,897**	**5,219**	**1,717,116**
Net income	-	-	86,722	-	-	-	86,722	1,383	88,105
Other comprehensive income	-	-	-	75,674	47,644	-4,989	118,329	-	118,329
Comprehensive income	**-**	**-**	**86,722**	**75,674**	**47,644**	**-4,989**	**205,051**	**1,383**	**206,434**
Dividend payments	-	-	-75,010	-	-	-	-75,010	-356	-75,366
Consolidation adjustments	-	-	-172	-	-	-	-172	-147	-319
Balance as of Sept. 30, 2022	**78,000**	**38,347**	**1,791,237**	**-832**	**-55,610**	**-9,376**	**1,841,766**	**6,099**	**1,847,865**

Notes to the Consolidated Financial Statements

Notes to Consolidation and Accounting

1. Basis of Presentation

CLAAS KGaA mbH, with registered office in Harsewinkel, Germany, is the parent company of the CLAAS Group (in the following "CLAAS" or the "CLAAS Group"). The Company is registered in the commercial register of Gütersloh, Germany, District Court under the number HRB 3027. CLAAS is a family-owned company and a global producer and vendor of agricultural equipment and software solutions for farming applications.

These consolidated financial statements of the CLAAS Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Section 315e of the German Commercial Code (HGB). Prior-year figures were determined in accordance with the same principles.

The consolidated financial statements consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, as well as the notes to the consolidated financial statements. To improve the clarity of presentation, individual items within the consolidated balance sheet and the consolidated income statement have been combined. These items are presented separately and explained in the notes to the consolidated financial statements. The consolidated income statement was prepared using the cost of sales method of accounting.

Please refer to Note 6 for details on the accounting and valuation policies.

The consolidated financial statements have been presented in euros (€). Unless stated otherwise, amounts are stated in thousands of euros (€ '000).

These consolidated financial statements relate to the fiscal year from October 1, 2021, to September 30, 2022.

The consolidated financial statements were prepared on November 24, 2022, by the Executive Board of CLAAS KGaA mbH. Approval of the consolidated financial statements by the Supervisory Board is planned for December 7, 2022, at the scheduled Supervisory Board meeting.

2. New Financial Reporting Standards

CLAAS is expected to apply the amendments to IAS 12 concerning the recognition of deferred taxes on temporary differences in relation to leases for the first time for the fiscal year starting on October 1, 2023. In the future, deferred taxes will be accounted for upon the initial recognition of right-of-use assets and lease liabilities. The cumulative effect of this will be recognized as an adjustment to the opening balance of the retained earnings.

Other amendments to existing accounting standards or new accounting standards published by the IASB, which are mandatory in the future, are not material for CLAAS.

3. Scope of Consolidation

All significant companies, including the structured entities that are directly or indirectly controlled by CLAAS KGaA mbH, are included in the scope of consolidation. Control exists if CLAAS KGaA mbH has power over the investee on the basis of voting rights or other rights, it has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Within the CLAAS Group, this applies to the investment fund CHW Fonds, Munich, Germany, as well as the financing company Mercator Purchasing S.A., Luxembourg, Luxembourg. These companies are included in the consolidated financial statements as structured entities. CLAAS uses the financing company to settle the revolving sale of receivables.

Associates are entities over which CLAAS has significant influence but does not have control or joint control of the entities' financial and operating policies. They are accounted for using the equity method.

Where CLAAS shares control of an entity together with a partner, it must be specified whether the entity is a joint operation or a joint venture. In a joint venture, the parties that have joint control have rights to the net assets of the arrangement. As a rule, joint ventures are accounted for using the equity method. A joint operation exists when the parties that have joint control have direct rights to the assets and obligations for the liabilities. In this case, the prorated assets and liabilities, as well as the prorated income and expenses, are to be recognized as a rule.

Investments in subsidiaries, in joint ventures, or in associates considered to be immaterial from the point of view of the Group are accounted for in accordance with IFRS 9.

A breakdown of the scope of consolidation is presented in the following table:

	Sept. 30, 2022	Sept. 30, 2021
Consolidated subsidiaries	**61**	**62**
thereof: domestic companies	(21)	(21)
thereof: foreign companies	(40)	(41)
Associates and joint arrangements	**14**	**13**
thereof: domestic companies	(6)	(6)
thereof: foreign companies	(8)	(7)

Please see Note 41 for a complete list of the shareholdings of the CLAAS Group.

Newly Established Companies, Investments in Companies, and Divestments

There were no material newly established companies, investments in companies, and divestments in fiscal year 2022.

4. Consolidation Principles

The financial statements included in the consolidated financial statements have been prepared using the uniform accounting policies relevant for the CLAAS Group. As a rule, the financial statements are prepared as of the balance sheet date of the consolidated financial statements. Where country-specific laws demand otherwise, subsidiaries whose fiscal years do not end on September 30 prepare interim financial statements as of this date.

Business combinations are accounted for using the acquisition method when the Group obtains control. If the purchase price exceeds the revalued prorated net assets of the acquired subsidiary, the difference is capitalized as goodwill and subject to an annual impairment test. Any differences arising on the liabilities side are reported as other operating income.

First-time consolidation and deconsolidation are generally undertaken on the date of transfer of control.

All receivables and payables, income and expenses, as well as intercompany gains and losses between the companies included in the consolidated financial statements are eliminated within the scope of the consolidation.

Investments in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost. Possibly acquired goodwill is not reported separately but is instead included in the value of the investment. After initial measurement, the consolidated financial statements include the share of the income until such time as the significant influence or joint control ends.

5. Foreign Currency Translation

Transactions in foreign currency are recognized at the relevant exchange rates on the transaction date. In subsequent periods, financial assets and liabilities denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The exchange rate gains and losses incurred from the measurement of financial assets and liabilities until the balance sheet date are recognized through profit or loss in the income statement.

The assets and liabilities of foreign companies with functional currencies that do not match the Group currency are translated into euros at the daily closing rate on the balance sheet date. Equity items are translated using historic rates. The expenses and income of foreign companies are translated into euros at the corresponding average exchange rate for the fiscal year. Differences resulting from currency translations are recognized directly in equity as other comprehensive income.

The following exchange rates were used for the currencies significant to the CLAAS Group:

		Average rate/€		Closing rate/€	
		2022	**2021**	**Sept. 30, 2022**	**Sept. 30, 2021**
British pound	GBP	0.85	0.87	0.88	0.86
Chinese renminbi	CNY	7.08	7.75	6.96	7.49
Indian rupee	INR	82.96	87.88	80.01	86.04
Polish złoty	PLN	4.67	4.55	4.84	4.60
Russian ruble	RUB	77.58	89.10	58.97	84.28
Hungarian forint	HUF	382.46	357.97	421.89	358.89
U.S. dollar	USD	1.08	1.19	0.98	1.16

6. Accounting Policies

Intangible Assets
Intangible assets with finite useful lives are capitalized at cost and, dependent on their expected useful lives, amortized over a period of generally three to ten years on a straight-line basis. Useful lives are reviewed each year.

The amortization of concessions, industrial and similar rights and assets, and licenses in such rights is reported under cost of sales. Amortization and impairments of capitalized development costs are recognized as research and development expenses.

Goodwill is accounted for at cost less any accumulated impairment losses and is tested for impairment annually, as well as when there are indications of a possible impairment. Impairment losses are recognized as other operating expenses.

Property, Plant and Equipment
Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Borrowing costs are capitalized if conditions are met and are depreciated over the expected useful lives of the property, plant and equipment once these have been completed. Property, plant and equipment – with the exception of land and similar rights – is generally depreciated over its useful life on a straight-line basis. The useful lives of buildings are between 20 and 50 years, while other property, plant and equipment have useful lives between 3 and 25 years. Depreciation and impairment losses are generally recognized as expenses for the period.

Right-of-use Assets
Right-of-use assets reflect the asset that a lessee receives from the right to use a leased asset. The right-of-use asset is capitalized in the amount of the present value of the future lease payments. At the time of initial recognition, right-of-use assets do not include the initial direct costs.

Right-of-use assets are generally depreciated over the term of the lease on a straight-line basis.

Leases classified as short-term or low-value are not capitalized and are therefore recognized solely through profit or loss. Leases involving intangible assets continue to be accounted for in accordance with IAS 38.

Borrowing Costs
Any borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of that asset. CLAAS defines qualifying assets as development or construction projects or other assets that will require at least twelve months to complete to a point at which they will be ready for their intended use or sale. If borrowings can be directly allocated to one project, the actual borrowing costs are capitalized. If there is no direct relation, the average borrowing cost rate of the CLAAS Group is applied. The borrowing cost rate for the fiscal year is 2.6% p.a. (prior year: 2.6% p.a.).

Impairment
Goodwill as well as assets that are not available for use are not amortized but are instead tested for impairment annually as of the balance sheet date. Assets subject to depreciation and amortization are tested for impairment if there are indications that the carrying amount of the asset is lower than its recoverable amount. The recoverable amount of an asset is the higher of its value in use and the fair value less costs to sell. The recoverable amount is determined for each individual asset unless assets have been combined into a cash generating unit. The value in use is based on the present value of the expected future cash flows. If the value in use is less than the carrying amount, an impairment loss is immediately recognized as profit or loss. Any subsequent increases in value are accounted for by attributing the value to the cash generating unit or asset, except in the case of goodwill impairment. When conducting the impairment test, the value in use is determined on the basis of the management's medium-term forecast data covering a period of five years. The planning assumptions are adjusted in line with actual circumstances. Assumptions are taken into appropriate account in consideration of macroeconomic trends and historical developments. Cash flow projections are estimated by extrapolation based on the growth rate of the relevant market segment. The growth rate remains unchanged year on year at 0.1% and 1.0% p.a. The value in use is determined on the basis of discounting rates ranging from 6.3% p.a. to 14.7% p.a. (prior year: 4.4% p.a. to 8.0% p.a.) and corresponding to the risk-adjusted minimum yield on the capital market.

Investments Accounted for Using the Equity Method and Other Investments
Investments in associates and joint ventures accounted for using the equity method are initially recognized at cost and then in subsequent periods in the amount of the adjusted prorated share in equity. The carrying amounts of the investments are increased or reduced each year to reflect the share of earnings, dividends distributed, and other changes in equity. Goodwill is included in the carrying amount of the companies accounted for using the equity method. Impairment occurs when the recoverable amount of the investment accounted for using the equity method is lower than its carrying amount.

At the time of addition and in subsequent periods, other investments are generally carried at fair value. If these amounts cannot be determined reliably, they are measured at cost less accumulated impairment losses. If there are indicators for impairment on other investments, an impairment loss will be recognized as profit or loss or in equity, depending on the classification set forth in IFRS 9.

Impairment losses or reversals of impairment losses on investments accounted for using the equity method and other investments are recognized as profit or loss in income from investments, net.

Deferred Taxes
Deferred taxes are recognized on temporary differences between the IFRS and tax balance sheets of the individual companies, including differences arising from consolidation processes and related to yet unused tax losses and tax credits.

Deferred taxes are measured in accordance with the tax rates and tax regulations that are in force as of the balance sheet date or have been largely passed into law and are expected to apply on the date of settlement. Deferred tax assets are only recognized insofar as it is likely that the entity will have taxable income against which the temporary differences can be utilized. A tax rate of 29.0% (prior year: 29.0%) was used to calculate deferred taxes in Germany. This tax rate consists of the domestic corporate income tax, the solidarity surcharge on corporate income tax, and trade tax. Country-specific tax rates are used to calculate foreign companies' deferred taxes.

Deferred tax liabilities for temporary differences are not recognized in relation to investments in subsidiaries and investments accounted for using the equity method.

Deferred tax assets and liabilities are offset if they pertain to the same tax subject, are from or to the same tax authority, and relate to the same period.

Inventories

Inventories are recognized at the lower of cost and net realizable value. The net realizable value is derived from the expected disposal income less costs still to be incurred. The cost of raw materials, consumables and supplies, as well as merchandise, is calculated using the average cost method. The cost of internally generated work in progress and finished goods includes direct materials and labor as well as production-related overheads and production-related administrative expenses based on normal capacity utilization. Borrowing costs are not included in the cost.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. Financial instruments are recognized as soon as CLAAS becomes a contractual party to the financial instrument. As a rule, financial instruments are recognized on the balance sheet as of the date on which they are concluded. Financial instruments recognized as financial assets or financial liabilities are generally not netted, and are only netted when a legal right to offset exists at that time and there is an intention to settle on a net basis. CLAAS classifies non-derivative financial assets and liabilities using the three measurement categories provided for in IFRS 9: at fair value through profit or loss, at fair value through other comprehensive income, and at amortized cost.

Derivative financial instruments designated as hedging instruments generally do not belong to any of these categories. However, derivatives with hedging relationships are classified "at fair value through profit or loss" in order to improve presentation. Under IFRS 9, the classification of financial assets depends on the business model used to manage them and the contractual cash flow characteristics of the financial instruments. The classification of financial liabilities is dependent on the purpose for which the financial instruments were contracted.

Financial instruments are recognized at amortized cost or at fair value. Amortized cost is calculated using the effective interest method. The fair value of a financial instrument in accordance with IFRS is the amount for which the instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction that is not a forced sale or involuntary liquidation. In general, the fair value is equal to the market value or the stock market price. If no active market exists, the fair value is calculated mathematically (such as by discounting future cash flows at the market interest rate).

The fair value of derivative financial instruments is calculated by discounting the future cash flows at the market interest rate or by using other common valuation techniques such as option pricing models.

Financial instruments for which the fair value cannot be reliably measured are carried at amortized cost.

The carrying amounts of financial assets not recognized at fair value through profit or loss are tested for impairment as of each balance sheet date. In accordance with IFRS 9, loss allowances are calculated based on the expected credit loss model. In this model, the amount of the impairment recognized as a loss allowance for expected credit losses generally depends on the extent to which the risk of default has worsened since the financial asset was first recognized. Estimates are made on the basis of ratings and continuously updated risk indicators. If an impairment is required, the resulting expense is recognized through profit or loss.

As in the prior year, no impairments were required for financial assets in fiscal year 2022, with the exception of trade receivables.

Receivables and Other Financial Assets
Receivables and other financial assets are recognized at fair value, which, in the case of current receivables and other financial assets, corresponds to the nominal value.

CLAAS applies the simplified expected credit loss model approach pursuant to IFRS 9 for expected credit losses arising from trade receivables, where the loss allowance is measured throughout the life of the receivable and irrespective of credit quality. Past information and forecasts of future economic conditions are included in the calculation of expected losses, along with any existing collateral.

CLAAS sells selected trade receivables to a structured entity within the CLAAS Group or other financial institutions on a revolving or non-recurring basis. The structured entity is an asset-backed securitization (ABS) company that refinances itself on the capital market. Receivables are derecognized when the risks and rewards associated with the receivables are transferred to a third party and the cash inflow from the sale is ensured. If the risks and rewards associated with the receivables – particularly credit risk and risk of default – remain in the CLAAS Group, said receivables will continue to be carried on the balance sheet.

Securities
Securities primarily include investment funds, money market securities, and Schuldscheindarlehen (German Private Placements), most of which with remaining maturities of less than one year. At CLAAS, securities are included in the “measured at fair value through profit or loss” category.

Initial recognition and subsequent measurement are at fair value or market price.

Cash and Cash Equivalents
Cash and cash equivalents comprise checks, cash in hand, and bank balances. Cash and cash equivalents as reported in the consolidated statement of cash flows correspond to the same item in the balance sheet.

Derivative Financial Instruments and Hedge Accounting
Derivative financial instruments designated as hedging instruments continue to be recognized and measured under IAS 39 in accordance with the transitional provisions of IFRS 9.

CLAAS uses derivative financial instruments to hedge the financial risks in its operating business and the resulting refinancing requirements. These risks are generally interest rate, currency, and commodity risks. Foreign exchange transactions and options are predominantly used for hedging.

Derivative financial instruments are recognized at fair value at the time of acquisition and in subsequent periods. Changes in present value are recognized through profit or loss in the other financial result for the period, unless the derivative financial instruments are part of a hedging relationship. Depending on the type of hedging relationship, changes in present value are either recognized through profit or loss in the income statement or directly in equity as other comprehensive income.

The criteria of IAS 39 must be fulfilled for hedges to be accounted for as part of a hedging relationship (hedge accounting). If this is the case, CLAAS documents the hedging relationship either as a fair value hedge or a cash flow hedge from the point at which the criteria are met. Only cash flow hedges were recognized in the past fiscal year.

The fair values of the derivative financial instruments used for hedging purposes are presented in Note 34.

Cash flow hedges are used to hedge the risks of fluctuations in cash flows. Gains and losses from changes in the fair value of the effective portion of the hedge are initially taken into account in other comprehensive income as equity. These gains and losses are reclassified into the income statement if the hedged transaction is recognized through profit or loss. Ineffective portions of these changes in value are recognized directly in equity in the other financial result.

If the hedge accounting criteria are no longer met, the derivative financial instruments that were part of the hedging relationship are then measured at fair value through profit or loss.

Liabilities

Liabilities are initially recognized at their fair value less transaction costs and are subsequently measured at amortized cost. Liabilities denominated in foreign currencies are translated at the closing rate on the balance sheet date.

At CLAAS, contract liabilities consist of payments received on account, which are reported under other non-financial liabilities. These are obligations to transfer goods or services to the customer for which customer payments have already been received prior to contractual performance.

Corresponding with the right-of-use asset, lease liabilities are recognized at the amount of the present value of the future lease payments and are discounted using the incremental borrowing rate. Lease liabilities are reported under current and non-current financial liabilities.

Pension Provisions

Pension provisions are recognized for defined benefit obligations from vested rights and current benefits to eligible active and former employees and their surviving dependents. Obligations relate primarily to retirement pensions, which are paid partly as a basic pension and partly as a supplementary component. Pension obligations are normally based on the employees' length of service and remuneration levels.

Provisions for defined benefit plans are based on the actuarial present value of the respective obligation, which is measured using the projected unit credit method. Under the projected unit credit method, expected future salary and pension increases are taken into consideration in addition to the pension obligations and acquired vested rights that already exist on the balance sheet date. The valuation assumptions vary according to the economic conditions of the country in which the pension plans are administered. In Germany, the life expectancy data underpinning the calculation of pension obligations is based on the 2018 G mortality tables published by K. Heubeck. Comparable calculation bases are used in other countries. Pension provisions are derived from the balance of the actuarial present value of the defined benefit obligations and the fair value of the plan assets available to cover the pension obligation. The service cost is included in the functional costs item in the consolidated income statement. Net interest is included in the financial result.

Actuarial gains and losses from the remeasurement of the net pension liability or net assets are recognized in full in the fiscal year in which they occur. They are carried directly in equity as part of other reserves and are also not recognized through profit or loss in future periods.

The interest rates used for discounting purposes are determined annually as of the balance sheet date on the basis of high-quality, fixed-rate corporate bonds with maturities matching the pension payments.

Other Provisions

Other provisions are recognized insofar as the CLAAS Group has a present legal or de facto obligation arising from a past event that is expected to result in an outflow of resources whose amount can be reliably estimated.

Provisions for obligations arising from sales predominantly include warranty obligations. Provisions for warranties are recognized at the point at which the product is sold or the service rendered. Assumptions must be made as to the type and scope of future warranty and goodwill claims, as well as possible special inspections, in order to determine the amount of the provisions. These estimates are largely based on historical experience. Provisions are regularly updated to take new circumstances into account.

Provisions are measured at the best estimate of the amount required to settle the present obligation as of the balance sheet date. Material other non-current provisions are discounted. Increases in provisions purely resulting from the addition of accrued interest are recognized through profit or loss in interest expenses for the period.

Recognition of Net Sales

The ordinary business operations of the CLAAS Group involve the sale of agricultural equipment products and services. All income relating to ordinary business operations, less sales deductions such as cash discounts and price reductions, is presented as net sales. Net sales are recognized when the services have been rendered or the goods or products have been delivered, i.e., when the customer has obtained control of the goods or services.

Cost of Sales

Cost of sales comprises the cost of goods sold, the purchase cost of sold merchandise, and expenses for commission, outgoing freight and packaging, insurance, and production-related logistics costs.

Research and Development Expenses

The costs of developing internally generated future serial products are capitalized insofar as the manufacture of the products is associated with an economic benefit for CLAAS and the other criteria for recognizing internally generated intangible assets are met.

The cost comprises all costs directly attributable to the development process plus appropriate shares of development-related overheads. Borrowing costs are capitalized as a part of the cost if the conditions are met. Amortization is recognized on a straight-line basis as of the start of production over the expected useful life of the product, which is usually between six and ten years.

Research costs, amortization and impairments of capitalized development costs, as well as development costs that cannot be capitalized, are basically recognized as incurred in the income statement under research and development costs.

Government Grants

Government grants are only recognized when there is reasonable assurance that the entity will comply with the conditions attached to it, and that the grant will be received. Government grants not related to investments are generally recognized through profit or loss as other operating income in the periods in which the expenses are incurred that the grants are intended to compensate for. Investment grants are deducted from the cost of the respective asset and result in a corresponding decline in amortization over subsequent periods.

Accounting Estimates and Judgments by the Management

In preparing the consolidated financial statements, it is to some extent necessary to make assumptions and estimates that affect the amount and presentation of assets and liabilities, income and expenses, and contingent liabilities in the reporting period. They mainly concern assessing the recoverability of assets; the standardized, group-wide definition of useful lives for property, plant and equipment; and the recognition and measurement of provisions. Estimates and judgments are underpinned by assumptions made on the basis of the latest available information. In particular, assumptions regarding expected business development are based on circumstances at the time of the preparation of the consolidated financial statements as well as realistic expectations of the future development of global markets and industries. Actual amounts may differ from the original estimates if external developments over which management has no control cause these parameters to change.

At the time the consolidated financial statements were prepared, it was not assumed that the underlying assumptions and estimates would be subject to material changes.

Notes to the Consolidated Income Statement

7. Net Sales

Net sales pertained almost exclusively to the delivery of goods. Sales by region can be broken down as follows:

in € '000	2022	2021
Germany	972,633	931,805
France	803,552	827,556
Rest of Western Europe	881,188	963,055
Central and Eastern Europe	1,071,401	1,136,171
North and South America	851,009	629,807
Other non-European countries	345,737	309,364
Net sales	**4,925,520**	**4,797,758**

The following table shows the expected net sales for the next five fiscal years resulting from performance obligations already contracted as of the balance sheet date:

in € '000	Sept. 30, 2022	Sept. 30, 2021
Due within one year	21,054	20,196
Due within one to two years	22,134	20,072
Due within two to three years	13,502	12,500
Due within three to four years	6,268	5,245
Due within four to five years	2,993	1,805
Total of future expected net sales from existing performance obligations	**65,951**	**59,818**

8. Research and Development Expenses

in € '000	2022	2021
Research and development costs	-279,109	-262,325
Capitalization of development costs	67,824	53,248
Amortization and impairment of capitalized development costs	-45,077	-42,852
Research and development expenses recognized in the income statement	**-256,362**	**-251,929**
Capitalization ratio (in %)	24.3	20.3

9. Personnel Expenses and Employees

The personnel expenses reported under functional costs are composed as follows:

in € '000	2022	2021
Direct and indirect remuneration	-721,945	-674,811
Social security contributions and employee benefit expenses	-157,160	-133,720
Pension expenses	-12,399	-11,314
Personnel expenses	**-891,504**	**-819,845**

The average number of employees during the fiscal year was as follows:

	2022	2021
Direct employees	4,983	4,437
Indirect employees	6,843	6,525
Apprentices	718	682
Average number of employees for the year	**12,544**	**11,644**

Direct employees are directly involved in the production process, whereas indirect employees support production, organizational, and administrative processes. The total average number of employees for the year includes 327 employees working in joint operations.

10. Other Operating Income and Expenses

Other Operating Income

in € '000	2022	2021
Reversal of provisions	57,929	43,543
Measurement of receivables	7,394	6,760
Grants and subsidies	6,986	4,394
Pass-through costs	5,664	1,279
Disposal of intangible assets and property, plant and equipment	5,331	2,277
Insurance compensation	4,502	2,148
Rental and leases	279	309
Miscellaneous income	52,748	36,509
Other operating income	**140,833**	**97,219**

Other Operating Expenses

in € '000	2022	2021
Impairment of intangible assets and property, plant and equipment	-84,740	-1,637
Personnel expenses	-8,518	-9,453
Measurement of receivables	-5,718	-7,789
Fees, charges, and insurance premiums	-3,978	-5,532
Disposal of intangible assets and property, plant and equipment	-1,115	-1,316
Miscellaneous expenses	-44,492	-38,659
Other operating expenses	**-148,561**	**-64,386**

11. Income from Investments, Net

in € '000	2022	2021
Income from investments accounted for using the equity method, net	22,003	22,362
Income from other investments, net	-383	-259
Income from investments, net	**21,620**	**22,103**

12. Financial Result

in € '000	2022	2021
Interest expenses	-23,569	-26,969
thereof: profits transferred under a partial profit and loss transfer agreement (CMG)	(-2,940)	(-6,966)
Accrued interest on non-current provisions	-2,252	-2,781
Interest expenses for leases	-730	-756
Capitalization of borrowing costs	3,143	2,755
Interest and similar expenses	**-23,408**	**-27,751**
Interest income	9,591	8,258
Income from securities and loans, net	-15,040	7,133
Interest income and income from securities, net	**-28,857**	**-12,360**
Other financial result	-23,564	-19,551
Financial result	**-52,421**	**-31,911**

Payments based on the performance of the CLAAS Group with respect to the silent partnership of CMG CLAAS Mitarbeiterbeteiligungs-Gesellschaft mbH (CMG) are included in the item "profits transferred under a partial profit and loss transfer agreement (CMG)."

Interest expenses and income are the result of financial assets and liabilities measured at amortized cost.

The other financial result is composed as follows:

in € '000	2022	2021
Foreign exchange gains and losses, net	-19,085	-14,987
Miscellaneous financial income and expenses, net	-4,479	-4,564
Other financial result	**-23,564**	**-19,551**

13. Income Taxes

in € '000	2022	2021
Current income taxes	-72,238	-105,399
Deferred taxes	-5,931	20,933
Income taxes	**-78,169**	**-84,466**

The underlying income tax rates for foreign companies were between 9.0% and 35.0% (prior year: between 9.0% and 32.0%).

Income taxes in the fiscal year were €30.0 million higher than the theoretical tax expense that would have resulted from the application of the domestic group tax rate of 29.0% on income before taxes.

The reconciliation from theoretical to effective tax expense is shown in the following table:

	2022		2021	
	in € '000	in %	in € '000	in %
Income before taxes	166,274		357,104	
Theoretical tax expense	**-48,219**	**29.0**	**-103,560**	**29.0**
Differences to foreign tax rates	-25	-	10,815	-3.0
Tax effects from prior years	-533	0.3	-749	0.2
Non-taxable income and non-deductible expenses	-9,101	5.5	-4,676	1.3
Accounting for investments accounted for using the equity method	5,405	-3.2	6,485	-1.8
Impact of tax losses	-5,314	3.2	7,364	-2.1
Other consolidation effects	-19,850	11.9	897	-0.2
Miscellaneous	-532	0.3	-1,042	0.3
Effective tax expense	**-78,169**	**47.0**	**-84,466**	**23.7**

In the fiscal year, the impact of tax losses includes a reduction of €3.2 million in deferred taxes on loss carryforwards recognized in prior years and a negative effect of €2.1 million from new losses not recognized. In the prior year, the valuation of existing loss carryforwards led to a reduction in taxes of €7.9 million and an opposing effect of €0.5 million from new losses not recognized. The other consolidation effects in the fiscal year are primarily due to the measurement of deferred taxes on deductible temporary differences, partly resulting from impairments on property, plant and equipment in accordance with IAS 36.

Deferred tax assets and liabilities are attributable to the following balance sheet items:

in € '000	Sept. 30, 2022		Sept. 30, 2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	11,124	83,782	4,605	70,106
Property, plant and equipment	6,911	16,509	3,745	15,640
Inventories	65,128	1,429	53,704	1,464
Receivables and other assets	13,639	19,061	13,482	14,273
Provisions	111,919	3,387	139,874	2,087
Liabilities	12,719	175	8,244	202
Loss carryforwards	16,489	-	21,712	-
Deferred taxes before netting out	**237,929**	**124,343**	**245,366**	**103,772**
Netting out	- 119,413	- 119,413	- 99,673	- 99,673
Carrying amount	**118,516**	**4,930**	**145,693**	**4,099**

The tax loss carryforwards amounted to €200.2 million (prior year: €222.3 million). This includes an amount of €130.5 million (prior year: €138.3 million) on which a valuation allowance on deferred tax assets of €34.0 million (prior year: €35.9 million) has been recognized. Most of the loss carryforwards not recognized are subject to time restrictions on use.

The utilization of tax loss carryforwards, on which no deferred tax assets have been recognized so far, resulted in a positive effect of €0.4 million (prior year: €1.3 million).

As of the balance sheet date of September 30, 2022, no deferred tax assets had been recognized for deductible temporary differences of €176.2 million.

The following amounts are included in equity due to deferred taxes being offset:

	Sept. 30, 2022	Sept. 30, 2021
Derivative financial instruments	3,838	1,800
Currency translation	-	- 1,091
Deferred taxes in accumulated other comprehensive income	**3,838**	**709**
Remeasurements of defined benefit pension plans	569	31,009
Deferred taxes in other reserves	**4,407**	**31,718**

Notes to the Consolidated Balance Sheet

14. Intangible Assets

in € '000	Concessions, industrial and similar rights and assets, and licenses in such rights	Goodwill	Payments made on account	Capitalized development costs	Total
Cost					
Balance as of Oct. 1, 2020	**85,364**	**70,470**	**21,368**	**311,022**	**488,224**
Currency translation	480	28	-	162	670
Additions	7,617	-	11,601	55,881	75,099
Disposals	-2,290	-	-4	-20,965	-23,259
Reclassifications	4,321	-	-4,202	-	119
Balance as of Sept. 30, 2021	**95,492**	**70,498**	**28,763**	**346,100**	**540,853**
Currency translation	533	334	-	-2,196	-1,329
Adjustment due to change in method of consolidation	5,661	-	-	-	5,661
Change in basis of consolidation	-	-2,500	-	-	-2,500
Additions	6,637	-	8,387	70,726	85,750
Disposals	-3,271	-	-	-12,757	-16,028
Reclassifications	21,833	-	-22,262	1	-428
Balance as of Sept. 30, 2022	**126,885**	**68,332**	**14,888**	**401,874**	**611,979**
Amortization and impairment					
Balance as of Oct. 1, 2020	**64,704**	**55,758**	**-**	**78,539**	**199,001**
Currency translation	327	-	-	30	357
Additions (amortization)	8,365	-	-	38,828	47,193
Additions (impairment)	-	-	-	4,024	4,024
Disposals	-2,277	-	-	-20,965	-23,242
Balance as of Sept. 30, 2021	**71,119**	**55,758**	**-**	**100,456**	**227,333**
Currency translation	339	-	-	-1,118	-779
Adjustment due to change in method of consolidation	5,161	-	-	-	5,161
Additions (amortization)	13,387	-	-	44,717	58,104
Additions (impairment)	462	-	-	19,208	19,670
Disposals	-3,267	-	-	-12,756	-16,023
Balance as of Sept. 30, 2022	**87,201**	**55,758**	**-**	**150,507**	**293,466**
Carrying amounts					
Balance as of Sept. 30, 2021	**24,373**	**14,740**	**28,763**	**245,644**	**313,520**
Balance as of Sept. 30, 2022	**39,684**	**12,574**	**14,888**	**251,367**	**318,513**

Development costs in the amount of €70.7 million (prior year: €55.9 million) were capitalized. This amount includes capitalized borrowing costs of €2.9 million (prior year: €2.6 million).

The required impairment tests resulted in a necessary impairment. The impairment loss for intangible assets amounts to €19.7 million in total (prior year: €4.0 million) and results from the impairment pursuant to IAS 36 for the location in Le Mans, France. This impairment loss was presented in other operating expenses.

15. Property, Plant and Equipment

in € '000	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Payments made on account and assets under construction	Total
Cost					
Balance as of Oct. 1, 2020	**494,362**	**547,793**	**294,469**	**75,846**	**1,412,470**
Currency translation	5,488	4,064	1,684	1,366	12,602
Change in basis of consolidation	-	-145	- 147	-	- 292
Additions	22,981	16,857	15,835	63,194	118,867
Disposals	- 2,294	- 22,318	- 18,842	- 893	- 44,347
Reclassifications	16,785	23,977	5,858	- 46,739	- 119
Balance as of Sept. 30, 2021	**537,322**	**570,228**	**298,857**	**92,774**	**1,499,181**
Currency translation	20,968	18,306	1,219	6,749	47,242
Adjustment due to change in method of consolidation	10,113	59,820	3,475	7,088	80,496
Additions	21,544	21,618	20,351	51,299	114,812
Disposals	- 3,449	- 11,784	- 8,857	- 538	- 24,628
Reclassifications	30,629	35,259	13,862	- 79,322	428
Balance as of Sept. 30, 2022	**617,127**	**693,447**	**328,907**	**78,050**	**1,717,531**
Depreciation and impairment					
Balance as of Oct. 1, 2020	**217,151**	**427,545**	**204,110**	**2,076**	**850,882**
Currency translation	2,700	3,742	1,324	143	7,909
Change in basis of consolidation	-	- 145	- 147	-	- 292
Additions (depreciation)	12,844	34,081	21,122	-	68,047
Additions (impairment)	192	772	673	81	1,718
Disposals	- 1,470	- 22,048	- 17,783	-	- 41,301
Balance as of Sept. 30, 2021	**231,417**	**443,947**	**209,299**	**2,300**	**886,963**
Currency translation	19,335	20,071	824	1,452	41,682
Adjustment due to change in method of consolidation	6,308	45,653	3,087	167	55,215
Additions (depreciation)	16,015	38,864	22,291	-	77,170
Additions (impairment)	37,174	22,505	1,381	4,370	65,430
Disposals	- 3,340	- 11,598	- 7,707	-	- 22,645
Write-ups	-	-	-	- 87	-87
Balance as of Sept. 30, 2022	**306,909**	**559,442**	**229,175**	**8,202**	**1,103,728**
Carrying amounts					
Balance as of Sept. 30, 2021	**305,905**	**126,281**	**89,558**	**90,474**	**612,218**
Balance as of Sept. 30, 2022	**310,218**	**134,005**	**99,732**	**69,848**	**613,803**

Additions to the cost of assets under construction include capitalized borrowing costs of €0.2 million (prior year: €0.1 million).

A full impairment loss of €40.6 million was recognized on property, plant and equipment at the Russian location in Krasnodar. Due to the war in Ukraine and the resulting changes in market assessments, corresponding impairments were necessary under IAS 36 and in the interests of commercial prudence.

As part of an impairment test in accordance with IAS 36, a pro rata impairment loss of €20.4 million was recognized on property, plant and equipment, as well as intangible assets, at the Le Mans location in France. This was due partly to a conservative market assessment, taking current and future risks into account, and partly to the increase in the discounting rate. The impairment loss was presented in other operating expenses.

As in the prior year, the CLAAS Group did not pledge any property, plant and equipment as collateral for liabilities.

16. Right-of-use Assets

in € '000	Land and buildings	Vehicles	Internal transport vehicles	Other	Total
Cost					
Balance as of Oct. 1, 2020	**72,942**	**18,699**	**7,601**	**13,259**	**112,501**
Currency translation	836	273	-	7	1,116
Additions	7,311	13,142	2,001	831	23,285
Disposals	-5,547	-4,030	-800	-291	-10,668
Balance as of Sept. 30, 2021	**75,542**	**28,084**	**8,802**	**13,806**	**126,234**
Currency translation	1,510	600	-	-75	2,035
Additions	10,642	4,617	2,001	15,730	32,990
Disposals	-4,095	-6,140	-1,200	-5,651	-17,086
Balance as of Sept. 30, 2022	**83,599**	**27,161**	**9,603**	**23,810**	**144,173**
Depreciation					
Balance as of Oct. 1, 2020	**11,205**	**6,273**	**1,601**	**5,288**	**24,367**
Currency translation	230	80	-	1	311
Additions (depreciation)	11,775	7,616	2,001	5,537	26,929
Disposals	-2,941	-3,937	-800	-247	-7,925
Balance as of Sept. 30, 2021	**20,269**	**10,032**	**2,802**	**10,579**	**43,682**
Currency translation	636	130	-	-31	735
Additions (depreciation)	11,562	6,999	2,001	4,761	25,323
Disposals	-2,718	-5,900	-1,200	-5,404	-15,222
Balance as of Sept. 30, 2022	**29,749**	**11,261**	**3,603**	**9,905**	**54,518**
Carrying amounts					
Balance as of Sept. 30, 2021	**55,273**	**18,052**	**6,000**	**3,227**	**82,552**
Balance as of Sept. 30, 2022	**53,850**	**15,900**	**6,000**	**13,905**	**89,655**

For the most part, other right-of-use assets relate to IT hardware. The expense from leases classified as low-value or short-term that was recognized in the income statement in the fiscal year stands at €15.2 million.

17. Investments Accounted for Using the Equity Method

The following table shows the summarized financial data for associates and joint ventures accounted for using the equity method that are immaterial for the CLAAS Group, both individually and in total:

	Associates		Joint ventures	
in € '000	2022	2021	2022	2021
At equity result	6,560	5,473	15,443	16,889
Carrying amount of investments accounted for using the equity method	54,518	38,741	101,827	122,025

Investments accounted for using the equity method mainly relate to investments in CLAAS Financial Services companies, which provide financing solutions for investments in CLAAS machines.

18. Inventories

in € '000	Sept. 30, 2022	Sept. 30, 2021
Raw materials, consumables and supplies	305,939	180,287
Work in progress	229,603	96,698
Finished goods and merchandise	813,240	649,507
Inventories	**1,348,782**	**926,492**

The increase in inventory write-downs recognized through profit or loss in the fiscal year amounted to € 59.2 million (prior year: decrease by € 2.6 million) and was reported in cost of sales. Of this amount, € 43.5 million is attributable to raw materials, consumables and supplies as well as work in progress. As in the prior year, inventories were not pledged as security for liabilities.

19. Trade Receivables

in € '000	Sept. 30, 2022	Sept. 30, 2021
Gross carrying amount	**496,529**	**482,965**
Impairment	-42,269	-41,669
Net carrying amount	**454,260**	**441,296**

The impairment of trade receivables developed as follows:

in € '000	2022	2021
Impairment at Oct. 1	**41,669**	**40,822**
Utilization	-577	-1,365
Addition/reversal, net	-2,694	750
Currency translation	3,871	1,462
Impairment at Sept. 30	**42,269**	**41,669**

The following table shows the distribution of trade receivables by impairment and maturity:

in € '000	Sept. 30, 2022	Sept. 30, 2021
Neither past due nor individually impaired	370,730	370,706
Not individually impaired but past due by the following periods:		
up to 30 days	49,217	35,960
31 to 60 days	13,473	13,007
61 to 90 days	6,383	8,445
more than 90 days	12,198	11,610
Individually impaired receivables	2,259	1,568
Trade receivables	**454,260**	**441,296**

The amount of interest income received on impaired financial assets was insignificant. Please see Note 35 for disclosures on existing credit risks arising from trade receivables.

Asset-backed Securitization

Trade receivables are sold on a revolving basis within the scope of an asset-backed securitization program (ABS program). At the end of the fiscal year, the nominal volume of the receivables sold and derecognized as a result came to € 224.4 million (prior year: € 159.8 million).

Within the scope of these sales, the CLAAS Group occasionally retains the share of the sold receivables that will be settled by future credit or netting under certain circumstances. The resulting assets amounted to €80.6 million as of the balance sheet date (prior year: €56.3 million).

As part of these sales, the CLAAS Group recognized assets of €14.0 million (prior year: €12.5 million) for partially retained bad debt reserves on the balance sheet date. The financial liabilities associated with the sales amounted to €22.5 million (prior year: €17.7 million).

20. Other Financial Assets

in € '000	Current	Non-current	Sept. 30, 2022	Current	Non-current	Sept. 30, 2021
Derivative financial instruments	43,457	-	43,457	22,465	9,511	31,976
Borrowings	-	14,282	14,282	-	12,078	12,078
Creditors with a debit balance	10,158	-	10,158	7,080	-	7,080
Receivables from investments	5,333	3,565	8,898	10,704	4,665	15,369
Loan receivables	675	-	675	789	-	789
Miscellaneous	150,235	17,529	167,764	115,304	20,175	135,479
Other financial assets	**209,858**	**35,376**	**245,234**	**156,342**	**46,429**	**202,771**

21. Other Non-financial Assets

in € '000	Current	Non-current	Sept. 30, 2022	Current	Non-current	Sept. 30, 2021
Other taxes	77,863	-	77,863	42,452	-	42,452
Deferred income	27,889	2,291	30,180	21,571	1,288	22,859
Payments made on account	20,539	-	20,539	15,285	-	15,285
Income tax receivables	14,957	4,372	19,329	11,556	3,521	15,077
Surplus related to funded benefit obligations	-	14,489	14,489	-	13,143	13,143
Miscellaneous	8,052	283	8,335	4,057	4,372	8,429
Other non-financial assets	**149,300**	**21,435**	**170,735**	**94,921**	**22,324**	**117,245**

22. Securities

Of the securities with a total value of €533.9 million (prior year: €698.8 million), an amount of €92.6 million (prior year: €104.7 million) was attributable to investment funds. The remaining volume relates to money market securities and Schuldscheindarlehen (German Private Placements), most of which with remaining maturities of less than one year.

Of the securities held at the beginning of the fiscal year, securities with historical costs of €577.0 million were disposed of during the fiscal year (prior year: €286.2 million).

Securities totaling €11.7 million (prior year: €10.7 million) are pledged as collateral to account for the legal requirements defined in the German Partial Retirement Act (Altersteilzeitgesetz).

23. Cash and Cash Equivalents

Of the cash and cash equivalents, €22.5 million (prior year: €17.7 million) was attributable to proceeds from receivables transferred from the ABS program that cannot be freely disposed of and must be transferred to contractual partners.

In certain countries (e.g., Argentina, China, and Russia), cash and cash equivalents of €146.0 million are subject to foreign exchange controls and are not freely available to the Group for cross-border transactions.

24. Equity

Amounts reported as subscribed capital and capital reserve in the consolidated financial statements correspond to the amounts in the separate financial statements of CLAAS KGaA mbH. The subscribed capital of CLAAS KGaA mbH is composed of three million no-par-value registered shares with voting rights. The general partner without capital contribution is Helmut Claas GmbH. The shareholders of the limited partnership, CLAAS KGaA mbH, are all direct or indirect members of the Claas family. The capital reserve exclusively contains other shareholder contributions.

The consolidated statement of changes in equity presents the development of equity as well as detailed information on changes in retained earnings and accumulated other comprehensive income.

The dividend distributed to shareholders in the fiscal year amounted to €75.0 million.

At CLAAS, the management of capital is governed by provisions of corporate law. The capital under management corresponds to the equity recognized in the balance sheet of the CLAAS Group. The aim of capital management is to achieve an adequate equity ratio.

Should it be necessary to comply with contractual provisions, the capital will in addition be managed in accordance with the relevant requirements.

25. Financial Liabilities

in € '000	Current	Non-current	Sept. 30, 2022	Current	Non-current	Sept. 30, 2021
Schuldscheindarlehen (German Private Placements)	-	300,000	300,000	-	300,000	300,000
Lease liabilities	40,833	78,017	118,850	39,034	75,980	115,014
Bonds (U.S. Private Placement)	112,153	-	112,153	163,878	94,877	258,755
Shareholder loans	2,496	38,787	41,283	4,119	41,991	46,110
Liabilities to banks	35,727	3,737	39,464	26,619	10,853	37,472
Financial liabilities	**191,209**	**420,541**	**611,750**	**233,650**	**523,701**	**757,351**

The table below shows details of privately placed bonds and Schuldscheindarlehen (German Private Placements):

	Nominal volume in '000	Carrying amount Sept. 30, 2022 in '000	Coupon in % p.a.	Due
Bonds (U.S. Private Placement) 2012	USD 110,000	€112,153	4.08	11/2022
Schuldscheindarlehen (German Private Placement) 2015	€50,000	€50,000	1.75	08/2024
Schuldscheindarlehen (German Private Placement) 2020	€215,000	€215,000	0.6 or 0.6±6M Euribor (min. 0)	08/2027
Schuldscheindarlehen (German Private Placement) 2020	€35,000	€35,000	0.75	08/2029

The remaining bond from 2012 was repaid as scheduled on November 15, 2022.

Liabilities to banks denominated in different currencies are subject to interest rates of between 0.25% p.a. and 8.95% p.a. Of these liabilities, an amount of €1.0 million is secured (prior year: €1.3 million). Some of the liabilities to banks are very current liabilities as part of the ABS program.

The shareholder loans refer primarily to liabilities to shareholders of the limited partnership.

Depending on the term of the lease, the lease liabilities were discounted at incremental borrowing rates of between 0.07% p.a. and 1.11% p.a. The following table shows the maturities of the lease liabilities as of the balance sheet date:

in € '000	Sept. 30, 2022	Sept. 30, 2021
Due within one year	40,833	39,034
Due within one to five years	63,562	58,527
Due after more than five years	14,455	17,453
Lease liabilities	**118,850**	**115,014**

The future lease payments are offset by expected inflows from minimum lease payments related to subleasing agreements for CLAAS machines in the amount of €30.1 million that cannot be terminated.

In addition, the CLAAS Group had access to credit facilities from banks as well as a flexible syndicated loan totaling €826.4 million as of the balance sheet date for general financing purposes, €787.0 million of which was not utilized.

26. Silent Partnership

The silent partnership of CMG receives performance-based remuneration and is considered subordinate in the event of liability. Pursuant to IFRS, any repayable capital transferred is classified as a financial liability. The fair value for the silent partnership cannot be reliably determined, so the carrying amount is reported instead.

In return for its subordinated capital contribution, CMG receives remuneration based on the performance of the CLAAS Group. CMG also shares in any Group losses. An amount of €10.6 million in relation to the silent partnership can be terminated with notice up to September 30, 2023. A further €26.8 million can be terminated with notice between fiscal years 2024 and 2027.

27. Other Financial Liabilities

in € '000	Current	Non-current	Sept. 30, 2022	Current	Non-current	Sept. 30, 2021
Derivative financial instruments	29,518	-	29,518	20,721	-	20,721
Accrued interest expenses	1,914	-	1,914	2,464	-	2,464
Miscellaneous	39,753	679	40,432	22,333	579	22,912
Other financial liabilities	**71,185**	**679**	**71,864**	**45,518**	**579**	**46,097**

28. Other Non-financial Liabilities

in € '000	Current	Non-current	Sept. 30, 2022	Current	Non-current	Sept. 30, 2021
Contract liabilities	260,106	-	260,106	112,070	-	112,070
Deferred income	81,346	-	81,346	75,892	-	75,892
Other taxes	74,971	-	74,971	56,185	-	56,185
Social security	10,821	-	10,821	7,478	-	7,478
Miscellaneous	1,283	-	1,283	355	-	355
Other non-financial liabilities	**428,527**	**-**	**428,527**	**251,980**	**-**	**251,980**

29. Pension Provisions

Defined Benefit Plans

The pension provisions within the CLAAS Group encompass both obligations from current pensions as well as vested rights from future retirement, disability, and surviving dependent pensions. Pension obligations are normally based on the employees' length of service and remuneration levels. As a rule, defined benefit plans within the Group vary depending on the economic, tax, and legal conditions in the respective countries.

Individual benefit agreements have been reached with the members of the Group Executive Board. The obligations from defined benefit plans for Group employees relate mainly to obligations in Germany, France, and the United Kingdom.

For new members, the pension plans have been closed in Germany since 2006, and since 2008 in the United Kingdom.

The defined benefit obligations are composed as follows:

in € ’000/Sept. 30, 2022	Defined benefit obligations (DBO)	Fair value of the plan assets	Net obligation
Germany	193,763	478	193,285
France	27,946	-	27,946
United Kingdom	50,608	65,097	- 14,489
Other countries	3,255	-	3,255
Carrying amount	**275,572**	**65,575**	**209,997**
thereof: pension provisions			224,486
thereof: other non-financial assets			14,489

in € ’000/Sept. 30, 2021	Defined benefit obligations (DBO)	Fair value of the plan assets	Net obligation
Germany	289,213	487	288,726
France	35,103	-	35,103
United Kingdom	78,391	91,534	- 13,143
Other countries	3,766	-	3,766
Carrying amount	**406,473**	**92,021**	**314,452**
thereof: pension provisions			327,595
thereof: other non-financial assets			13,143

The changes in the present value of the defined benefit obligations are composed as follows:

in € ’000	2022	2021
Present value of the defined benefit obligations as of Oct. 1	**406,473**	**418,540**
Current service cost	10,503	9,537
Interest expense	3,861	3,863
Actuarial gains and losses	- 131,750	- 18,869
Past service cost, curtailments, and settlements	- 55	- 86
Currency translation	- 1,814	4,307
Pension payments	- 11,833	- 11,020
Miscellaneous	187	201
Present value of the defined benefit obligations as of Sept. 30	**275,572**	**406,473**

The actuarial gains and losses largely result from the changes in financial assumptions.

The change in the fair value of the plan assets is shown in the table below:

in € ’000	2022	2021
Fair value of the plan assets as of Oct. 1	**92,021**	**80,033**
Interest income	1,716	1,199
Income/expenses from plan assets excluding amounts already included in interest	- 25,613	5,836
Employer contributions	2,053	2,063
Employee contributions	187	201
Currency translation	- 2,165	4,658
Pension payments from plan assets	- 2,624	- 1,969
Fair value of the plan assets as of Sept. 30	**65,575**	**92,021**

The following amounts are recognized in comprehensive income for defined benefit plans:

in € '000	2022	2021
Current service cost	-10,503	-9,537
Past service cost	55	86
Interest expense	-3,861	-3,863
Interest income	1,716	1,199
Defined benefit plan components recognized in the income statement	**-12,593**	**-12,115**
Income/expenses from plan assets excluding amounts already included in interest	-25,613	5,836
Actuarial gains and losses	131,750	18,869
Defined benefit plan components recognized directly in equity	**106,137**	**24,705**

Interest expense and interest income are included in the financial result. The service cost and the past service cost are generally reported as functional costs.

Total expenses from plan assets amounted to €23.9 million in fiscal year 2022 (prior year: income of €7.0 million).

The following material assumptions (average) were used for the actuarial valuation of the defined benefit plans:

	Sept. 30, 2022		Sept. 30, 2021	
in %	Germany	Other	Germany	Other
Discount rate	3.60	4.55	0.95	1.59
Rate of salary increase	3.00	3.10	2.50	2.80
Rate of pension increase	2.00	-	1.75	-

Plan assets mainly pertain to the plan in the United Kingdom and are composed of the following:

	Sept. 30, 2022		Sept. 30, 2021	
	in € '000	in %	in € '000	in %
Equity instruments	26,778	40.8	28,441	30.9
Bonds	37,141	56.7	61,240	66.6
Cash and cash equivalents	1,178	1.8	1,853	2.0
Miscellaneous	478	0.7	487	0.5
Plan assets	**65,575**	**100.0**	**92,021**	**100.0**

The equity instrument and bond items are held in the form of funds, for which redemption prices are determined on a regular basis. The equity instruments and bonds included in the fund are quoted on active markets. The market value of the plan assets is largely determined by the capital market environment. Unfavorable equity and bond developments, in particular, could impact the market value. The investment risk is limited by the broad diversification of the bonds in the funds as well as the high quality of the obligors.

Plan assets are predominantly managed by a trust association in the United Kingdom under a trust agreement. This trust association stipulates, among other things, the principles and strategies for the investment activities.

The focus of the investment strategy is on sufficient diversification in order to distribute investment risk over a variety of markets and asset classes. It is also important that there is sufficient congruity between risk factors on both the investment and obligation sides. Plan assets are invested in accordance with specific requirements concerning investment type and geographical markets. In the fiscal year under review and in the prior year, the main focus of investment was on United Kingdom securities.

Given otherwise unchanged assumptions, a rise in the discount rate by 25 basis points, as the material actuarial assumption, would reduce the present value of the defined benefit obligations by €12.6 million. A reduction in the discount rate of 25 basis points would correspond to a rise in the present value of the defined benefit obligations by €8.6 million. Actual developments will likely differ.

A rise or fall of 50 basis points in the rate of pension would have a comparable impact on the present value of the defined benefit obligations as a change in the discount rate of 25 basis points, with otherwise unchanged assumptions. The impact of a possible change in the rate of salary increase, on the other hand, would be insignificant.

On September 30, 2022, the weighted average maturity of the defined benefit obligations was 16.1 years (prior year: 19.6 years).

In fiscal year 2023, pension payments in the amount of €10.2 million are anticipated. The employer contributions to plan assets are expected to amount to €2.0 million.

Defined Contribution Plans

Defined contribution plans are also in place in Germany, North America, and China in addition to the defined benefit plans. Furthermore, contributions were also made to national pension insurance institutions in Germany.

The total expenses of the defined contribution plans can be broken down as follows:

in € '000	2022	2021
Defined contribution plans	3,702	3,381
National plans	33,945	30,190
Total expenses of defined contribution plans	**37,647**	**33,571**

30. Income Tax Provisions and Other Provisions

		Other provisions				
in € '000	Income tax provisions	Personnel obligations	Sales obligations	Miscellaneous obligations	Other provisions	Total
Balance as of Oct. 1, 2021	**60,312**	**204,819**	**456,353**	**83,553**	**744,725**	**805,037**
Utilization	-44,530	-156,430	-261,202	-9,296	-426,928	-471,458
Reversal	-543	-6,336	-48,901	-2,692	-57,929	-58,472
Addition	33,791	148,340	335,693	29,420	513,453	547,244
Interest/change in interest rate	-	108	-113	-11	-16	-16
Currency translation	2,402	2,405	15,937	17,466	35,808	38,210
Balance as of Sept. 30, 2022	**51,432**	**192,906**	**497,767**	**118,440**	**809,113**	**860,545**
thereof: non-current	-	30,477	23,602	23,866	77,945	77,945
thereof: current	51,432	162,429	474,165	94,574	731,168	782,600

Income tax provisions include current income tax obligations.

Personnel obligations mainly comprise provisions for part-time retirement programs, outstanding vacation time, anniversaries, and annual bonuses. Sales obligations primarily relate to provisions for warranty claims, sales bonuses and discounts, as well as other sales promotions.

Other Disclosures

31. Contingent Liabilities and Other Financial Obligations

The CLAAS Group had the following obligations as of the balance sheet date:

in € '000	Sept. 30, 2022	Sept. 30, 2021
Obligations to purchase property, plant and equipment	9,689	22,143
Bills of exchange, guarantees, etc.	17,480	18,644

As of September 30, 2022, future financial obligations of €2.2 million existed from leases already concluded but not yet commenced.

32. Litigation and Damage Claims

As a result of their general business operations, CLAAS Group companies are involved in a variety of legal proceedings and official governmental proceedings, or are exposed to third-party claims, or there may be a possibility of such proceedings being instituted or asserted in the future (for instance with respect to patents, product liability, or goods supplied or services rendered). Although the outcome of individual proceedings cannot be predicted with certainty given the unforeseeable nature of events associated with legal disputes, the current assessment is that no significant adverse impact on the results of operations of the CLAAS Group will occur beyond the risks reflected in liabilities and provisions in the financial statements.

33. Additional Disclosures on Financial Instruments

Carrying Amounts of Financial Assets and Liabilities by Categories

in € '000	Sept. 30, 2022	Sept. 30, 2021
Financial assets measured at fair value through profit or loss	585,406	738,329
Financial assets measured at fair value through other comprehensive income	5,902	2,707
Financial assets measured at amortized cost	1,128,359	1,111,006
Financial liabilities measured at fair value through profit or loss	29,518	20,721
Financial liabilities measured at amortized cost	1,051,418	1,004,556

The carrying amounts of financial assets and liabilities generally equate to their fair values.

The values differ for financial liabilities: The carrying amounts of financial liabilities totaled €611.8 million (prior year: €757.4 million), while the fair value was €580.0 million (prior year: €772.1 million). The entire amount was attributable to Level 2 of the fair value hierarchy.

Fair Value Hierarchy

The market values of financial assets and financial liabilities measured at fair value may be determined based on the following basic data in accordance with the fair value hierarchy.

The following table shows the carrying amounts of the financial assets and liabilities measured at fair value by measurement level.

The individual levels are defined in accordance with IFRS 13 as follows:

- Level 1 Measurement based on quoted prices in active markets for identical financial instruments
- Level 2 Measurement based on inputs other than the quoted prices in active markets included within Level 1 that are observable either directly or indirectly
- Level 3 Measurement based on models using inputs that are not based on observable market data

	Sept. 30, 2022			Sept. 30, 2021		
in € '000	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Securities	92,639	441,232	-	698,774	-	-
Derivative financial instruments	-	43,457	-	-	31,976	-
Other investments	-	-	13,980	-	-	10,286
Financial assets measured at fair value	**92,639**	**484,689**	**13,980**	**698,774**	**31,976**	**10,286**
Derivative financial instruments	-	29,518	-	-	20,721	-
Financial liabilities measured at fair value	**-**	**29,518**	**-**	**-**	**20,721**	**-**

Net Gains or Losses on Financial Instruments

The net gains or losses on the financial instruments recognized in the consolidated income statement can be categorized as follows:

in € '000	2022	2021
Financial assets and liabilities measured at fair value through profit or loss	-12,696	-2,233
Financial assets measured at amortized cost	24,225	3,967
Financial liabilities measured at amortized cost	-57,139	-27,403
Net gains or losses on financial instruments	**-45,610**	**-25,669**

The net gains or losses on financial assets or financial liabilities measured at fair value through profit or loss arise primarily from fair value changes.

For financial assets measured at amortized cost, the net gains or losses include interest income, foreign exchange gains and losses, impairments, write-ups, realized gains and losses on disposal and subsequent amounts recovered on written-down financial instruments.

The net gains or losses on financial liabilities measured at amortized cost primarily include interest expenses and foreign exchange gains and losses.

34. Derivative Financial Instruments and Hedge Accounting

Hedge accounting is not used for some derivative financial instruments. The changes in fair value for these derivatives are recognized through profit or loss. Where hedge accounting is applied, derivative financial instruments are used to hedge future cash flows (cash flow hedging). There were no other hedging relationships in the fiscal year. The following table provides an overview of the derivative financial instruments used and the recognized fair values:

	Sept. 30, 2022		Sept. 30, 2021	
in € '000	Assets	Liabilities	Assets	Liabilities
Forward exchange transactions	39,233	25,170	30,179	14,770
thereof: cash flow hedges	(32,191)	(20,369)	(26,655)	(11,716)
Foreign currency options	4,224	3,930	1,797	5,951
thereof: cash flow hedges	(3,142)	(-)	(723)	(-)
Miscellaneous	-	418	-	-
thereof: cash flow hedges	(-)	(-)	(-)	(-)
Derivative financial instruments	**43,457**	**29,518**	**31,976**	**20,721**
thereof: non-current	-	-	9,511	-
thereof: current	43,457	29,518	22,465	20,721

The cash flows from currency risks from non-current financial liabilities hedged by cash flow hedges are due in 2023 and recognized through profit or loss. The underlying transactions for cash flow hedges for currency risks from the operating business are largely expected to be realized in the coming 12 to 18 months. This means that these hedges will primarily impact profit or loss in the coming fiscal year. The changes in the value of cash flow hedges reclassified from equity to foreign exchange gains and losses, net, in the fiscal year amounted to € -5.6 million (prior year: € 9.5 million).

The ineffective portion from cash flow hedges, which was recognized through profit or loss in foreign exchange gains and losses, net, amounted to € 0.5 million (prior year: € 1.7 million).

35. Financial Risk Management

Principles of Risk Management

As a result of its business activities, the CLAAS Group is exposed to market price risk, particularly exchange rate and interest rate risk. On the procurement side, the CLAAS Group is exposed to commodity price risk and supply security risks. Moreover, credit risk arises from trade receivables, as well as from receivables relating to finance transactions such as cash and cash equivalents or the purchase of securities. Liquidity risk can result from a significant decline in operating business performance or from the risk categories mentioned above.

Market price risks are identified for the entire CLAAS Group and measured, monitored, and managed centrally by Group Treasury. Systematic, central currency and interest rate management is undertaken in order to limit and control exchange rate and interest rate risk. In addition to operating measures to limit risks, all of the usual financial instruments, including derivatives, are used to manage risk. All transactions are concluded exclusively on the basis of existing underlying transactions or specifically planned transactions and are renewed on a rolling basis as required. All business partners are banks of very good credit quality.

Credit risk is identified, monitored, and managed for the entire CLAAS Group by the relevant decentralized units, supplemented by Group Credit Management. The local units focus their activities on operational monitoring and management of the respective risks in consideration of the locally adapted parameters specified by Group Credit Management. Group Credit Management establishes general guidelines, which form the basis for monitoring and managing local transactions.

Since the management and the supervisory bodies of CLAAS attach great importance to systematic risk management, a comprehensive monitoring system that meets all legal requirements has been implemented. In this context, the efficiency of the hedging instruments and the reliability of the internal control systems are regularly checked by means of internal and external reviews.

CLAAS pursues a strategy of strict risk management. Derivative financial instruments are used exclusively for risk management purposes, i.e., to limit and steer risk related to business operations. There is clear physical and organizational separation of duties between authorizing and initiating business transactions and maintaining and preparing accounts. Levels of discretion with regard to the volume and characteristics of business activities are defined in internal guidelines. In finance, risk exposures are continuously evaluated and analyzed by means of suitable systems. This analysis includes simulations and scenario calculations. The competent executive bodies are regularly informed about risk exposure. Certain financial management transactions are subject to the approval of the Group Executive Board and / or the Shareholders' Committee.

Credit Risk

CLAAS is exposed to credit risk as a result of its business operations and financing activities. This risk entails the danger of unexpected economic loss caused by a counterparty not being able to meet their contractual payment obligations. Credit risk comprises both the direct risk of default as well as the risk of a downgrade in credit rating in combination with the threat of a concentration of individual risks. The maximum risk arising from a financial asset corresponds to the carrying amount of the asset.

Effective monitoring and management of credit risk is a basic component of the risk management system at CLAAS. Group Credit Management has defined group-wide principles for managing credit risk. CLAAS internally reviews and rates the credit quality of all customers whose credit needs exceed certain limits. In addition to financial reports submitted by the customer, the data used to review and rate credit quality is based on information provided by external credit rating agencies, past default rates in business with CLAAS, and experience from the long-standing business partnership with the customer.

The maximum risk of default on trade receivables is determined by the carrying amounts recognized in the balance sheet. The risk of default is covered by loss allowances. No material share of total trade receivables of the CLAAS Group was attributable to any single customer.

There were no indications, either during the course of the fiscal year or as of the balance sheet date, that the obligors of trade receivables that are neither impaired nor past due would not meet their payment obligations.

The collateral held for the purpose of minimizing potential credit risk consists primarily of credit insurance, guarantees from customers or banks, and, in some cases, retentions of title. No major defaults were recorded in either fiscal year 2022 or the prior year.

The CLAAS Group is exposed to credit risks through its investments in cash and cash equivalents and securities. There is a risk that obligors or issuers will not be able to meet their payment obligations. In order to minimize this risk, issuers and obligors are carefully selected and must carry a Standard & Poor's rating of at least BBB. Investments are widely diversified to further limit the risk of default. Default risk is continuously monitored using a market- and rating-based limit system. The competent executive bodies of the CLAAS Group approve the investment strategy and the limit system.

Derivative financial instruments are used exclusively for risk management purposes. The derivatives are either measured individually at fair value or included in hedge accounting. The maximum credit risk arising from derivative financial instruments is the positive market value of the instrument. The impact of counterparty risks on the market value is quantified using credit value adjustments. All counterparties are internationally operating banks. The credit quality of the counterparties is continuously reviewed on the basis of rating agency credit ratings and market prices for credit default insurance. Risk of default is also limited by a strategy of broad diversification.

Risks can also arise from financial guarantees. As of September 30, 2022, the maximum risk in the event of imminent utilization amounted to €1.2 million (prior year: €1.6 million). The fair value was calculated as of the date of addition using the expected value method, taking into account reduction in credit risk (liquidation proceeds) and risks that may arise with a default probability of 5% to 10% (prior year: 5% to 10%).

Liquidity Risk

The CLAAS Group employs a number of measures to effectively counter liquidity risk. Ensuring solvency at all times is the fundamental priority in liquidity management. Another aim is to achieve a comfortable and cost-efficient liquidity position that will allow to respond appropriately to opportunities in a dynamic market environment. Maintaining financing commitments (see Note 25) and cash and cash equivalents serves to achieve these goals, as do the ABS program (see Note 19) and international cash management. Liquidity trends are closely monitored on an ongoing basis through increasingly detailed daily, weekly, and monthly analyses and reports. Future liquidity requirements are also forecasted regularly as part of the financial planning process, which consists of a rolling three-month forecast, an annual forecast, and a five-year forecast. The development of financing terms for CLAAS on the financial markets is also continuously monitored so that refinancing risk can be countered promptly and proactively.

The following table gives an overview of undiscounted, contractually agreed payment obligations from liabilities due in the coming fiscal years:

in € '000/Sept. 30, 2022	2023	2024	2025	2026	2027	Thereafter	Total
Financial liabilities	201,027	90,019	25,456	17,061	227,920	93,117	654,600
Trade payables	454,068	-	-	-	-	-	454,068
Silent partnership	10,618	9,153	5,672	5,822	6,143	24,696	62,104
Derivative financial instruments	29,545	-	-	-	-	-	29,545
Miscellaneous	39,753	679	-	-	-	-	40,432
Payments due	**735,011**	**99,851**	**31,128**	**22,883**	**234,063**	**117,813**	**1,240,749**

in € '000/Sept. 30, 2021	2022	2023	2024	2025	2026	Thereafter	Total
Financial liabilities	266,412	137,021	75,039	14,089	10,854	316,436	819,851
Trade payables	278,375	-	-	-	-	-	278,375
Silent partnership	7,984	5,614	9,356	5,754	5,913	23,846	58,467
Derivative financial instruments	20,746	-	-	-	-	-	20,746
Miscellaneous	22,333	579	-	-	-	-	22,912
Payments due	**595,850**	**143,214**	**84,395**	**19,843**	**16,767**	**340,282**	**1,200,351**

Currency Risk

The international focus of the CLAAS Group means that its operating business and financial transactions are exposed to risks of exchange rate volatilities, mainly arising from fluctuations in the value of the U.S. dollar, British pound, Polish złoty, Hungarian forint, Russian ruble, and Chinese renminbi against the euro. In operating business, currency risk mainly arises when net sales are realized in a currency different from that of the associated costs (transaction risk). CLAAS has a central currency management system under the purview of Group Treasury to effectively counter the effect of exchange rate fluctuations.

To calculate the total risk exposure, the estimated operating inflows and outflows are recorded centrally for each currency and each fiscal year. A basic hedging strategy is developed for the resulting net exposures in consideration of risk-bearing capacity, the market assessment, and the competitive situation in the target market in question. The hedging strategy is intended to offer the CLAAS Group effective protection from negative market developments while enabling the Group to take advantage of positive developments. The hedge horizon is typically between one and two years. The hedging strategy is approved by the competent executive body of the CLAAS Group and implemented by Group Treasury through the conclusion of financial derivative contracts. The strategy is then monitored continuously by Group Treasury and adapted as needed. Group management and the competent executive body receive regular reports informing them of the current status of currency risk exposure.

Financing-related and investment-related currency risks are – insofar as possible and appropriate – integrated into the forecasts of operating exposure. Alternatively, these risks may be hedged individually on a case-by-case basis.

The following scenario analysis indicates the value of financial instruments denominated in foreign currencies in the event of a 10% increase or 10% decrease in the value of the hedging portfolio in comparison with the actual exchange rates on the balance sheet date. The figures are presented separately depending on whether the items are recognized in equity (via hedge accounting) or at fair value through profit or loss. The future underlying items that the derivative portfolio is intended to hedge are not included here in accordance with IFRS 7. Any conclusions made on the basis of the information presented here therefore relate exclusively to derivative financial instruments, which is why the stated values are not meaningful for determining the overall future effect of exchange rate fluctuations on the cash flows or earnings of the CLAAS Group. In addition to the fair value analysis of the currency derivatives provided here, internal risk management and the regular updates provided to the competent executive body are predominantly based on conclusive scenario analyses of overall risk exposure that take both the underlying items and the hedge portfolio into account. Loans denominated in foreign currencies are generally hedged using forward exchange transactions.

	Sept. 30, 2022		Sept. 30, 2021	
in € ’000	Equity	Profit or loss	Equity	Profit or loss
Actual fair value	**14,958**	**-615**	**15,657**	**-4,417**
Fair value in the event of an exchange rate increase of 10%	**49,248**	**25,717**	**30,667**	**22,072**
U.S. dollar	21,425	19,593	8,596	14,493
British pound	17,162	4,983	11,642	7,544
Polish złoty	13,503	623	8,057	3,175
Russian ruble	-	-1,911	2,712	-3,285
Chinese renminbi	1,918	-	1,290	672
Hungarian forint	-4,760	-1,390	-1,630	-4,278
Miscellaneous	-	3,819	-	3,751
Fair value in the event of an exchange rate decrease of 10%	**-14,268**	**-28,501**	**6,420**	**-44,822**
U.S. dollar	1,021	-29,377	29,669	-27,116
British pound	-7,719	-4,232	-11,695	-11,701
Polish złoty	-4,918	-483	-3,941	-4,081
Russian ruble	-	7,501	-6,180	2,503
Chinese renminbi	-3,125	-	-2,840	-2,217
Hungarian forint	473	189	1,407	1,478
Miscellaneous	-	-2,099	-	-3,688

Currency risk also arises from the translation of the net assets, income, and expenses of foreign subsidiaries outside of the eurozone. The CLAAS Group generally does not hedge against these risks for reasons of efficiency and materiality.

Interest Rate Risk
CLAAS is generally exposed to interest rate risk in relation to its assets and liabilities. Interest rate risk may arise on financial instruments such as bonds or liabilities to banks or due to the effects of interest rate changes on liquidity. At the CLAAS Group, Group Treasury holds central responsibility for initial funding and capital investment, as well as for the subsequent management of instruments in line with targets such as maturity and fixed-interest periods. Interest rate derivatives are used to manage risk. These instruments are measured at fair value and subject to continuous fair-value monitoring. The resulting risk is measured by means of value-at-risk analyses and other instruments.

Value at risk is calculated according to a Monte Carlo simulation with a confidence interval of 99.0% and an assumed holding period of ten days. The resulting figure represents the loss in the fair value of the portfolio of all interest-sensitive instruments, with a probability of only 1.0% that said figure will be exceeded after ten days. Foreign exchange derivatives are not included, as any interest-rate fluctuations they may be exposed to are insignificant. As of the balance sheet date, the value at risk of all interest-sensitive financial instruments amounted to €3.1 million (prior year: €1.6 million).

Commodity Price Risk
CLAAS is exposed to the risk of changes in commodity prices arising from the procurement of input materials. Derivative financial instruments are used to a small extent, particularly to hedge the risk of changes in the price of industrial metals and natural rubber, although the resulting risk is insignificant.

36. Disclosures on the Consolidated Statement of Cash Flows

The consolidated statement of cash flows comprises cash flows from operating activities, investing activities, and financing activities. Effects of changes in the basis of consolidation on cash and cash equivalents are shown separately in cash flows from investing activities.

The effect of exchange rate changes on cash and cash equivalents is eliminated from individual cash flows and reported separately.

The following cash flows are reported under cash flows from operating activities:

in € '000	2022	2021
Interest paid	26,219	23,622
Dividends received	9,655	19,554
Interest received	8,808	7,736

Since fiscal year 2022, income taxes paid have been reported separately within the statement of cash flows.

Liabilities from financial liabilities developed as follows:

in € '000	2022	2021
Financial liabilities as of Oct. 1	**757,351**	**759,290**
Cash inflows/outflows	-177,309	-31,404
Currency translation	3,916	1,906
Foreign currency valuation from bonds	305	3,370
Non-cash changes from leases	27,487	24,189
Financial liabilities as of Sept. 30	**611,750**	**757,351**

37. Related Party Disclosures

Related parties are associates and joint ventures accounted for using the equity method as well as persons able to exercise significant influence on the CLAAS Group. The latter include the members of the Group Executive Board, the Supervisory Board, and the Shareholders' Committee, as well as the Claas families.

The following table shows the extent of the business relationships of the CLAAS Group with related parties:

	Associates		Joint ventures	
in € '000	**2022**	**2021**	**2022**	**2021**
Income	41,542	33,106	190,655	208,136
Expenses	1,841	6,455	70,260	248,893
Receivables	8,578	8,654	24,359	35,220
Liabilities	352	62	713	17,532

Most receivables and liabilities are trade receivables and trade payables.

Members of the Claas families granted loans totaling €41.3 million in the fiscal year (prior year: €46.1 million), €2.5 million (prior year: €4.1 million) of which are due within one year.

The CLAAS Group did not conclude any other material transactions with related parties.

All transactions with related parties were conducted on an arm's length basis.

The remuneration paid to members of the Supervisory Board and the Shareholders' Committee totaled €1.5 million in fiscal year 2022 (prior year: €1.5 million).

The following remuneration was paid to members of the Group Executive Board:

in € '000	**2022**	**2021**
Current remuneration	4,181	5,770
Provisions for retirement benefits	62	85
Total Group Executive Board remuneration	**4,243**	**5,855**

Retirement benefits were paid to former members of the Executive Board of CLAAS KGaA mbH/the Group Executive Board in the amount of €0.6 million (prior year: €0.7 million). Obligations for current pensions and vested pension rights of former members of the Executive Board of CLAAS KGaA mbH/the Group Executive Board totaled €9.5 million as of the balance sheet date (prior year: €13.0 million).

38. Auditor's Fees

The following fees were recognized as an expense for the services provided in the fiscal year by the auditor of the consolidated financial statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft:

in € '000	2022	2021
Audit services	741	633
Other assurance services	20	31
Tax consulting services	32	158
Other services	17	11
Auditor's fees	**810**	**833**

Audit services include fees for auditing the financial statements of CLAAS KGaA mbH, the consolidated financial statements, and the financial statements of the domestic subsidiaries.

39. Application of Section 264 (3) and Section 264b of the German Commercial Code (HGB)

The following domestic subsidiaries made partial use of the exemption option pursuant to Section 264 (3) and Section 264b HGB:

- 365FarmNet Group KGaA mbH & Co KG, Harsewinkel
- CLAAS E-Systems GmbH, Dissen am Teutoburger Wald
- CLAAS Global Sales GmbH, Harsewinkel
- CLAAS Industrietechnik GmbH, Paderborn
- CLAAS Material Handling GmbH, Harsewinkel
- CLAAS Saulgau GmbH, Bad Saulgau
- CLAAS Selbstfahrende Erntemaschinen GmbH, Harsewinkel
- CLAAS Service and Parts GmbH, Harsewinkel
- CLAAS Vertriebsgesellschaft mbH, Harsewinkel
- Seed Green Innovations GmbH, Harsewinkel

40. Events after the Balance Sheet Date

There were no events or developments after the end of the fiscal year that could have led to material changes in the presentation or the measurement of individual assets or liabilities as of September 30, 2022, or that are subject to disclosure requirements.

41. List of Shareholdings

No.	Company and registered office	Shareholding in %	Held through no.
	I. Affiliated companies included in the scope of consolidation		
No.	**Domestic companies**		
1	CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel		
2	BLT Brandenburger Landtechnik GmbH, Liebenthal	50.6	16
3	CHW Fonds, Munich		
4	CLAAS Bordesholm GmbH, Bordesholm	82.4	16
5	CLAAS Braunschweig GmbH, Schwülper	100.0	16
6	CLAAS Central Asia Investment GmbH, Harsewinkel	100.0	1
7	CLAAS E-Systems GmbH, Dissen am Teutoburger Wald	100.0	1
8	CLAAS Global Sales GmbH, Harsewinkel	100.0	1
9	CLAAS Industrietechnik GmbH, Paderborn	100.0	1
10	CLAAS Material Handling GmbH, Harsewinkel	100.0	1
11	CLAAS Osteuropa Investitions GmbH, Harsewinkel	100.0	1
12	CLAAS Saulgau GmbH, Bad Saulgau	100.0	1
13	CLAAS Selbstfahrende Erntemaschinen GmbH, Harsewinkel	100.0	1
14	CLAAS Service and Parts GmbH, Harsewinkel	100.0	1
15	CLAAS Thüringen GmbH, Schwabhausen	100.0	16
16	CLAAS Vertriebsgesellschaft mbH, Harsewinkel	100.0	1
17	CLAAS Weser Ems GmbH, Molbergen	90.0	16
18	Seed Green Innovations GmbH, Harsewinkel	100.0	1
19	365FarmNet GmbH, Berlin	100.0	20
20	365FarmNet Group KGaA mbH & Co KG, Harsewinkel	100.0	1/21
21	365FarmNet Verwaltungs GmbH, Gütersloh	100.0	1
	Foreign companies		
22	Canada West Harvest Centre Inc., Kelowna/Canada	100.0	29
23	CLAAS Agricoltura S.R.L., Milan/Italy	100.0	40
24	CLAAS Agricultural Machinery (Shandong) Co. Ltd., Gaomi/China	100.0	35
25	CLAAS Agricultural Machinery Private Limited, New Delhi/India	100.0	8/14
26	CLAAS Agricultural Machinery Trading (Beijing) Co. Ltd., Beijing/China	100.0	30
27	CLAAS América Latina Representação Ltda., Porto Alegre/Brazil	100.0	1/8
28	CLAAS Argentina S.A., Sunchales/Argentina	100.0	1
29	CLAAS Canada Holdings Inc., Kelowna/Canada	100.0	1
30	CLAAS East Asia Holding Ltd., Hong Kong/China	100.0	1
31	CLAAS Eastern Ltd., Saxham/United Kingdom	100.0	52
32	CLAAS France Holding S.A.S., Vélizy-Villacoublay/France	100.0	1
33	CLAAS France S.A.S., Ymeray/Paris/France	100.0	32
34	CLAAS Global Sales Americas Inc., Wilmington/Delaware/USA	100.0	8
35	CLAAS Greater China Holding Ltd., Hong Kong/China	100.0	1
36	CLAAS Holdings Ltd., Saxham/United Kingdom	100.0	1
37	CLAAS Hungária Kft., Törökszentmiklós/Hungary	100.0	1
38	CLAAS Ibérica S.A., Madrid/Spain	100.0	1
39	CLAAS India Private Ltd., Faridabad/India	100.0	1
40	CLAAS Italia S.p.A., Vercelli/Italy	100.0	1
41	CLAAS Manns Ltd., Saxham/United Kingdom	100.0	52
42	CLAAS Middle East – FZE, Dubai/United Arab Emirates	100.0	8
43	CLAAS North America Holdings Inc., Omaha/Nebraska/USA	100.0	1
44	CLAAS of America Inc., Omaha/Nebraska/USA	100.0	43
45	CLAAS Omaha Inc., Omaha/Nebraska/USA	100.0	43
46	CLAAS Polska sp. z o.o., Poznań/Poland	100.0	1
47	CLAAS Regional Center Central Europe GmbH, Spillern/Austria	100.0	1
48	CLAAS Regional Center South East Asia Ltd., Bangkok/Thailand	100.0	1
49	CLAAS Regional Center South East Europe S.R.L., Afumați/Romania	100.0	1

	Company and registered office	Shareholding in %	Held through no.
	Foreign companies		
50	CLAAS Réseau Agricole S.A.S., Ymeray/Paris/France	100.0	51
51	CLAAS Tractor S.A.S., Vélizy-Villacoublay/France	100.0	32
52	CLAAS U.K. Ltd., Saxham/United Kingdom	100.0	36
53	CLAAS Western Ltd., Saxham/United Kingdom	100.0	52
54	Mercator Purchasing S.A., Luxembourg/Luxembourg		
55	Nebraska Harvest Center Inc., Wilmington/Delaware/USA	100.0	43
56	OOO CLAAS Vostok, Moscow/Russia	100.0	1
57	OOO CLAAS, Krasnodar/Russia	99.0	11
58	S@T-INFO S.A.S., Fragnes/France	100.0	32
59	TOV CLAAS Ukraina, Kiev/Ukraine	100.0	1
60	Usines CLAAS France S.A.S., Metz-Woippy/France	100.0	32
61	365FarmNet France S.A.S., Ymeray/Paris/France	100.0	32
II. Associates			
62	CLAAS Financial Services LLC., San Francisco/California/USA	49.0	44
63	G.J.'s Harvest Centre Inc., Ontario/Canada	34.5	29
64	Mecklenburger Landtechnik GmbH, Prüzen/Germany	25.1	16
65	Schmahl Landtechnik Upahl GmbH & Co., Upahl/Germany	45.0	16
66	Schmahl Landtechnik Upahl Verwaltungs GmbH, Upahl/Germany	45.0	16
67	Serv Class S.R.L., Braila/Romania	20.0	49
68	SM3 CLAAS S.A.S., Fleury/France	42.0	50
69	Worch Landtechnik GmbH, Schora/Germany	39.0	16
III. Joint ventures and joint operations			
70	CLAAS Financial Services Ltd., Basingstoke/United Kingdom	49.0	52
71	CLAAS Financial Services S.A.S., Puteaux/Paris/France	49.0	1
72	Fricke Landtechnik GmbH, Demmin/Germany	25.1	16
73	G.I.M.A. S.A.S., Beauvais/France	50.0	51
74	TechnikCenter Grimma GmbH, Mutzschen/Germany	30.0	16
75	Uz CLAAS Agro MChJ, Tashkent/Uzbekistan	49.0	6

IV. Other significant shareholdings			Subscribed capital	Shareholding in %	Held through no.
76	AgXeed Holding B.V., Venray/Netherlands	EUR	222	12.4	18
77	AgXeed B.V., Venray/Netherlands	EUR	120	12.4	76
78	BayWa AG Centre Ltd., Crossfield/Alberta/Canada	CAD	555,557	10.0	29
79	CLAAS Main-Donau GmbH & Co. KG, Gollhofen/Germany	EUR	1,200,000	10.0	16
80	CLAAS Nordostbayern GmbH & Co. KG, Altenstadt an der Waldnaab/Germany	EUR	750,000	10.0	16
81	CLAAS Südostbayern GmbH, Töging am Inn/Germany	EUR	700,000	10.0	16
82	CLAAS Württemberg GmbH, Langenau/Germany	EUR	800,000	10.0	16
83	CS Parts Logistics GmbH, Bremen/Germany	EUR	1,550,000	50.0	14
84	DESICO S.A., Florentino Ameghino/Buenos Aires/Argentina	ARS	13,333	10.0	28
85	Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern/Germany	EUR	1,248,000	4.2	1
86	E-FARM GmbH, Hamburg/Germany	EUR	34,628	11.8	18
87	Landtechnik Steigra GmbH, Steigra/Germany	EUR	615,000	15.1	16
88	LTZ Chemnitz GmbH, Hartmannsdorf/Germany	EUR	750,000	10.0	16
89	MD-Betriebs-GmbH, Munich/Germany	EUR	25,000	10.0	16
90	NOB-Betriebs-GmbH, Altenstadt an der Waldnaab/Germany	EUR	25,000	10.0	16
91	Pellenc Languedoc Roussillon S.A.S., Lézignan-Corbières/France	EUR	1,000,000	35.0	50
92	Serv Class Irigatii S.R.L., Braila/Romania	RON	1,000	16.0	67
93	Tingley Implements Inc., Lloydminster/Canada	CAD	1,092,000	10.0	44

Management Statement on the Preparation of the Consolidated Financial Statements

These consolidated financial statements for the fiscal year ended September 30, 2022, and the Group management report were prepared by the Executive Board of CLAAS KGaA mbH on November 24, 2022. The accuracy and completeness of the information contained in the financial statements and the Group management report are the responsibility of the Company's management. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the European Union (EU). Prior-year figures were determined in accordance with the same principles. The consolidated financial statements are supplemented by the Group management report and additional disclosures in accordance with Section 315e HGB.

Systems of internal control, uniform Group accounting policies, and continuous employee training ensure that the consolidated financial statements and the Group management report are prepared in compliance with generally accepted accounting principles and statutory requirements. Compliance with the guidelines set forth in the risk management manual, which are applicable to the Group as a whole, as well as the reliability and effectiveness of the control systems are examined by our internal auditing unit on an ongoing basis. After careful examination of the current risk position, we have discovered no specific risks that could threaten the continued existence of the CLAAS Group as a going concern.

Harsewinkel, November 24, 2022
Executive Board of the CLAAS Group

Thomas Böck

Henner Böttcher

Dr. Martin von Hoyningen-Huene

Jan-Hendrik Mohr

Christian Radons

Independent Auditor's Report

To CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel

Opinions
We have audited the consolidated financial statements of CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of September 30, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from October 1, 2021, to September 30, 2022, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the Group management report of CLAAS Kommanditgesellschaft auf Aktien mbH for the fiscal year from October 1, 2021, to September 30, 2022. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance in the "Women in leadership positions" subsection of the "Employees" section of the Group management report.

In our opinion, on the basis of the findings of the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, present fairly the assets, liabilities, and financial position of the Group as at September 30, 2022, and of its financial performance for the fiscal year from October 1, 2021, to September 30, 2022, and

- the accompanying Group management report as a whole provides an appropriate view of the Group's position. This Group management report is consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks associated with future development in all material respects. Our opinion on the Group management report does not cover the statement on corporate governance referred to above.

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 the Group management report.

Basis for the Opinions
We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 HGB and in compliance with German generally accepted auditing standards promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements, and on the Group management report.

Other Information
The executive directors are responsible for the other information. The other information comprises the statement on corporate governance according to Section 289f (4) HGB (information on proportion of female employees) in the "Women in leadership positions" subsection of the "Employees" section of the Group management report.

Our opinions on the consolidated financial statements and on the Group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the Group management report, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibility of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements in compliance with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and for the fair presentation in the consolidated financial statements of the assets, liabilities, and financial position of the Group in accordance with these requirements. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German generally accepted auditing standards promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates and related disclosures made by the executive directors.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in compliance with IFRS 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 an opinion on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the forward-looking statements presented by the executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the forward-looking statements, and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the forward-looking statements.

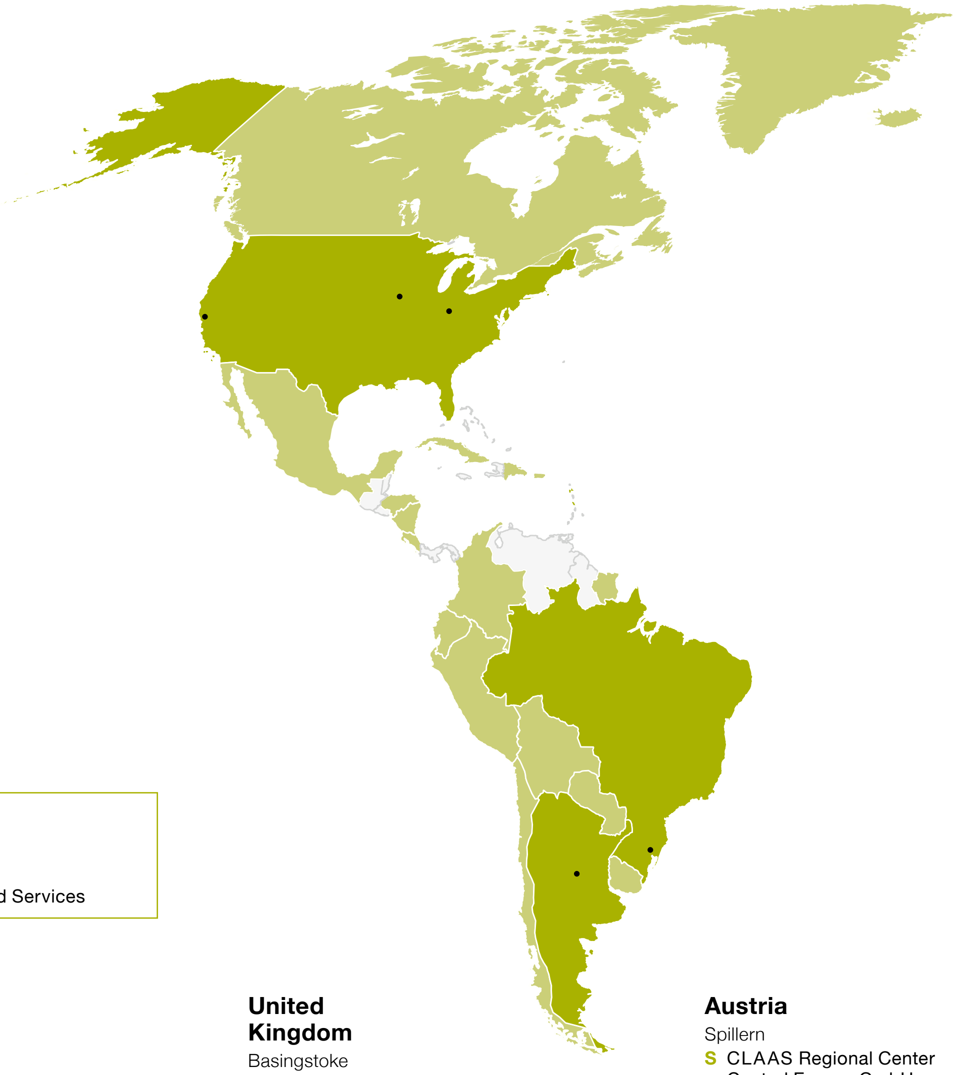
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hanover, November 24, 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

(Dr. Janze)	(Heinrichson)
German Public Auditor	German Public Auditor

Locations



20
Countries

36
Locations

- **P** Product Company
- **S** Sales Company
- **F** Financing Company
- **H** Holding – Management and Services

USA
Columbus / Indiana
S CLAAS of America Inc.

Omaha / Nebraska
S CLAAS of America Inc.
P CLAAS Omaha Inc.

San Francisco / California
F CLAAS Financial Services LLC.

Argentina
Sunchales
S CLAAS Argentina S.A.

Brazil
Porto Alegre
S CLAAS América Latina Representação Ltda.

United Kingdom
Basingstoke
F CLAAS Financial Services Ltd.

Saxham
S CLAAS U.K. Ltd.

Spain
Madrid
S CLAAS Ibérica S.A.

Italy
Milan
S CLAAS Agricoltura S.R.L.

Vercelli
S CLAAS Italia S.p.A.

Austria
Spillern
S CLAAS Regional Center Central Europe GmbH

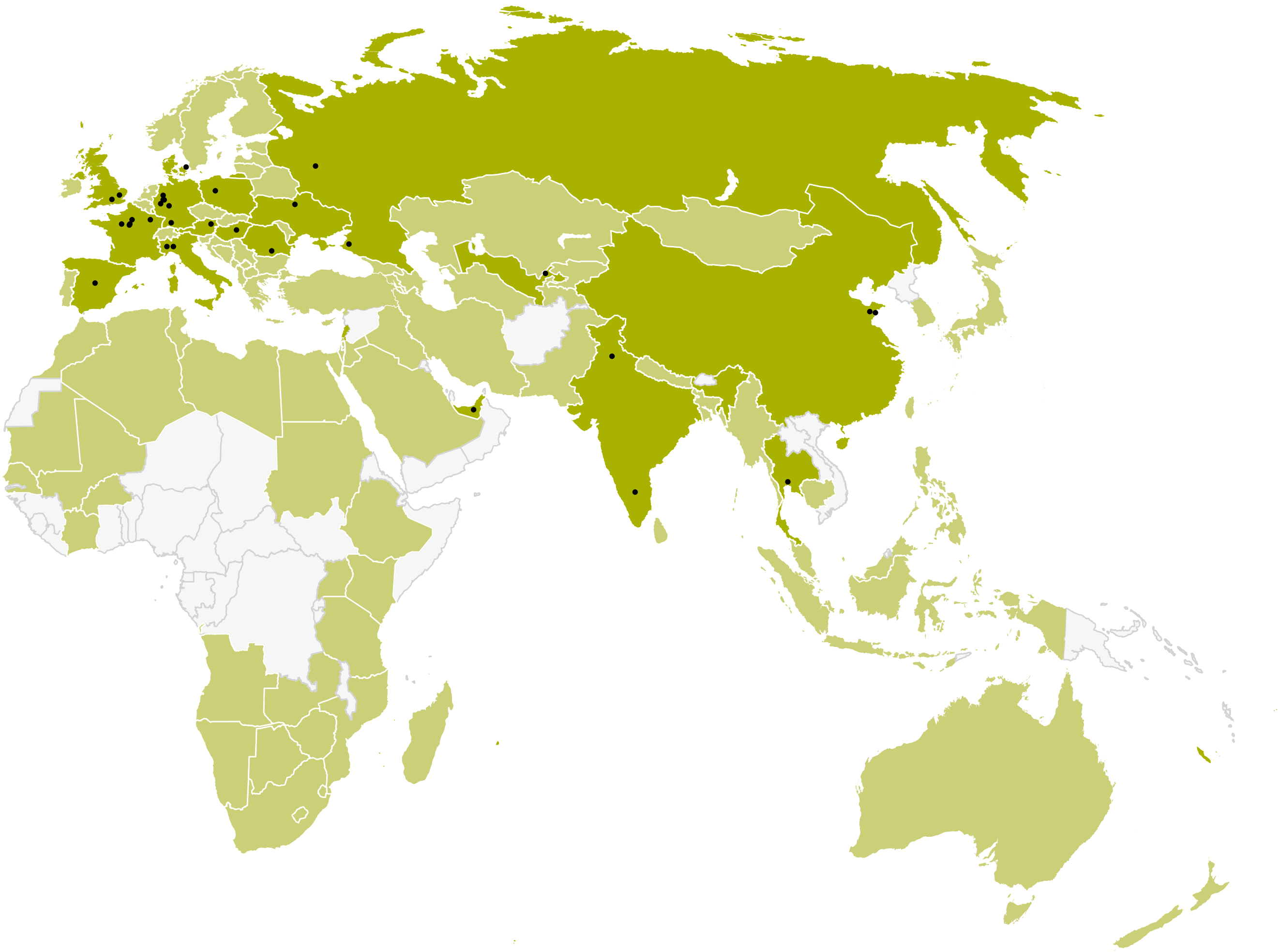
France
Le Mans
P CLAAS Tractor S.A.S.

Metz-Woippy
P Usines CLAAS France S.A.S.

Paris
F CLAAS Financial Services S.A.S.

Vélizy-Villacoublay
P CLAAS Tractor S.A.S.

Ymeray
S CLAAS France S.A.S.
S CLAAS Réseau Agricole S.A.S.



Germany

Bad Saulgau
P CLAAS Saulgau GmbH

Dissen a.T.W.
P CLAAS E-Systems GmbH

Hamm
S CLAAS Service and Parts GmbH

Harsewinkel
H CLAAS KGaA mbH
S CLAAS Global Sales GmbH
S CLAAS Material Handling GmbH
P CLAAS Selbstfahrende Erntemaschinen GmbH
S CLAAS Service and Parts GmbH

Herzebrock-Clarholz
S CLAAS Vertriebsgesellschaft mbH

Paderborn
P CLAAS Industrietechnik GmbH

Denmark

Nivå
P CLAAS E-Systems GmbH

Hungary

Törökszentmiklós
P CLAAS Hungária Kft.

Romania

Afumați
S CLAAS Regional Center South East Europe S.R.L.

Uzbekistan

Tashkent
P Uz CLAAS Agro MChJ

Ukraine

Kiev
S TOV CLAAS Ukraina

Poland

Poznań
S CLAAS Polska sp. z o.o.

India

Bangalore
S CLAAS Agricultural Machinery Private Limited

Chandigarh
P CLAAS India Private Ltd.

Russia

Krasnodar
P OOO CLAAS

Moscow
S OOO CLAAS Vostok

United Arab Emirates

Dubai
S CLAAS Middle East – FZE

Thailand

Bangkok
S CLAAS Regional Center South East Asia Ltd.

China

Gaomi
P CLAAS Agricultural Machinery (Shandong) Co. Ltd.

Qingdao
S CLAAS Agricultural Machinery Trading (Beijing) Co. Ltd.

Definitions

Capital expenditure = Investments in intangible assets (excluding goodwill) + investments in property, plant and equipment

$$\text{Coverage of non-current assets (in \%)} = \frac{\text{Equity + non-current liabilities}}{\text{Non-current assets}} \times 100$$

EBIT = Net income + income taxes + interest and similar expenses

EBITDA = EBIT +/- depreciation/amortization and impairment/write-ups of intangible assets; property, plant and equipment; right-of-use assets; investments; and borrowings

$$\text{Equity ratio (in \%)} = \frac{\text{Equity}}{\text{Total assets}} \times 100$$

Free Cash flow = Cash flows from operating activities - net capital expenditure in intangible assets; property, plant and equipment; borrowings and shares of fully consolidated companies and investments

Liquidity = Cash and cash equivalents + current securities

$$\text{Return on equity (in \%)} = \frac{\text{Net income}}{\text{Equity}} \times 100$$

$$\text{Return on sales (in \%)} = \frac{\text{Income before taxes}}{\text{Net sales}} \times 100$$

Working capital = Inventories +/- trade receivables/payables - payments received on account + payments made on account

Ten-year Overview

in € million	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Financial performance										
Net sales	4,925.5	4,797.8	4,042.3	3,898.0	3,889.2	3,761.0	3,631.6	3,838.5	3,823.0	3,824.6
Research and development costs[1]	279.1	262.3	237.4	243.6	233.4	217.6	221.4	203.0	212.3	197.0
EBITDA	435.7	532.1	333.4	280.3	372.7	335.7	251.9	310.5	327.9	420.5
EBIT	189.7	384.9	185.6	164.0	256.8	215.2	129.0	196.8	194.4	334.7
Income before taxes	166.3	357.1	158.1	135.7	225.7	184.5	93.5	157.7	155.1	295.3
Net income	88.1	272.6	107.1	96.3	152.0	115.4	37.6	105.7	113.1	212.3
Return on sales (in %)	3.4	7.4	3.9	3.5	5.8	4.9	2.6	4.1	4.1	7.7
Return on equity (in %)	4.8	15.9	7.3	6.8	10.9	8.9	3.2	8.6	9.6	17.3
Foreign sales (in %)	80.3	80.6	80.1	79.5	78.5	79.1	78.6	77.2	77.2	78.1
Cash flow / investments / depreciation and amortization										
Cash flow from operating activities	225.5	580.5	478.4	45.9	85.0	345.0	246.0	156.5	50.4	247.6
Free cash flow	22.2	381.5	308.1	- 138.2	- 83.9	209.6	118.5	38.8	- 136.9	82.1
Capital expenditure[2]	200.6	194.0	187.2	183.3	160.3	130.7	122.2	128.3	173.2	172.4
Depreciation and amortization / impairment[3]	220.4	121.0	121.4	128.8	112.7	116.2	102.8	111.3	133.3	83.3
Asset / capital structure										
Non-current assets	1,362.2	1,389.2	1,293.9	1,183.0	1,066.8	995.6	1,002.0	993.0	942.5	820.4
thereof: capitalized development costs	251.4	245.6	232.5	219.2	194.3	183.2	174.9	160.9	141.8	116.1
thereof: property, plant and equipment	613.8	612.2	561.6	541.8	501.5	476.2	480.5	480.7	486.2	460.0
Current assets	3,204.0	2,856.9	2,428.6	2,348.9	2,382.9	2,237.1	2,135.2	2,350.2	2,170.6	2,105.5
thereof: inventories	1,348.8	926.5	905.8	1,103.5	959.7	683.9	733.0	873.1	934.9	729.7
thereof: liquidity	1,041.8	1,237.9	907.7	669.7	803.4	937.7	842.4	851.3	699.2	863.7
Equity	1,847.9	1,717.1	1,464.1	1,417.3	1,395.5	1,293.8	1,160.7	1,231.0	1,183.2	1,226.7
Equity ratio (in %)	40.5	40.4	39.3	40.1	40.5	40.0	37.0	36.8	38.0	41.9
Non-current liabilities	790.7	995.1	1,130.2	837.7	958.4	938.8	1,060.2	981.1	656.1	700.0
Current liabilities	1,927.6	1,533.9	1,128.2	1,276.9	1,095.8	1,000.2	916.3	1,131.1	1,273.8	999.2
Total assets	4,566.1	4,246.1	3,722.5	3,531.9	3,449.7	3,232.8	3,137.2	3,343.2	3,113.1	2,925.9
Net liquidity	430.0	480.5	148.4	19.2	197.9	320.3	124.0	46.7	82.7	387.4
Working capital	1,109.4	992.6	994.7	1,170.0	1,012.5	839.5	892.3	1,007.2	998.1	843.6
Coverage of non-current assets (in %)	193.7	195.2	200.5	190.6	220.7	224.2	221.6	222.8	195.2	234.9
Employees										
Number of employees as of the balance sheet date[4]	12,116	11,957	11,395	11,448	11,132	10,961	11,300	11,535	11,407	9,697
Personnel expenses	891.5	819.8	742.2	730.3	693.0	673.5	653.3	650.6	627.0	594.0

1 Before capitalized, amortized, and impaired development costs.
2 Including capitalized development costs, excluding goodwill.
3 Of intangible assets (excluding goodwill) and property, plant and equipment.
4 Including apprentices.