

ANEXO 11

Copia del acuerdo de aceptación de la Oferta suscrito entre Euro-Syns, S.A. y el Oferente

Acuerdo de compromiso irrevocable relativo a la
aceptación de la oferta pública de adquisición de
acciones de

Zardoya Otis, S.A.

ENTRE

EURO-SYNS, S.A.

como Accionista Vendedor

Y

OPAL SPANISH HOLDINGS, S.A.U.

como Oferente

Madrid, 20 de diciembre de 2021

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En Madrid, a 20 de diciembre de 2021, el presente acuerdo de compromiso irrevocable (el "**Acuerdo**") se celebra

POR Y ENTRE

- I. **EURO-SYNS, S.A.**, sociedad debidamente constituida y existente conforme a las leyes de España, con domicilio social en Calle Fernández de la Hoz 26, 28010, Madrid, con NIF A-20029567 e inscrita en el Registro Mercantil de Madrid al tomo 3.966, folio 48 y hoja M-66.379 (el "**Accionista Vendedor**").

El Accionista Vendedor está debidamente representado por D. Alberto Zardoya Arana, mayor de edad, de nacionalidad española, con DNI número [REDACTED] y domicilio profesional en [REDACTED] [REDACTED] Dña. María Luisa Zardoya Arana, mayor de edad, de nacionalidad española, con DNI número [REDACTED] y domicilio profesional en [REDACTED] [REDACTED] Dña. María Teresa Zardoya Arana, mayor de edad, de nacionalidad española, con DNI número [REDACTED] y domicilio profesional en [REDACTED] [REDACTED] y Dña. María Luisa Arana Isasa, mayor de edad, de nacionalidad española, con DNI número [REDACTED] y domicilio profesional en [REDACTED] [REDACTED] (conjuntamente, los "**Administradores del Accionista Vendedor**"), quienes actúan en calidad de administradores solidarios del Accionista Vendedor. D. Alberto Zardoya [REDACTED] también como [REDACTED] del Accionista Vendedor en el Consejo de Administración de Zardoya Otis, S.A.

Los Administradores del Accionista Vendedor suscriben también el presente Acuerdo en su propio nombre a los efectos de las cláusulas 2.2, 2.3 y 2.5.

- II. **OPAL SPANISH HOLDINGS, S.A.U.**, sociedad debidamente constituida y existente con arreglo a las leyes de España, con domicilio social en la calle Suero de Quiñones, 34-36, 28002, Madrid, con NIF A-16808453, e inscrita en el Registro Mercantil de Madrid al tomo 42.257, sección 8, folio 160 y hoja M-748.124 (el "**Oferente**").

El Oferente está debidamente representado por D. David M. Jones, mayor de edad y de nacionalidad estadounidense, provisto de pasaporte de su nacionalidad número [REDACTED] y NIE [REDACTED] ambos en vigor, y domicilio profesional a estos efectos en la calle Suero de Quiñones, 34-36, 28002, Madrid, que actúa en su calidad de administrador y especialmente autorizado en virtud de los acuerdos del consejo de administración del Oferente aprobados el día 20 de diciembre de 2021.

El Accionista Vendedor, los Administradores del Accionista Vendedor y el Oferente son denominados conjuntamente en este documento como las "**Partes**" y cada uno de ellos individualmente como una "**Parte**".

ESTABLECEN

- I. Que Zardoya Otis, S.A. es una sociedad española, con domicilio social en la calle Golfo de Salónica, 73, 28003, Madrid, titular del número de identificación fiscal (NIF) A-28011153, e inscrita en el Registro Mercantil de Madrid al tomo 1840, folio 177, hoja 33171 ("**ZOSA**").
- II. Que el capital social de ZOSA asciende a 47.046.431,10 euros y está representado por 470.464.311 acciones ordinarias (las "**Acciones**") de 0,10 euros de valor nominal cada una, totalmente suscritas y desembolsadas, de la misma clase y serie y representadas mediante anotaciones en cuenta. Todas las Acciones cotizan en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia y se negocian a través del Sistema de Interconexión Bursátil.
- III. Que, a la fecha del presente documento, el Accionista Vendedor es el único propietario legal de 52.628.034 Acciones de ZOSA, libres de toda carga, gravamen y derechos de terceros, libremente transmisibles y que representan, aproximadamente, el 11,186% del capital social de ZOSA (las "**Acciones del Accionista Vendedor**"). No obstante, en caso de que el Accionista Vendedor adquiriera, reciba por cualquier medio o tenga derecho a otras Acciones durante el curso de la Oferta, tal y como se define en el párrafo siguiente, las Acciones del Accionista Vendedor también incluirán esas otras Acciones.
- IV. Que el 22 de septiembre de 2021, el Oferente anunció su intención de formular una oferta pública de adquisición (la "**Oferta**") sobre la totalidad de las acciones en circulación de ZOSA a un precio de 7,00 euros por acción en efectivo, que se redujo a 6,93 euros por acción a partir del 7 de octubre de 2021 como consecuencia del dividendo de 0,074 euros brutos por acción pagados por ZOSA a sus accionistas el 11 de octubre de 2021 y que estaba previsto que se redujera a 6,86 euros por acción con efectos desde el 6 de enero de 2022 como consecuencia del dividendo de 0,076 euros brutos por acción que ZOSA pagará a sus accionistas el 10 de enero de 2022.
- V. Que el Oferente y el Accionista Vendedor han alcanzado un acuerdo para la venta por el Accionista Vendedor de las Acciones del Accionista Vendedor al Oferente a un precio de 7,21 euros por acción en efectivo referenciado al 22 de septiembre de 2021 (ajustable por cualquier dividendo o distribución declarado y pagado con posterioridad al 22 de septiembre de 2021).
- VI. Que, como consecuencia de lo anterior, el Oferente ha acordado incrementar el precio inicial anunciado de la Oferta de 7 euros por acción hasta 7,21 euros por acción en efectivo (ajustable por cualquier dividendo o distribución declarado y pagado con posterioridad al 22 de septiembre de 2021) cambio de que el Accionista Vendedor se comprometa a vender todas las Acciones del Accionista Vendedor al Oferente en el marco de la Oferta, y el Accionista Vendedor ha acordado aceptar irrevocablemente la Oferta y a ofrecer las Acciones del Accionista Vendedor en el marco de la Oferta de acuerdo con los términos y condiciones de este Acuerdo.
- VII. Que, en vista de lo anterior, las Partes han acordado celebrar este Acuerdo de conformidad con las siguientes

CLÁUSULAS

1. LOS COMPROMISOS DEL OFERENTE CON RESPECTO A LA OFERTA

1.1 AUMENTO DEL PRECIO DE LA OFERTA

El Oferente ha acordado en esta fecha aumentar el precio de la Oferta (el "**Precio de la Oferta**") desde el precio inicial anunciado de 7 euros por acción hasta los 7,21 euros por acción en efectivo, que a la fecha de este Acuerdo se corresponde con un Precio de la Oferta de 7,14 euros por acción como consecuencia del dividendo de 0,074 euros brutos por acción pagados por ZOSA a sus accionistas el 11 de octubre de 2021. El Precio de la Oferta se ajustará a 7,07 euros por acción en efectivo a partir del 6 de enero de 2022 como consecuencia del dividendo de 0,076 euros brutos por acción que ZOSA pagará a sus accionistas el 10 de enero de 2022. El Precio de la Oferta se ajustará adicionalmente a la baja por el importe de cualquier dividendo o distribución adicional declarado y pagado por ZOSA a sus accionistas, siempre que la fecha de publicación del resultado de la Oferta en los boletines de cotización coincida o sea posterior a la fecha *ex-dividendo* y con sujeción a los términos del folleto explicativo de la oferta (el "**Documento de la Oferta**").

Asimismo, el Oferente se compromete a realizar todos los trámites necesarios para formalizar el aumento del Precio de la Oferta, incluyendo la presentación, tan pronto como sea posible tras la firma de este Acuerdo (y llevará a cabo sus mejores esfuerzos para hacerlo en el plazo de cinco días hábiles siguientes a la fecha de este Acuerdo), de toda la documentación necesaria ante la Comisión Nacional del Mercado de Valores (la "**CNMV**") a los efectos de obtener las autorizaciones pertinentes y realizar los anuncios reglamentarios que sean necesarios en relación con la misma.

Para evitar cualquier duda, y sin perjuicio de lo dispuesto en el presente Acuerdo, si por cualquier motivo el Precio de la Oferta fuese incrementado por el Oferente en cualquier momento en el futuro, las Partes reconocen que el Accionista Vendedor tendrá derecho a recibir dicha mejora del Precio de la Oferta.

1.2 OTRAS MODIFICACIONES DE LOS TÉRMINOS Y CONDICIONES DE LA OFERTA

Con sujeción a los términos del presente Acuerdo, el Oferente tendrá derecho a ampliar el plazo de aceptación de la Oferta o a modificar los términos y condiciones de la misma, tal y como se definen en el Documento de la Oferta (los "**Términos y Condiciones de la Oferta**"), siempre que lo considere conveniente o necesario para obtener la autorización de la Oferta y/o lograr su éxito.

2. COMPROMISOS DEL ACCIONISTA VENDEDOR Y DE LOS ADMINISTRADORES DEL ACCIONISTA VENDEDOR

2.1 ACEPTACIÓN DE LA OFERTA

El Accionista Vendedor se compromete por la presente de forma irrevocable e incondicional a aceptar la Oferta al Precio de la Oferta (tal y como sea ajustado y/o incrementado en cada momento) con todas las Acciones del Accionista Vendedor, de acuerdo con los Términos y Condiciones de la Oferta (en su versión modificada), dentro de los 5 primeros días hábiles bursátiles del periodo de aceptación de la Oferta (o, si la Autorización 160f a la que se refiere la cláusula 4.2(ii) no se ha concedido para entonces, a más tardar dentro de los tres días hábiles bursátiles siguientes al día en que se conceda dicha autorización por la

junta general de accionistas del Accionista Vendedor) y se compromete además a no revocar dicha aceptación.

Salvo lo dispuesto en la Cláusula 9, que permanecerá en vigor, si la CNMV no autoriza la Oferta o el Oferente retira la Oferta con el consentimiento de la CNMV, el Accionista Vendedor tendrá derecho a operar libremente con las Acciones del Accionista Vendedor de cualquier forma, sin ninguna obligación o responsabilidad frente al Oferente.

En ningún caso, salvo que la Oferta sea (i) retirada por el Oferente con el consentimiento de la CNMV (y, en este caso, sólo cuando la Oferta haya sido efectivamente retirada); o (ii) no autorizada por la CNMV (y, en este caso, sólo cuando dicha no autorización sea definitiva), el Accionista Vendedor podrá aceptar alguna oferta de terceros en relación con las Acciones del Accionista Vendedor.

2.2 VOTACIÓN

El Accionista Vendedor y los Administradores del Accionista Vendedor por la presente manifiestan que mantienen una opinión favorable en relación con la Oferta y la contraprestación ofrecida por el Oferente.

En consecuencia, desde la fecha de celebración de este Acuerdo y hasta la liquidación de la Oferta — salvo en el caso de que este Acuerdo se resuelva de conformidad con la Cláusula 7 siguiente—, el Accionista Vendedor se compromete a ejercitar los derechos de voto aparejados a las Acciones del Accionista Vendedor a los efectos de permitir y facilitar la ejecución de la Oferta y en contra de los acuerdos que, de ser aprobados, pudieran razonablemente impedir o frustrar la Oferta.

Sin perjuicio de la generalidad de lo anterior, y en la medida en que sea legalmente posible y con sujeción al cumplimiento de los deberes fiduciarios y otros deberes legales de los administradores, el Accionista Vendedor, en su condición de consejero de ZOSA, expresará una opinión favorable sobre la Oferta y la contraprestación ofrecida por el Oferente en el informe que el Consejo de Administración de ZOSA debe aprobar y hacer público tras la aprobación de la Oferta por la CNMV.

2.3 INMOVILIZACIÓN

Durante la vigencia de este Acuerdo, el Accionista Vendedor y los Administradores del Accionista Vendedor se comprometen a no realizar transacciones con ninguna Acción de ZOSA. En particular, el Accionista Vendedor y los Administradores del Accionista Vendedor no suscribirán, comprarán, venderán, transferirán, canjearán o adquirirán de otro modo o dispondrán de Acciones, instrumentos financieros que tengan las Acciones como activo subyacente o derechos vinculados a las Acciones, o los derechos de voto o económicos vinculados a las mismas, ni crearán cargas, pignoraciones, gravámenes o adquirirán, suscribirán o concederán de algún modo cualquier derecho sobre las Acciones o los derechos de voto o económicos vinculados a las mismas.

Asimismo, durante la vigencia de este Acuerdo, los Administradores del Accionista Vendedor se comprometen a no disponer, de ningún modo, de ninguna de sus acciones del Accionista Vendedor.

2.4 COLABORACIÓN

El Accionista Vendedor se compromete a facilitar en tiempo y forma tanto al Oferente como a la CNMV toda la información y documentos necesarios que estén bajo su control, capacidad y autoridad y que sean requeridos directa o indirectamente (a través del Oferente) por la CNMV en el contexto de la Oferta, incluyendo, para evitar dudas, la información y documentos que sean necesarios a efectos de la elaboración del Documento de la Oferta.

2.5 AUTORIZACIÓN 160F

Con respecto a la Autorización 160f a la que se hace referencia en la cláusula 4.2(ii) siguiente, los Administradores del Accionista Vendedor han acordado convocar una junta general de accionistas del Accionista Vendedor, de cuyo anuncio de convocatoria se solicitará la publicación en un plazo de dos días hábiles desde la fecha de este Acuerdo, en los términos y con el orden del día establecidos en el modelo de anuncio de convocatoria que se adjunta a este Acuerdo como **Anexo I** (la “Convocatoria”), a los efectos de que dicha junta general se celebre lo antes posible y autorice la transmisión de las Acciones del Accionista Vendedor en el marco de la aceptación de la Oferta.

Los Administradores del Accionista Vendedor se comprometen irrevocablemente, con sujeción a los términos y condiciones del presente Acuerdo, a asistir a la junta general de accionistas que se convoque mediante la Convocatoria y a ejercitar todos los derechos de voto que les correspondan, ya sea en su propio nombre y/o en nombre de cualesquiera otros accionistas del Accionista Vendedor en virtud de las delegaciones o apoderamientos aplicables (y que ascenderán, en conjunto, a más del 75% del total de los derechos de voto en el Accionista Vendedor), de modo que la Autorización 160f que se requiere a efectos de la transmisión de las Acciones del Accionista Vendedor en el contexto de la aceptación de la Oferta sea debidamente concedida por la junta general de accionistas del Accionista Vendedor.

3. CAMBIO DE DENOMINACIÓN SOCIAL

Dentro de los 6 meses siguientes a la liquidación de la Oferta, el Oferente (y, en su caso, cualesquiera otras entidades y/o personas del grupo empresarial al que pertenezca el Oferente) hará que cada miembro del grupo ZOSA que tenga una denominación social que incluya el término “ZARDOYA” cambie su denominación social por otra que no incluya dicho término, incluyendo, dentro de los 6 meses siguientes a la liquidación de la Oferta, la realización de los trámites legales en cada una de las jurisdicciones pertinentes necesarios para llevar a cabo dicho cambio.

4. MANIFESTACIONES Y GARANTÍAS

4.1 MANIFESTACIONES Y GARANTÍAS DEL OFERENTE

El Oferente manifiesta y garantiza al Accionista Vendedor que:

- (i) El Oferente está válidamente constituido, existe y está debidamente registrado conforme a las leyes de su jurisdicción, y tiene plenos poderes corporativos para llevar a cabo su objeto (incluyendo la capacidad de disponer y gravar sus activos) tal como se lleva a cabo en la fecha de este Acuerdo; y para ser parte de los contratos y cumplir con las obligaciones que de ellos se derivan.

- (ii) El Oferente ha obtenido todas las autorizaciones corporativas y todos los demás consentimientos, licencias y autorizaciones gubernamentales, estatutarias, reglamentarias o de otro tipo que se requieren para celebrar y cumplir sus obligaciones en virtud del presente Acuerdo.
- (iii) El presente Acuerdo no es contrario ni conlleva el incumplimiento de ninguno de los documentos corporativos del Oferente, ni es contrario a ninguna ley o reglamento de su jurisdicción ni a ninguna orden, decreto o sentencia de ningún tribunal o autoridad gubernamental o reguladora.
- (iv) El Oferente no tiene previsto realizar cambios significativos en las condiciones laborales de los empleados y directivos de ZOSA y tiene la intención de preservar los puestos de trabajo existentes, sin perjuicio de los cambios que puedan surgir de la evolución del negocio.
- (v) El Oferente dispone de la financiación necesaria para pagar el incremento de la contraprestación a los accionistas de ZOSA como consecuencia del aumento del Precio de la Oferta.
- (vi) Cada una de las manifestaciones y garantías anteriores es verdadera y exacta en la fecha del presente Acuerdo y seguirá siendo verdadera y exacta y no engañosa en la fecha de liquidación de la Oferta como si se repitiera inmediatamente antes de la liquidación de la Oferta.

4.2 MANIFESTACIONES Y GARANTÍAS DEL ACCIONISTA VENDEDOR

El Accionista Vendedor manifiesta y garantiza al Oferente que:

- (i) Está válidamente constituido, existe y está debidamente registrado conforme a las leyes de su jurisdicción y tiene plena capacidad corporativa para llevar a cabo su objeto (incluyendo la capacidad de disponer y gravar sus activos) tal y como se lleva a cabo en la fecha de este Acuerdo; y para ser parte de los contratos y cumplir con las obligaciones derivadas de los mismos.
- (ii) Salvo la autorización de la junta general de accionistas necesaria para la transmisión de las Acciones del Accionista Vendedor en el marco de la aceptación de la Oferta de conformidad con el artículo 160. f) de la Ley de Sociedades de Capital (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (la "**Autorización 160f**"), ha obtenido todas las autorizaciones corporativas internas, y no existen consentimientos o autorizaciones gubernamentales, estatutarias o reglamentarias, en cada caso, necesarias para suscribir y ejecutar sus obligaciones en virtud del presente Acuerdo.
- (iii) El presente Acuerdo no es contrario ni supone un incumplimiento de ninguno de los documentos corporativos del Accionista Vendedor, ni es contrario a las leyes o reglamentos de su jurisdicción o de cualquier orden, decreto o sentencia de cualquier tribunal o autoridad gubernamental o reguladora, en cada caso, que le sean aplicables.
- (iv) Es el único propietario legal de cada una de las Acciones del Accionista Vendedor. Las Acciones del Accionista Vendedor están libres de toda carga, gravamen y derechos de terceros e incluyen todos los derechos de voto y de otro tipo que les corresponden.

- (v) Tiene derecho a disponer, vender y transferir las Acciones del Accionista Vendedor en los términos y condiciones aquí descritos.
- (vi) El Accionista Vendedor no tiene ningún interés en, ni puede controlar de otro modo, el ejercicio de los derechos vinculados a las Acciones u otros valores de ZOSA distintos de las Acciones del Accionista Vendedor.
- (vii) Cada una de las manifestaciones y garantías anteriores es verdadera y exacta en la fecha del presente documento y seguirá siendo verdadera y exacta y no engañosa en la fecha de liquidación de la Oferta como si se repitiera inmediatamente antes de la liquidación de la Oferta.

5. INCUMPLIMIENTO

El incumplimiento del presente Acuerdo por cualquiera de las Partes dará derecho a la otra Parte a reclamar a la Parte incumplidora (i) el cumplimiento específico del compromiso o compromisos incumplidos, o (ii) en caso de incumplimiento material del Acuerdo, la resolución del mismo; en ambos casos, junto con la indemnización por daños y perjuicios que resulte aplicable.

6. PLAZO

El presente Acuerdo estará en vigor desde la fecha del mismo hasta la liquidación de la Oferta, salvo que se resuelva antes de conformidad con sus propios términos.

7. TERMINACIÓN ANTICIPADA DEL ACUERDO

El presente Acuerdo sólo podrá ser resuelto anticipadamente de la siguiente manera:

- (i) mediante notificación de una Parte a la otra si la CNMV no autoriza la Oferta y el Oferente decide no solicitar de nuevo dicha autorización;
- (ii) mediante notificación de una Parte a la otra cuando el Oferente retire la Oferta con el consentimiento de la CNMV; o
- (iii) mediante notificación de la Parte no infractora a la otra Parte en caso de que esta última haya incumplido materialmente el presente Acuerdo.

Salvo que se resuelva antes, este Acuerdo expirará cuando el Accionista Vendedor haya aceptado la Oferta y haya entregado las Acciones del Accionista Vendedor al Oferente, en cada caso de acuerdo con los términos del mismo, y no quede pendiente ninguna otra obligación de ninguna de las Partes.

La expiración o resolución del presente Acuerdo se producirá sin perjuicio de lo dispuesto en las Cláusulas 3, 5 y 9, que permanecerán en vigor, y de los derechos y obligaciones de las Partes devengados bajo el presente Acuerdo en ese momento o con anterioridad al mismo, incluso en lo que se refiere a las consecuencias establecidas para cada uno de los supuestos que desencadenan la resolución a lo largo del presente Acuerdo.

8. ANUNCIOS

Las Partes reconocen y acuerdan que el Oferente entregará el presente Acuerdo a la CNMV inmediatamente después de su suscripción por las Partes para que sea publicado como comunicación

de información privilegiada a la mayor brevedad posible. Se adjunta como **Anexo II** un borrador de la citada comunicación de información privilegiada.

Aparte de las comunicaciones que deba realizar el Oferente (o su accionista de control) en virtud de la normativa aplicable o a requerimiento de la CNMV o que deba realizar el Accionista Vendedor en su condición de consejero de ZOSA (en particular, en relación con el informe que deba emitir el Consejo de Administración de ZOSA en relación con la Oferta), ninguna de las Partes (ni ninguna de sus respectivas filiales) hará ningún anuncio o divulgación ni emitirá ninguna circular en relación con este Acuerdo sin la aprobación previa por escrito de la otra Parte (dicha aprobación no se retendrá ni retrasará injustificadamente).

9. MISCELÁNEA

9.1 NO CESIÓN

Ninguna de las Partes podrá, sin el previo consentimiento por escrito de la otra, ceder sus derechos y obligaciones derivados del presente Acuerdo a ninguna otra persona.

9.2 ACUERDO COMPLETO

El presente Acuerdo constituye el acuerdo completo entre las Partes en relación con la aceptación de la Oferta y sustituye a cualquier otro acuerdo anterior, ya sea oral o escrito, en relación con el mismo asunto.

9.3 RENUNCIA

Salvo en las situaciones descritas en la Cláusula 7, cualquier falta o retraso en el ejercicio de un derecho, facultad o privilegio previsto en este Acuerdo no supondrá en sí mismo una renuncia al mismo y el ejercicio individual o parcial de estos derechos, facultades o privilegios no constituirá una renuncia a ejercitar el derecho, facultad o privilegio en el futuro.

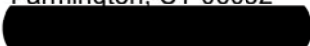
9.4 COSTES

Cada Parte asumirá todos los costes en los que haya incurrido en relación con la preparación, negociación y celebración del presente Acuerdo.

9.5 NOTIFICACIONES

Las notificaciones entre las Partes en relación con el presente Acuerdo se harán por escrito y en inglés a las siguientes direcciones o correos electrónicos:

Si se envían al Oferente:

A la atención de:	Nora LaFreniere
Dirección:	c/o Otis Worldwide Corporation One Carrier Place Farmington, CT 06032
E-mail:	

Con copia a:

A la atención de: Alfonso Ventoso / Gorka Atutxa
Dirección: C/ Príncipe de Vergara, 187, 28002, Madrid, Spain
E-mail: alfonso.ventoso@uria.com / gorka.atutxa@uria.com

Si se envían al Accionista Vendedor o a los Administradores del Accionista Vendedor:

A la atención de: D. Alberto Zardoya Arana
Dirección: 
E-mail: 

Con copia a:

A la atención de: Armando Albarrán y Javier Sánchez Valiente
Dirección: Torre Europa, Paseo de la Castellana, 95, 28046 Madrid, Spain
E-mail: Armando.albarran@freshfields.com / Javier.sanchez-valiente@freshfields.com

Toda la correspondencia enviada a las direcciones mencionadas se considerará recibida por el destinatario (a menos que el destinatario haya informado previamente al remitente de un cambio de dirección mediante una notificación de conformidad con la presente cláusula), siempre que acrediten la recepción por parte del destinatario.

9.6 LEY APLICABLE

El presente Acuerdo se regirá por la legislación común española.

9.7 JURISDICCIÓN

Las Partes, con renuncia a cualquier otro fuero, se someten irrevocablemente a los juzgados y tribunales de la ciudad de Madrid (España) para la resolución de cualquier disputa, reclamación o controversia derivada o relacionada con el presente Acuerdo, incluyendo cualquier cuestión relativa a su existencia, validez, terminación, anulación o eficacia.

10. EJECUCIÓN

Las Partes acuerdan que el presente Acuerdo podrá ser ejecutado por medio de correo electrónico en la fecha arriba indicada.

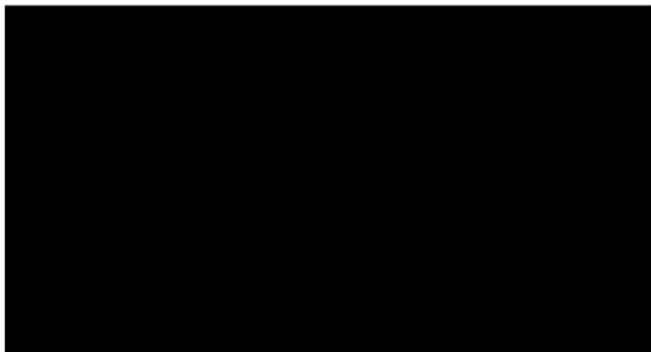
A tal efecto, el Accionista Vendedor, los Administradores del Accionista Vendedor y el Oferente firmarán la correspondiente página de firmas de este Acuerdo y enviarán a los asesores jurídicos del Oferente (alfonso.ventoso@uria.com y gorka.atutxa@uria.com) una copia escaneada del mismo por correo electrónico. Los asesores jurídicos del Oferente enviarán a las partes una copia del Acuerdo ejecutado una vez recibidas todas las páginas de firmas ejecutadas y las instrucciones para liberarlas.

Asimismo, las Partes acuerdan que el presente acuerdo se firme en lengua española e inglesa (que se adjunta como **Anexo III** al presente Acuerdo) y que, en caso de que exista o se produzca alguna discrepancia entre ambas versiones, prevalezca la versión en lengua española.

Las Partes acuerdan que el Acuerdo ejecutado según lo descrito anteriormente tendrá pleno efecto en sus propios términos y servirá como prueba de los acuerdos alcanzados entre ellas.

Euro-Syns, S.A.

Por:



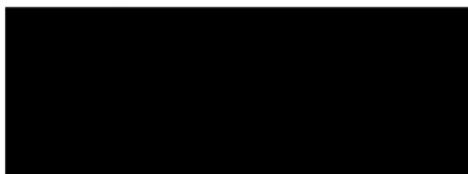
D. Alberto Zardoya Arana



Dña. María Luisa Zardoya Arana



Dña. María Teresa Zardoya Arana



Dña. María Luisa Arana Isasa

[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A y Opal Spanish Holdings, S.A.U de diciembre 2021]

Dña. María Luisa Arana Isasa, en su condición de accionista y administradora solidaria de Euro-Syns, S.A.



[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A y Opal Spanish Holdings, S.A.U de diciembre 2021]

Dña. María Teresa Zardoya Arana, en su condición de accionista y administradora solidaria de Euro-Syns, S.A.



[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A y Opal Spanish Holdings, S.A.U de diciembre 2021]

Dña. María Luisa Zardoya Arana, en su condición de accionista y administradora solidaria de Euro-Syns, S.A.



[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A y Opal Spanish Holdings, S.A.U de diciembre 2021]

D. Alberto Zardoya Arana, en su condición de accionista y administrador solidario de Euro-Syns, S.A. y de representante persona física de Euro-Syns, S.A. en el Consejo de Administración de Zardoya Otis, S.A.



[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A. y Opal Spanish Holdings, S.A.U de diciembre 2021]

Opal Spanish Holdings, S.A.U.

Por:



D. David M. Jones

[Página de firmas del acuerdo irrevocable relativo a la aceptación de la oferta pública de adquisición de acciones de Zardoya-Otis, S.A. entre Euro-Syns, S.A., los administradores solidarios de Euro-Syns, S.A y Opal Spanish Holdings, S.A.U de diciembre 2021]

Anexo I

Modelo de Anuncio de Convocatoria

EURO-SYNS, S.A.

Se convoca a los Accionistas a la Junta General Extraordinaria, que se celebrará en el domicilio social, c/ Fernández de la Hoz, 26 (Madrid), el 27 de enero de 2022 a las 12 horas en primera convocatoria, y el 28 de enero de 2022 a la misma hora en segunda, con el siguiente

Orden del día

- PRIMERO.- Aprobación de la venta de activo esencial.
- SEGUNDO.- Delegación de facultades para la formalización de acuerdos.
- TERCERO.- Ruegos y preguntas.
- CUARTO.- Aprobación del Acta de la Junta.

Se hace constar el derecho de información que asiste a los accionistas de conformidad con lo dispuesto en el artículo 197 de la Ley de Sociedades de Capital. Así mismo, se hace constar el derecho de los socios a acudir de manera virtual, de conformidad al artículo 40.1 RD-L 8/2020.

Madrid, 20 diciembre de 2021.- El Administrador Solidario, Alberto Zardoya Arana.

Anexo II

Borrador de comunicación de información privilegiada

OPAL SPANISH HOLDINGS, S.A.U.
Calle Suero de Quiñones, 34-36, Madrid

COMISIÓN NACIONAL DEL MERCADO DE VALORES
Calle Edison, 4, Madrid

En cumplimiento de lo establecido en el artículo 226 del texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, Opal Spanish Holdings, S.A.U. ("**OSH**") procede por medio del presente escrito a comunicar a la Comisión Nacional del Mercado de Valores la siguiente

In accordance with section 226 of the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of October 23, Opal Spanish Holdings, S.A.U. ("**OSH**") hereby reports to the Spanish National Securities Market Commission the following

INFORMACIÓN PRIVILEGIADA

En el día de hoy, OSH (filial de Otis Worldwide Corporation) ha suscrito un contrato con Euro-Syns, S.A. ("**Euro-Syns**"), accionista titular de un 11,19% de Zardoya Otis, S.A. ("**ZOSA**"), por el que Euro-Syns se ha comprometido irrevocablemente a aceptar la oferta pública voluntaria de adquisición (la "**OPA**") sobre la totalidad de las acciones de ZOSA formulada por OSH con respecto a la totalidad de su participación a un precio de 7,14 euros por acción —precio que incorpora una mejora de 21 céntimos de euro y que será ajustado por el dividendo anunciado por ZOSA el 14 de diciembre de 2021 mediante comunicación de información privilegiada con número de registro 1066—.

En consecuencia, OSH ha acordado incrementar el precio de la OPA a 7,14 euros por acción. El precio revisado de la OPA se ajustará en los términos anunciados en la comunicación de otra información relevante de 16 de diciembre de 2021 (número de registro 13202) por el dividendo anunciado por ZOSA el 14 de diciembre de 2021, de tal manera que el precio de la OPA quedará fijado en 7,07 euros por

INSIDE INFORMATION

OSH (an Otis Worldwide Corporation company) has today executed an agreement with Euro-Syns, S.A. ("**Euro-Syns**"), holder of a 11.19% stake in Zardoya Otis, S.A. ("**ZOSA**"), under which Euro-Syns has irrevocably committed to accept the tender offer (the "**Offer**") for all of the outstanding shares of ZOSA commenced by OSH with respect to its entire 11.19% stake at a price of 7.14 euros per share—this price entails an increase of 21 cents and will be adjusted for the dividend announced by ZOSA on December 14, 2021 through an inside information notice with registry number 1066.

As a result, OSH has resolved to increase the price of the Offer to 7.14 euros per share. The revised price will be adjusted on the terms announced in the other relevant information notice dated December 16, 2021 (registry number 13202) for the dividend announced by ZOSA on December 14, 2021. As such, the price of the Offer will be set at 7.07 euros per share effective January 6, 2022.

acción con efectos a partir del 6 de enero de 2021.

El precio de la OPA podrá ajustarse igualmente según lo previsto en el anuncio previo de la OPA por los dividendos y otras distribuciones a sus accionistas que acuerde llevar a cabo ZOSA.

La transmisión de las acciones propiedad de Euro-Syns está sujeta a la aprobación de su junta general de accionistas de conformidad con el artículo 160. f) de la Ley de Sociedades de Capital, cuya celebración está prevista para antes del 31 de enero de 2022.

OSH presentará la documentación relativa a la mejora de la OPA a la CNMV para su autorización en los próximos días.

Se adjunta como **anexo** a la presente comunicación copia del acuerdo con Euro-Syns.

The price of the Offer shall also be adjusted as announced in the announcement relative to the intention to commence the Offer for any dividends and distributions to its shareholders that ZOSA may carry out.

The transfer of the shares held by Euro-Syns is subject to the approval of its General Shareholders Meeting in accordance with section 160. f) of the Spanish Companies Law, which is expected to be held before January 31, 2022.

OSH will submit all the documentation relative to the improved Offer to the CNMV for their authorization within the next few days.

A copy of the agreement with Euro-Syns is hereby attached as **annex**.

20 de diciembre de 2021 / December 20, 2021

Atentamente / Yours faithfully,

Opal Spanish Holdings, S.A.U.

D. Miguel Liria Plañiol

Anexo III
Versión inglesa del Acuerdo

Irrevocable undertaking agreement regarding the
acceptance of the tender offer for all of the
shares of

Zardoya Otis, S.A.

BY

EURO-SYNS, S.A.

as Selling Shareholder

AND

OPAL SPANISH HOLDINGS, S.A.U.

as Bidder

Madrid, December 20, 2021

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In Madrid, on December 20, 2021, this irrevocable undertaking agreement (the “**Agreement**”) is entered into

BY AND AMONG

- I. **EURO-SYNS, S.A.**, a company duly incorporated and existing under the laws of Spain, with registered office at Calle Fernández de la Hoz 26, 28010, Madrid (Spain), holding Tax Identification Number (*NIF*) A-20029567 and registered with the Commercial Registry of Madrid under volume (*tomo*) 3,966, page (*folio*) 48 and sheet (*hoja*) M-66,379 (the “**Selling Shareholder**”).

The Selling Shareholder is duly represented by Mr. Alberto Zardoya Arana, of legal age and Spanish nationality, with national identification card (*DNI*) number [REDACTED] and professional domicile at [REDACTED] Ms. María Luisa Zardoya Arana, of legal age and Spanish nationality, with national identification card (*DNI*) number [REDACTED] and professional domicile at [REDACTED] Ms. María Teresa Zardoya Arana, of legal age and Spanish nationality, with national identification card (*DNI*) number [REDACTED] and professional domicile at [REDACTED] and Ms. María Luisa Arana Isasa, of legal age and Spanish nationality, with national identification card (*DNI*) number [REDACTED] and professional domicile at [REDACTED] jointly, the “**Selling Shareholder Directors**”), who act in their capacity as joint and several directors (*administrador solidario*) of the Selling Shareholder. Mr Alberto Zardoya Arana also acts as the valid representative of the Selling Shareholder in the Board of Directors of Zardoya Otis, S.A.

The Selling Shareholder Directors also execute this agreement on their own behalf for the purposes of Clauses 2.2, 2.3 and 2.5.

- II. **OPAL SPANISH HOLDINGS, S.A.U.**, a company duly incorporated and existing under the laws of Spain, with registered office at calle Suero de Quiñones, 34-36, 28002, Madrid, holding Tax Identification Number (*NIF*) A-16808453, and registered in the Commercial Registry of Madrid under volume (*tomo*) 42.257, section (*sección*) 8, page (*folio*) 160 and sheet (*hoja*) M-748.124 (the “**Bidder**”).

The Bidder is duly represented by Mr David M. Jones, of legal age and US nationality, holding passport of his nationality number [REDACTED] and Spanish Foreigners ID number [REDACTED] both in force, and professional domicile for these purposes at calle Suero de Quiñones, 34-36, 28002, Madrid, who acts in his capacity as director and especially authorised pursuant to the resolutions of Bidder’s board of directors passed on December 20, 2021.

The Selling Shareholder, the Selling Shareholder Directors and the Bidder are jointly referred to herein as the “**Parties**” and each of them individually as a “**Party**”.

WHEREAS

- I. Zardoya Otis, S.A. is a Spanish company, with registered office at calle Golfo de Salónica, 73, 28003, Madrid, holder of Spanish tax identification number (*NIF*) A-28011153, and registered with the Commercial Registry of Madrid at volume (*tomo*) 1840, page (*folio*) 177, sheet (*hoja*) 33171 (**"ZOSA"**).
- II. The share capital of ZOSA amounts to EUR 47,046,431.10 and is represented by 470,464,311 ordinary shares (the **"Shares"**) with a face value of EUR 0.10 each, fully subscribed and paid-up, of the same class and series and represented by book entries (*anotaciones en cuenta*). All the Shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Automated Quotation System (*Sistema de Interconexión Bursátil*).
- III. As of the date hereof, the Selling Shareholder is the sole legal owner of 52,628,034 Shares in ZOSA, free from any liens, encumbrances and third party rights, freely transferable and representing, approximately, 11.186%% of the Company's share capital (the **"Selling Shareholder's Shares"**). This notwithstanding, should the Selling Shareholder acquire, receive by any means or be entitled to any other Shares during the course of the Offer, as defined in the following paragraph, the Selling Shareholder's Shares will also encompass such other Shares.
- IV. On September 22, 2021, the Bidder announced it intended to commence a tender offer (the **"Offer"**) for all of the outstanding shares of ZOSA for an offer price of 7.00 euros per share in cash, reduced to 6.93 euros per share effective October 7, 2021 as a result of the dividend of 0.074 euros gross per share paid by ZOSA to its shareholders on October 11, 2021 and which was expected to be further reduced to 6.86 per share effective January 6, 2022 as a result of the dividend of 0.076 euros gross per share to be paid by ZOSA to its shareholders on January 10, 2022.
- V. The Bidder and the Selling Shareholder have reached an agreement for the latter to sell all of its Selling Shareholder's Shares to the Bidder at a price of 7.21 euros per share in cash determined as of 22 September 2021 (adjustable by any dividend or distribution declared and paid after 22 September 2021).
- VI. As a consequence thereof, the Bidder has agreed to increase the original price of the Offer to 7.21 euros per share in cash (adjustable by any dividend or distribution declared and paid after 22 September 2021) in consideration for the Selling Shareholder agreeing to sell all of its Selling Shareholder's Shares to the Bidder in the context of the Offer and the Selling Shareholder has agreed to irrevocably accept the Offer and tender the Selling Shareholder's Shares under the Offer pursuant to the terms and conditions set out herein.
- VII. In view of the foregoing, the Parties have agreed to enter into this Agreement in accordance with the following

CLAUSES

1. THE BIDDER'S COMMITMENTS WITH RESPECT TO THE OFFER

1.1 INCREASE OF THE OFFER PRICE

The Bidder has agreed on the date hereof to increase the price of the Offer (the "**Offer Price**") from the initial announced price of 7 euros per share to 7.21 euros per share in cash, which at the date of this Agreement is equivalent to an Offer Price of 7.14 euros per share as a result of the dividend of 0.074 euros per share paid by ZOSA to its shareholders on 11 October 2021. The Offer Price shall be adjusted to 7.07 euros per share in cash effective January 6, 2022 as a result of the dividend of 0.076 euros gross per share to be paid by ZOSA to its shareholders on January 10, 2022. The Offer Price shall be further adjusted downwards in the amount of any additional dividend or distribution declared and paid by ZOSA to its shareholders, provided that the date of publication of the result of the Offer in the official trading gazettes (*boletines de cotización*) coincides or falls after the ex-dividend date and subject to the terms of the offer document (*folleto explicativo*) (the "**Offer Document**").

The Bidder further undertakes to take all necessary steps to formalize the increase in the Offer Price including submitting and filing, as soon as practicable after signing this Agreement (and will use its best efforts to do it within 5 business day from the date of this Agreement), all necessary documentation with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") for purposes of obtaining the relevant authorizations and making any regulatory announcements that may be required in connection therewith.

For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement, if for any reason the Offer Price is further increased by the Bidder at any time in the future, the Parties acknowledge that the Selling Shareholder shall be entitled to receive such improved Offer Price.

1.2 FURTHER AMENDMENTS TO THE OFFER TERMS AND CONDITIONS

Subject to the terms of this Agreement, the Bidder shall be entitled to extend the acceptance period of the Offer or to modify the terms and conditions of the Offer as defined in the Offer Document (the "**Offer Terms and Conditions**") whenever deemed desirable or necessary to obtain the authorisation of the Offer and/or to achieve its success.

2. COMMITMENTS FROM THE SELLING SHAREHOLDER AND THE SELLING SHAREHOLDER DIRECTORS

2.1 ACCEPTANCE OF THE OFFER

The Selling Shareholder hereby irrevocably and unconditionally undertakes to accept the Offer at the Offer Price (as adjusted and/or increased from time to time) with all of the Selling Shareholder's Shares, under the Offer Terms and Conditions (as amended) within the first 5 stock exchange trading days (*días hábiles bursátiles*) of the acceptance period of the Offer (or, if the 160f Authorisation referred to in clause 4.2(ii) has not been granted by then, no later than within 3 stock exchange trading days (*días hábiles bursátiles*) from the day on which such authorization is granted by the general shareholders meeting of the Selling Shareholder) and further undertakes not to revoke such acceptance.

Save for the provisions in Clause 9, which shall remain in force, if the CNMV does not authorize the Offer or the Bidder withdraws the Offer with the consent of the CNMV, the Selling Shareholder shall be entitled to freely transact with the Selling Shareholder's Shares in any way without any obligation or liability vis-à-vis the Bidder.

Under no circumstances other than the Offer being (i) withdrawn by the Bidder with the consent of the CNMV (and, in this case, only when the Offer has been effectively withdrawn); or (ii) not authorized by the CNMV (and, in this case, only when such non-authorization is final), may the Selling Shareholder accept any third party offer in relation to the Selling Shareholder's Shares.

2.2 VOTING

The Selling Shareholder and the Selling Shareholder Directors hereby declare that they have a favourable opinion regarding the Offer and the consideration offered by the Bidder.

As such, from the date this Agreement is entered into until the settlement of the Offer —except where this Agreement is terminated pursuant to Clause 7 below—, the Selling Shareholder undertakes to exercise the voting rights attached to the Selling Shareholder's Shares for the purposes of allowing and assisting the implementation of the Offer and against resolutions which, if passed, might reasonably impede or frustrate the Offer.

Without prejudice to the generality of the foregoing, and to the extent legally possible and subject to compliance with the fiduciary and other legal duties of the directors, the Selling Shareholder, in its capacity as director of ZOSA, will express a favourable opinion regarding the Offer and the consideration offered by the Bidder in the report (*informe*) that the Board of Directors of ZOSA is required to approve and make public following the approval of the Offer by the CNMV.

2.3 STANDSTILL

For the term of this Agreement, the Selling Shareholder and the Selling Shareholder Directors undertake not to transact with any Shares of ZOSA. In particular, the Selling Shareholder and the Selling Shareholder Directors shall not subscribe for, purchase, sell, transfer, swap or otherwise acquire or dispose of any Shares, financial instruments having the Shares as underlying asset or rights attached to the Shares, or the voting or economic rights attached to them, nor create any charges, pledges, liens, encumbrances or in any way purchase, subscribe for or grant any right over Shares or the voting or economic rights attached to them.

Moreover, during the term of this Agreement the Selling Shareholder Directors shall also undertake not to dispose in any way of any shares of the Selling Shareholder.

2.4 COLLABORATION

The Selling Shareholder hereby undertakes to provide in a timely manner both the Bidder and the CNMV with any necessary information and documents within the Selling Shareholder's control, capacity and authority and which are requested directly or indirectly (through the Bidder) by the CNMV in the context of the Offer including, for the avoidance of doubt, information and documents which are needed for the purposes of preparing the Offer Document.

2.5 160F AUTHORISATION

With regard to the 160f Authorisation referred to in clause 4.2(ii), the Selling Shareholder Directors have decided to convene a general shareholders meeting of the Selling Shareholder, the publication of the announcement of which will be requested within two business days from the date of this Agreement, on the terms and with the agenda set out in the call announcement attached to this Agreement as **Annex I** (the "**Call Notice**"), for the purposes of holding such general meeting as soon as practicable and to authorise the transfer of the Selling Shareholder's Shares in the context of the acceptance of the Offer.

The Selling Shareholder Directors irrevocably undertake, subject to the terms and conditions of this Agreement, to attend to the general shareholders meeting to be convened by means of the Call Notice and to exercise all of the voting rights that they are empowered to exercise, either on their own behalf and/or on behalf of any other shareholders of the Selling Shareholder by virtue of the applicable delegations or empowerments (and which shall amount, in aggregate, to more than 75% of the total voting rights), so that the 160f Authorisation that is required for the purposes of the transfer of the Selling Shareholder's Shares in the context of the acceptance of the Offer is duly granted by the general shareholders meeting of the Selling Shareholder.

3. CORPORATE NAME CHANGE

Within 6 months after the settlement of the Offer, the Bidder (and, if applicable, any other entities and/or persons within the corporate group to which the Bidder belongs) shall cause each member of the ZOSA group having a corporate name (*denominación social*) that includes the term "ZARDOYA" to change its corporate name to a name that does not include such term, including, within 6 months after the settlement of the Offer, by making any legal filings in each relevant jurisdiction necessary to effect such change.

4. REPRESENTATIONS AND WARRANTIES

4.1 REPRESENTATIONS AND WARRANTIES FROM THE BIDDER

The Bidder represents and warrants to the Selling Shareholder that:

- (i) The Bidder is validly incorporated, in existence and duly registered under the laws of its jurisdiction and has full corporate power to carry out its object (including the capacity to dispose of and encumber its assets) as conducted as at the date of this Agreement; and to be party to the contracts and perform the obligations deriving from them.
- (ii) The Bidder has obtained all corporate authorisations and all other governmental, statutory, regulatory or other consents, licenses and authorizations required to enter into and perform its obligations under this Agreement.
- (iii) This Agreement is not contrary to or does not entail a breach of any of the corporate documents of the Bidder, nor is it contrary to any laws or regulations in its jurisdiction or of any order, decree or judgment of any court or any governmental or regulatory authority.
- (iv) The Bidder does not have any plans to make significant changes to the employment conditions of ZOSA's employees and management and it intends to preserve the existing employment

positions going forward, without prejudice to any changes that might arise from the evolution of the business.

- (v) The Bidder has the necessary funding in place to pay the incremental consideration payable to the shareholders of ZOSA as a result of the increase in the Offer Price.
- (vi) Each of the above representations and warranties is true and accurate at the date hereof and shall remain true and accurate and not misleading on the settlement date of the Offer as if repeated immediately before the settlement of the Offer.

4.2 REPRESENTATIONS AND WARRANTIES FROM THE SELLING SHAREHOLDER

The Selling Shareholder represents and warrants to the Bidder that:

- (i) It is validly incorporated, in existence and duly registered under the laws of its jurisdiction and has full corporate power to carry out its object (including the capacity to dispose of and encumber its assets) as conducted as at the date of this Agreement; and to be party to the contracts and perform the obligations deriving from them.
- (ii) Except for the general shareholders meeting authorisation required for the transfer of the Selling Shareholder's Shares in the context of the acceptance of the Offer pursuant to article 160.f) of the Spanish Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "**160f Authorisation**"), it has obtained all internal corporate authorisations, and there are no governmental, statutory or regulatory consents or authorizations, in each case, required to enter into and perform its obligations under this Agreement.
- (iii) This Agreement is not contrary to or does not entail a breach of any of the corporate documents of the Selling Shareholder, nor is it contrary to any laws or regulations in its jurisdiction or of any order, decree or judgment of any court or any governmental or regulatory authority, in each case which are applicable to it.
- (iv) It is the sole legal owner of each of the Selling Shareholder's Shares. The Selling Shareholder's Shares are free from all liens, encumbrances and third party rights and include all the voting and other rights attached thereto.
- (v) It is entitled to dispose, sell and transfer the Selling Shareholder's Shares on the terms and conditions herein described.
- (vi) The Selling Shareholder does not have an interest in, or is otherwise able to control the exercise of rights attaching to, any Shares or other securities in the Company other than the Selling Shareholder's Shares.
- (vii) Each of the above representations and warranties is true and accurate at the date hereof and shall remain true and accurate and not misleading on the settlement date of the Offer as if repeated immediately before the settlement of the Offer.

5. BREACH

The breach by either Party of this Agreement will entitle the other Party to claim against the breaching Party either (i) the specific performance of the breached undertaking(s), or (ii) in the event of a material breach of the Agreement, the termination of the Agreement; in both cases, together with the applicable compensation for damages.

6. TERM

This Agreement will be in force from the date hereof until the settlement of the Offer, unless terminated earlier in accordance with its terms.

7. EARLY TERMINATION OF THE AGREEMENT

This Agreement may only be early-terminated as follows:

- (i) by one Party giving notice to the other Party if the CNMV does not authorise the Offer and the Bidder decides not to request again such authorisation;
- (ii) by one Party giving notice to the other Party upon the Bidder withdrawing the Offer with the consent of the CNMV; or
- (iii) by the non-breaching Party giving notice to the other Party if this Agreement has been materially breached by the latter.

Unless terminated earlier, this Agreement will expire if and when the Selling Shareholder has accepted the Offer and tendered the Selling Shareholder's Shares to the Bidder, in each case pursuant to the terms herein, and no other obligation of any Party hereunder remains outstanding.

The expiry or termination of this Agreement will be without prejudice to the provisions in Clauses 3, 5 and 9, which shall remain in force, and to the accrued rights and obligations of the Parties hereunder on and prior thereto, including as to the consequences set out for each of the events triggering the termination throughout this Agreement.

8. ANNOUNCEMENTS

The Parties acknowledge and agree that the Bidder will deliver this Agreement to the CNMV right after its execution by the Parties so that it is published as an inside information notice (*comunicación de información privilegiada*) as soon as possible. A draft of such inside information notice is attached herein as **Annex II**.

Other than the disclosures required to be made by the Bidder (or its controlling shareholder) under applicable regulations or upon request of the CNMV or required to be made by the Selling Shareholder in its capacity as director of ZOSA (in particular, in connection with the report (*informe*) to be issued by the Board of Directors of ZOSA in relation to the Offer), neither Party (nor any of their respective affiliates) shall make any announcement or disclosure or issue any circular in connection with this Agreement without the prior written approval of the other Party (such approval not to be unreasonably withheld or delayed).

9. MISCELLANEOUS

9.1 NO ASSIGNMENT

Neither Party may without the prior written consent of the other Party assign its rights and obligations deriving from this Agreement to any other person.

9.2 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties in relation to the acceptance of the Offer and replaces any other prior agreement, whether oral or in writing, regarding the same matter.

9.3 WAIVER

Except for the situations described in Clause 7, any failure or delay to exercise a right, power or privilege provided in this Agreement will not in itself amount to a waiver thereof and the individual or partial exercise of these rights, powers or privileges will not constitute a waiver to exercise the right, power or privilege in the future.

9.4 COSTS

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into of this Agreement.

9.5 NOTICES

The notice between the Parties in connection to this Agreement shall be made in writing and in English to the following addresses or e-mails:

If sent to the Bidder:

Addressee: Nora LaFreniere
Address: c/o Otis Worldwide Corporation
One Carrier Place
Farmington, CT 06032
E-mail: [REDACTED]

With a copy to:

Addressee: Alfonso Ventoso / Gorka Atutxa
Address: C/ Príncipe de Vergara, 187, 28002, Madrid, Spain
E-mail: alfonso.ventoso@uria.com / gorka.atutxa@uria.com

If sent to the Selling Shareholder or to the Selling Shareholder Directors:

Addressees: Mr. Alberto Zardoya Arana
Address: [REDACTED]
E-mail: [REDACTED]

With a copy to:

Addressee: Armando Albarrán and Javier Sánchez Valiente
Address: Torre Europa, Paseo de la Castellana, 95, 28046 Madrid,
Spain
E-mail: Armando.albarran@freshfields.com / Javier.sanchez-
valiente@freshfields.com

Any correspondence sent to the above addresses will be deemed to have been received by the addressee (unless the addressee had previously informed the sender of a change of address by notice in accordance with this Clause), provided that they evidence receipt by the addressee.

9.6 GOVERNING LAW

This Agreement shall be governed by the common Laws of the Kingdom of Spain (*legislación común española*).

9.7 JURISDICTION

The Parties, waiving their right to any other jurisdiction, irrevocably submit to the courts of the city of Madrid (Spain) for the resolution of any dispute, claim or controversy arising from or relating to this Agreement, including any question with respect to its existence, validity, termination, nullification or effectiveness.

10. EXECUTION

The Parties agree that this Agreement may be executed by means of e-mail on the date first set out above.

For such purpose, the Selling Shareholder, the Selling Shareholder Directors and the Bidder will sign the corresponding signature page of this Agreement and send to the Bidder legal advisors (alfonso.ventoso@uria.com and gorka.atutxa@uria.com) a scanned copy thereof by electronic mail. The Bidder's legal advisors will send to the parties a copy of the executed Agreement upon receipt of all the executed signature pages and instructions to release them.

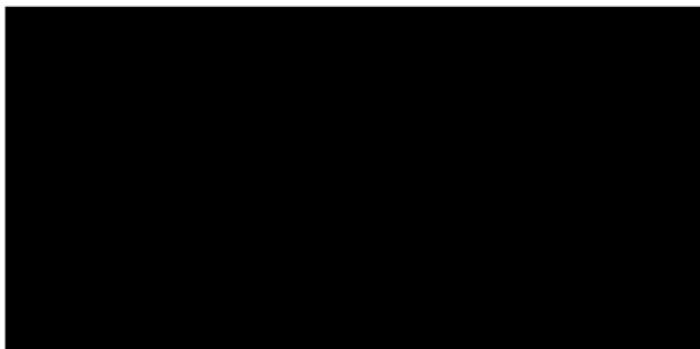
Furthermore, the Parties agree that the Agreement is signed in Spanish and English (which is attached as Annex III to the Spanish language version of the Agreement), and that, in the event of any discrepancies between both versions, the Spanish version shall prevail for all purposes.

The Parties agree that the Agreement executed as described above will have full effect on its own terms and serve as proof of the agreements reached between them.

[Remainder of page intentionally left blank; signature pages and annexes follow]

Euro-Syns, S.A.

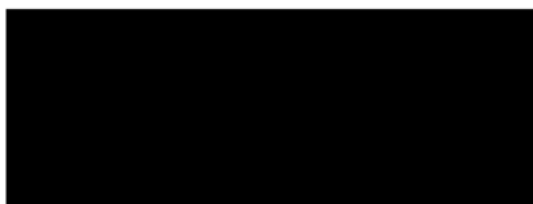
By:



Mr. Alberto Zardoya Arana



Ms. María Luisa Zardoya Arana



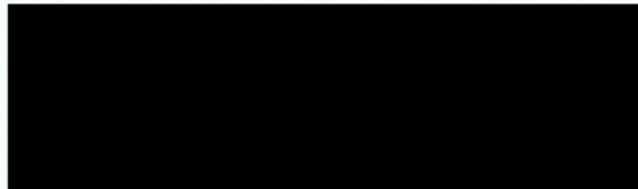
Ms. María Teresa Zardoya Arana



Ms. María Luisa Arana Isasa

[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Dña. María Luisa Arana Isasa, in her capacity as shareholder and joint and several director of Euro-Syns, S.A.



[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Dña. María Teresa Zardoya Arana, in her capacity as shareholder and joint and several director of Euro-Syns, S.A.



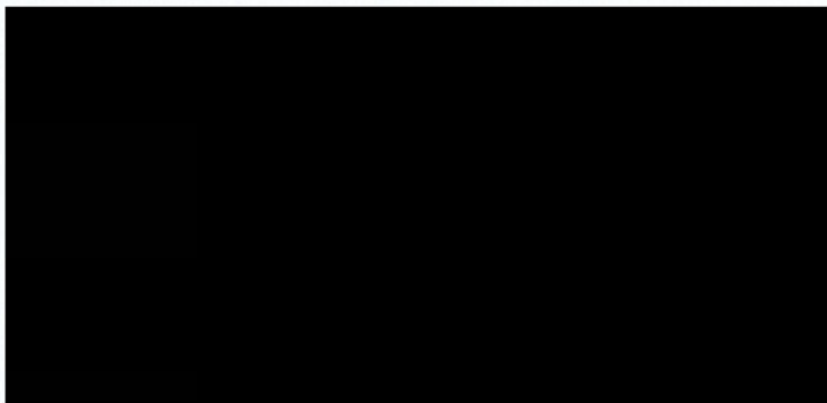
[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Ms. María Luisa Zardoya Arana, in her capacity as shareholder and joint and several director of Euro-Syns, S.A.



[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Mr. Alberto Zardoya Arana, in his capacity as shareholder and joint and several director of Euro-Syns, S.A. and individual representing Euro-Syns, S.A. in its capacity as member of the board of directors of Zardoya Otis, S.A.



[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Opal Spanish Holdings, S.A.U.

By:



Mr. David M. Jones

[Signature page of the irrevocable undertaking relating to the acceptance of the public takeover offer for the acquisition of shares in Zardoya Otis, S.A. between Euro-Syns, S.A., the joint and several directors (administradores solidarios) of Euro-Syns, S.A. and Opal Spanish Holdings, S.A.U. dated December 2021]

Annex I
Draft Call Announcement

EURO-SYNS, S.A.

Se convoca a los Accionistas a la Junta General Extraordinaria, que se celebrará en el domicilio social, c/ Fernández de la Hoz, 26 (Madrid), el 27 de enero de 2022 a las 12 horas en primera convocatoria, y el 28 de enero de 2022 a la misma hora en segunda, con el siguiente

Orden del día

- PRIMERO.- Aprobación de la venta de activo esencial.
- SEGUNDO.- Delegación de facultades para la formalización de acuerdos.
- TERCERO.- Ruegos y preguntas.
- CUARTO.- Aprobación del Acta de la Junta.

Se hace constar el derecho de información que asiste a los accionistas de conformidad con lo dispuesto en el artículo 197 de la Ley de Sociedades de Capital. Así mismo, se hace constar el derecho de los socios a acudir de manera virtual, de conformidad al artículo 40.1 RD-L 8/2020.

Madrid, 20 diciembre de 2021.- El Administrador Solidario, Alberto Zardoya Arana.

Annex II

Draft inside information notice

OPAL SPANISH HOLDINGS, S.A.U.
Calle Suero de Quiñones, 34-36, Madrid

COMISIÓN NACIONAL DEL MERCADO DE VALORES
Calle Edison, 4, Madrid

En cumplimiento de lo establecido en el artículo 226 del texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, Opal Spanish Holdings, S.A.U. ("**OSH**") procede por medio del presente escrito a comunicar a la Comisión Nacional del Mercado de Valores la siguiente

In accordance with section 226 of the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of October 23, Opal Spanish Holdings, S.A.U. ("**OSH**") hereby reports to the Spanish National Securities Market Commission the following

INFORMACIÓN PRIVILEGIADA

En el día de hoy, OSH (filial de Otis Worldwide Corporation) ha suscrito un contrato con Euro-Syns, S.A. ("**Euro-Syns**"), accionista titular de un 11,19% de Zardoya Otis, S.A. ("**ZOSA**"), por el que Euro-Syns se ha comprometido irrevocablemente a aceptar la oferta pública voluntaria de adquisición (la "**OPA**") sobre la totalidad de las acciones de ZOSA formulada por OSH con respecto a la totalidad de su participación a un precio de 7,14 euros por acción —precio que incorpora una mejora de 21 céntimos de euro y que será ajustado por el dividendo anunciado por ZOSA el 14 de diciembre de 2021 mediante comunicación de información privilegiada con número de registro 1066—.

En consecuencia, OSH ha acordado incrementar el precio de la OPA a 7,14 euros por acción. El precio revisado de la OPA se ajustará en los términos anunciados en la comunicación de otra información relevante de 16 de diciembre de 2021 (número de registro 13202) por el dividendo anunciado por ZOSA el 14 de diciembre de 2021, de tal manera que el precio de la OPA quedará fijado en 7,07 euros por

INSIDE INFORMATION

OSH (an Otis Worldwide Corporation company) has today executed an agreement with Euro-Syns, S.A. ("**Euro-Syns**"), holder of a 11.19% stake in Zardoya Otis, S.A. ("**ZOSA**"), under which Euro-Syns has irrevocably committed to accept the tender offer (the "**Offer**") for all of the outstanding shares of ZOSA commenced by OSH with respect to its entire 11.19% stake at a price of 7.14 euros per share—this price entails an increase of 21 cents and will be adjusted for the dividend announced by ZOSA on December 14, 2021 through an inside information notice with registry number 1066.

As a result, OSH has resolved to increase the price of the Offer to 7.14 euros per share. The revised price will be adjusted on the terms announced in the other relevant information notice dated December 16, 2021 (registry number 13202) for the dividend announced by ZOSA on December 14, 2021. As such, the price of the Offer will be set at 7.07 euros per share effective January 6, 2022.

acción con efectos a partir del 6 de enero de 2021.

El precio de la OPA podrá ajustarse igualmente según lo previsto en el anuncio previo de la OPA por los dividendos y otras distribuciones a sus accionistas que acuerde llevar a cabo ZOSA.

La transmisión de las acciones propiedad de Euro-Syns está sujeta a la aprobación de su junta general de accionistas de conformidad con el artículo 160. f) de la Ley de Sociedades de Capital, cuya celebración está prevista para antes del 31 de enero de 2022.

OSH presentará la documentación relativa a la mejora de la OPA a la CNMV para su autorización en los próximos días.

Se adjunta como **anexo** a la presente comunicación copia del acuerdo con Euro-Syns.

The price of the Offer shall also be adjusted as announced in the announcement relative to the intention to commence the Offer for any dividends and distributions to its shareholders that ZOSA may carry out.

The transfer of the shares held by Euro-Syns is subject to the approval of its General Shareholders Meeting in accordance with section 160. f) of the Spanish Companies Law, which is expected to be held before January 31, 2022.

OSH will submit all the documentation relative to the improved Offer to the CNMV for their authorization within the next few days.

A copy of the agreement with Euro-Syns is hereby attached as **annex**.

20 de diciembre de 2021 / December 20, 2021

Atentamente / Yours faithfully,

Opal Spanish Holdings, S.A.U.

D. Miguel Liria Plañiol

ANEXO 12

Listado de las operaciones con acciones propias llevadas a cabo por ZOSA en el periodo de doce meses anterior al anuncio previo de la Oferta y hasta la fecha del folleto

ZOSA - Detalle Operaciones con Acciones Propias

<u>Fecha</u>	<u>Tipo</u>	<u>Número</u>	<u>Precio Unitario</u>
<u>Operación</u>	<u>Operación</u>	<u>Acciones</u>	<u>(en euros)</u>
16/10/2020	COMPRA	1.162	5,17
16/10/2020	COMPRA	3.098	5,19
16/10/2020	COMPRA	5.522	5,20
16/10/2020	COMPRA	6.441	5,21
16/10/2020	COMPRA	21.453	5,22
16/10/2020	COMPRA	1.162	5,23
16/10/2020	COMPRA	1.162	5,24
19/10/2020	COMPRA	8.692	5,25
19/10/2020	COMPRA	20.852	5,26
19/10/2020	COMPRA	1.182	5,27
19/10/2020	COMPRA	4.728	5,28
19/10/2020	COMPRA	1.182	5,29
19/10/2020	COMPRA	2.374	5,30
19/10/2020	COMPRA	3.990	5,33
20/10/2020	COMPRA	475	5,17
20/10/2020	COMPRA	4.678	5,19
20/10/2020	COMPRA	5.547	5,20
20/10/2020	COMPRA	801	5,21
20/10/2020	COMPRA	1.499	5,22
20/10/2020	COMPRA	3.155	5,23
20/10/2020	COMPRA	3.128	5,24
20/10/2020	COMPRA	2.530	5,25
20/10/2020	COMPRA	4.627	5,27
20/10/2020	COMPRA	815	5,29
20/10/2020	COMPRA	10.320	5,32
20/10/2020	COMPRA	5.064	5,33
20/10/2020	COMPRA	1.861	5,35
21/10/2020	COMPRA	1.297	5,25
21/10/2020	COMPRA	5.201	5,26
21/10/2020	COMPRA	2.681	5,27
21/10/2020	COMPRA	2.594	5,28
21/10/2020	COMPRA	2.640	5,29
21/10/2020	COMPRA	9.033	5,30
21/10/2020	COMPRA	6.485	5,31
21/10/2020	COMPRA	3.891	5,32
21/10/2020	COMPRA	7.605	5,33
21/10/2020	COMPRA	960	5,34
21/10/2020	COMPRA	700	5,35
21/10/2020	COMPRA	1.220	5,36
21/10/2020	COMPRA	1.193	5,37
22/10/2020	COMPRA	909	5,27
22/10/2020	COMPRA	2.816	5,29
22/10/2020	COMPRA	5.915	5,30
22/10/2020	COMPRA	5.587	5,31
22/10/2020	COMPRA	4.956	5,32
22/10/2020	COMPRA	8.752	5,33
22/10/2020	COMPRA	13.363	5,34
22/10/2020	COMPRA	2.688	5,35

23/10/2020	COMPRA	2.040	5,29
23/10/2020	COMPRA	10	5,30
23/10/2020	COMPRA	3.277	5,32
23/10/2020	COMPRA	12.345	5,34
23/10/2020	COMPRA	6.633	5,35
23/10/2020	COMPRA	7.909	5,36
23/10/2020	COMPRA	2.684	5,37
23/10/2020	COMPRA	8.102	5,38
26/10/2020	COMPRA	850	5,30
26/10/2020	COMPRA	5.948	5,31
26/10/2020	COMPRA	18.658	5,32
26/10/2020	COMPRA	665	5,33
26/10/2020	COMPRA	6.844	5,34
27/10/2020	COMPRA	1.374	5,28
27/10/2020	COMPRA	3.688	5,30
27/10/2020	COMPRA	2.133	5,31
27/10/2020	COMPRA	8.306	5,32
27/10/2020	COMPRA	8.754	5,33
27/10/2020	COMPRA	3.567	5,34
27/10/2020	COMPRA	2.569	5,35
27/10/2020	COMPRA	6.870	5,36
28/10/2020	COMPRA	1.014	5,07
28/10/2020	COMPRA	2.028	5,08
28/10/2020	COMPRA	2.028	5,09
28/10/2020	COMPRA	4.056	5,10
28/10/2020	COMPRA	1.014	5,11
28/10/2020	COMPRA	2.028	5,12
28/10/2020	COMPRA	3.042	5,13
28/10/2020	COMPRA	1.002	5,14
28/10/2020	COMPRA	1.014	5,17
28/10/2020	COMPRA	3.624	5,18
28/10/2020	COMPRA	7.770	5,19
28/10/2020	COMPRA	6.793	5,20
28/10/2020	COMPRA	9.653	5,21
28/10/2020	COMPRA	1.945	5,23
28/10/2020	COMPRA	989	5,25
29/10/2020	COMPRA	1.395	5,13
29/10/2020	COMPRA	1.658	5,14
29/10/2020	COMPRA	16.692	5,15
29/10/2020	COMPRA	10.238	5,17
29/10/2020	COMPRA	6.552	5,18
29/10/2020	COMPRA	6.724	5,19
29/10/2020	COMPRA	1.269	5,20
29/10/2020	COMPRA	4.972	5,21
30/10/2020	COMPRA	912	5,14
30/10/2020	COMPRA	1.890	5,15
30/10/2020	COMPRA	846	5,17
30/10/2020	COMPRA	6.311	5,18
30/10/2020	COMPRA	18.163	5,20
30/10/2020	COMPRA	7.430	5,21
30/10/2020	COMPRA	5.444	5,22
30/10/2020	COMPRA	7.212	5,23
30/10/2020	COMPRA	194	5,24

02/11/2020	COMPRA	2.080	5,23
02/11/2020	COMPRA	3.956	5,24
02/11/2020	COMPRA	2.140	5,25
02/11/2020	COMPRA	2.345	5,26
02/11/2020	COMPRA	4.268	5,28
02/11/2020	COMPRA	8.605	5,29
02/11/2020	COMPRA	3.402	5,30
02/11/2020	COMPRA	8.876	5,31
02/11/2020	COMPRA	13.328	5,33
03/11/2020	COMPRA	1.253	5,24
03/11/2020	COMPRA	5.158	5,26
03/11/2020	COMPRA	3.249	5,27
03/11/2020	COMPRA	3.211	5,28
03/11/2020	COMPRA	6.270	5,29
03/11/2020	COMPRA	5.120	5,30
03/11/2020	COMPRA	1.253	5,31
03/11/2020	COMPRA	4.970	5,32
03/11/2020	COMPRA	3.227	5,33
03/11/2020	COMPRA	6.215	5,34
03/11/2020	COMPRA	8.574	5,36
04/11/2020	COMPRA	1.387	5,18
04/11/2020	COMPRA	910	5,19
04/11/2020	COMPRA	566	5,21
04/11/2020	COMPRA	2.568	5,23
04/11/2020	COMPRA	6.780	5,24
04/11/2020	COMPRA	6.845	5,25
04/11/2020	COMPRA	2.568	5,26
04/11/2020	COMPRA	2.120	5,28
04/11/2020	COMPRA	11.983	5,29
04/11/2020	COMPRA	3.852	5,30
04/11/2020	COMPRA	2.589	5,31
04/11/2020	COMPRA	1.284	5,32
04/11/2020	COMPRA	5.136	5,33
04/11/2020	TRANSMISIÓN	564.561	5,25
05/11/2020	COMPRA	1.269	5,25
05/11/2020	COMPRA	5.076	5,27
05/11/2020	COMPRA	2.538	5,28
05/11/2020	COMPRA	8.085	5,29
05/11/2020	COMPRA	8.883	5,30
05/11/2020	COMPRA	9.100	5,31
05/11/2020	COMPRA	6.824	5,32
05/11/2020	COMPRA	7.225	5,33
06/11/2020	COMPRA	1.299	5,24
06/11/2020	COMPRA	3.897	5,25
06/11/2020	COMPRA	2.598	5,26
06/11/2020	COMPRA	13.422	5,27
06/11/2020	COMPRA	5.141	5,28
06/11/2020	COMPRA	6.951	5,29
06/11/2020	COMPRA	13.964	5,30
06/11/2020	COMPRA	200	5,31
06/11/2020	COMPRA	1.532	5,32
06/11/2020	COMPRA	996	5,33
09/11/2020	COMPRA	535	5,27

09/11/2020	COMPRA	15.765	5,28
09/11/2020	COMPRA	10.111	5,29
09/11/2020	COMPRA	5.743	5,30
09/11/2020	COMPRA	2.882	5,31
09/11/2020	COMPRA	1.672	5,32
09/11/2020	COMPRA	2.382	5,33
09/11/2020	COMPRA	2.382	5,35
09/11/2020	COMPRA	1.191	5,36
09/11/2020	COMPRA	1.191	5,37
09/11/2020	COMPRA	1.191	5,39
09/11/2020	COMPRA	745	5,40
09/11/2020	COMPRA	2.577	5,41
09/11/2020	COMPRA	251	5,42
09/11/2020	COMPRA	679	5,43
09/11/2020	COMPRA	1.703	5,44
10/11/2020	COMPRA	1.238	5,38
10/11/2020	COMPRA	1.692	5,39
10/11/2020	COMPRA	1.238	5,40
10/11/2020	COMPRA	12.270	5,41
10/11/2020	COMPRA	16.467	5,42
10/11/2020	COMPRA	5.807	5,43
10/11/2020	COMPRA	8.666	5,44
10/11/2020	COMPRA	29	5,45
10/11/2020	COMPRA	3	5,46
11/11/2020	COMPRA	38	5,44
11/11/2020	COMPRA	4.388	5,46
11/11/2020	COMPRA	3.278	5,47
11/11/2020	COMPRA	1.284	5,48
11/11/2020	COMPRA	2.936	5,49
11/11/2020	COMPRA	7.014	5,50
11/11/2020	COMPRA	3.543	5,51
11/11/2020	COMPRA	4.331	5,52
11/11/2020	COMPRA	65	5,53
11/11/2020	COMPRA	12.632	5,54
11/11/2020	COMPRA	8.895	5,55
11/11/2020	COMPRA	6.596	5,56
12/11/2020	COMPRA	12.178	5,47
12/11/2020	COMPRA	22.251	5,48
12/11/2020	COMPRA	13.503	5,49
12/11/2020	COMPRA	7.068	5,51
13/11/2020	COMPRA	1.483	5,50
13/11/2020	COMPRA	7.337	5,51
13/11/2020	COMPRA	2.948	5,54
13/11/2020	COMPRA	21.495	5,55
13/11/2020	COMPRA	15.317	5,56
13/11/2020	COMPRA	2.568	5,57
13/11/2020	COMPRA	3.852	5,58
16/11/2020	COMPRA	4.092	5,59
16/11/2020	COMPRA	24.858	5,60
16/11/2020	COMPRA	287	5,63
16/11/2020	COMPRA	481	5,64
16/11/2020	COMPRA	9.342	5,65
16/11/2020	COMPRA	7.560	5,66

16/11/2020	COMPRA	3.755	5,67
16/11/2020	COMPRA	6.125	5,68
17/11/2020	COMPRA	5.247	5,69
17/11/2020	COMPRA	17.818	5,70
17/11/2020	COMPRA	12.948	5,71
17/11/2020	COMPRA	100	5,72
17/11/2020	COMPRA	3.727	5,74
17/11/2020	COMPRA	4.734	5,75
17/11/2020	COMPRA	11.022	5,76
18/11/2020	COMPRA	2.610	5,70
18/11/2020	COMPRA	15.670	5,71
18/11/2020	COMPRA	3.870	5,72
18/11/2020	COMPRA	656	5,73
18/11/2020	COMPRA	3.534	5,76
18/11/2020	COMPRA	5.566	5,77
18/11/2020	COMPRA	24	5,78
18/11/2020	COMPRA	2.280	5,79
18/11/2020	COMPRA	2.118	5,80
18/11/2020	COMPRA	14.056	5,81
18/11/2020	COMPRA	4.301	5,82
18/11/2020	COMPRA	1.315	5,83
19/11/2020	COMPRA	2.635	5,74
19/11/2020	COMPRA	12.572	5,75
19/11/2020	COMPRA	16.514	5,76
19/11/2020	COMPRA	12.429	5,77
19/11/2020	COMPRA	11.850	5,78
20/11/2020	COMPRA	985	5,74
20/11/2020	COMPRA	5.346	5,75
20/11/2020	COMPRA	7.262	5,76
20/11/2020	COMPRA	7.098	5,78
20/11/2020	COMPRA	3.798	5,79
20/11/2020	COMPRA	5.225	5,80
20/11/2020	COMPRA	9.491	5,81
20/11/2020	COMPRA	6.599	5,82
20/11/2020	COMPRA	6.293	5,83
20/11/2020	COMPRA	3.403	5,84
23/11/2020	COMPRA	63	5,84
23/11/2020	COMPRA	1.820	5,85
23/11/2020	COMPRA	5.385	5,86
23/11/2020	COMPRA	6.507	5,87
23/11/2020	COMPRA	10.080	5,88
23/11/2020	COMPRA	17.053	5,89
23/11/2020	COMPRA	2.568	5,90
23/11/2020	COMPRA	5.976	5,91
23/11/2020	COMPRA	2.568	5,92
23/11/2020	COMPRA	1.284	5,94
23/11/2020	COMPRA	1.696	5,93
24/11/2020	COMPRA	57	5,86
24/11/2020	COMPRA	5.634	5,87
24/11/2020	COMPRA	23.789	5,88
24/11/2020	COMPRA	2.060	5,89
24/11/2020	COMPRA	8.264	5,91
24/11/2020	COMPRA	1.595	5,92

24/11/2020	COMPRA	15.101	5,93
25/11/2020	COMPRA	1.299	5,80
25/11/2020	COMPRA	3.758	5,81
25/11/2020	COMPRA	5.496	5,82
25/11/2020	COMPRA	5.638	5,83
25/11/2020	COMPRA	1.299	5,84
25/11/2020	COMPRA	411	5,85
25/11/2020	COMPRA	5.225	5,86
25/11/2020	COMPRA	8.843	5,87
25/11/2020	COMPRA	13.474	5,88
25/11/2020	COMPRA	7.459	5,89
25/11/2020	COMPRA	2.598	5,90
26/11/2020	COMPRA	510	5,81
26/11/2020	COMPRA	2.820	5,82
26/11/2020	COMPRA	9.023	5,83
26/11/2020	COMPRA	19.002	5,84
26/11/2020	COMPRA	3.050	5,86
26/11/2020	COMPRA	3.228	5,87
26/11/2020	COMPRA	4.991	5,88
26/11/2020	COMPRA	9.431	5,89
26/11/2020	COMPRA	3.945	5,90
27/11/2020	COMPRA	23.710	5,78
27/11/2020	COMPRA	3.513	5,83
27/11/2020	COMPRA	8.866	5,84
27/11/2020	COMPRA	1.620	5,85
27/11/2020	COMPRA	1.299	5,86
27/11/2020	COMPRA	12.595	5,87
27/11/2020	COMPRA	3.897	5,88
30/11/2020	COMPRA	876	5,80
30/11/2020	COMPRA	461	5,81
30/11/2020	COMPRA	983	5,82
30/11/2020	COMPRA	96	5,84
30/11/2020	COMPRA	2.420	5,85
30/11/2020	COMPRA	4.070	5,87
30/11/2020	COMPRA	5.243	5,88
30/11/2020	COMPRA	11.953	5,89
30/11/2020	COMPRA	14.442	5,90
30/11/2020	COMPRA	11.093	5,91
30/11/2020	COMPRA	3.363	5,92
01/12/2020	COMPRA	68	5,86
01/12/2020	COMPRA	1.438	5,87
01/12/2020	COMPRA	1.330	5,88
01/12/2020	COMPRA	23.999	5,89
01/12/2020	COMPRA	991	5,90
01/12/2020	COMPRA	3.675	5,91
01/12/2020	COMPRA	18.015	5,92
01/12/2020	COMPRA	5.830	5,93
02/12/2020	COMPRA	5.815	5,89
02/12/2020	COMPRA	3.952	5,90
02/12/2020	COMPRA	7.275	5,91
02/12/2020	COMPRA	5.260	5,92
02/12/2020	COMPRA	15.330	5,93
02/12/2020	COMPRA	9.560	5,94

02/12/2020	COMPRA	418	5,95
02/12/2020	COMPRA	1.735	5,96
02/12/2020	COMPRA	3.945	5,97
02/12/2020	COMPRA	2.710	5,98
03/12/2020	COMPRA	7.182	5,93
03/12/2020	COMPRA	12.290	5,94
03/12/2020	COMPRA	17.727	5,95
03/12/2020	COMPRA	9.013	5,96
04/12/2020	COMPRA	1.299	5,86
04/12/2020	COMPRA	1.299	5,87
04/12/2020	COMPRA	2.598	5,88
04/12/2020	COMPRA	1.299	5,89
04/12/2020	COMPRA	2.177	5,90
04/12/2020	COMPRA	18.812	5,91
04/12/2020	COMPRA	18.320	5,92
04/12/2020	COMPRA	3.897	5,93
04/12/2020	COMPRA	5.799	5,94
07/12/2020	COMPRA	3.990	5,87
07/12/2020	COMPRA	923	5,88
07/12/2020	COMPRA	3.074	5,89
07/12/2020	COMPRA	1.833	5,90
07/12/2020	COMPRA	5.856	5,91
07/12/2020	COMPRA	19.785	5,92
07/12/2020	COMPRA	9.069	5,93
07/12/2020	COMPRA	6.650	5,94
07/12/2020	COMPRA	5.320	5,96
08/12/2020	COMPRA	1.414	5,87
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08/12/2020	COMPRA	6.217	5,90
08/12/2020	COMPRA	30.874	5,91
08/12/2020	COMPRA	1.059	5,92
08/12/2020	COMPRA	7.270	5,93
09/12/2020	COMPRA	4.275	5,89
09/12/2020	COMPRA	2.920	5,90
09/12/2020	COMPRA	38.575	5,91
09/12/2020	COMPRA	9.884	5,92
09/12/2020	COMPRA	1.346	5,93
10/12/2020	COMPRA	8.219	5,89
10/12/2020	COMPRA	11.184	5,90
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10/12/2020	COMPRA	9.309	5,92
10/12/2020	COMPRA	7.970	5,93
10/12/2020	COMPRA	2.630	5,94
11/12/2020	COMPRA	1.093	5,79
11/12/2020	COMPRA	4.394	5,80
11/12/2020	COMPRA	10.989	5,81
11/12/2020	COMPRA	7.192	5,82
11/12/2020	COMPRA	12.378	5,83
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11/12/2020	COMPRA	2.902	5,87
14/12/2020	COMPRA	3.596	5,84
14/12/2020	COMPRA	9.782	5,85

14/12/2020	COMPRA	2.925	5,86
14/12/2020	COMPRA	15.589	5,87
14/12/2020	COMPRA	2.084	5,88
14/12/2020	COMPRA	15.240	5,89
14/12/2020	COMPRA	1.590	5,91
14/12/2020	COMPRA	4.194	5,92
15/12/2020	COMPRA	3.091	5,77
15/12/2020	COMPRA	7.278	5,78
15/12/2020	COMPRA	5.767	5,79
15/12/2020	COMPRA	17.182	5,80
15/12/2020	COMPRA	5.286	5,81
15/12/2020	COMPRA	375	5,82
15/12/2020	COMPRA	10.335	5,83
15/12/2020	COMPRA	4.686	5,84
16/12/2020	COMPRA	7.115	5,70
16/12/2020	COMPRA	464	5,71
16/12/2020	COMPRA	1.423	5,73
16/12/2020	COMPRA	4.423	5,74
16/12/2020	COMPRA	4.269	5,75
16/12/2020	COMPRA	18.499	5,76
16/12/2020	COMPRA	4.346	5,77
16/12/2020	COMPRA	6.859	5,78
16/12/2020	COMPRA	3.102	5,79
16/12/2020	COMPRA	4.500	5,80
17/12/2020	COMPRA	2.733	5,73
17/12/2020	COMPRA	4.444	5,74
17/12/2020	COMPRA	7.830	5,75
17/12/2020	COMPRA	14.283	5,76
17/12/2020	COMPRA	3.915	5,77
17/12/2020	COMPRA	12.556	5,78
17/12/2020	COMPRA	9.239	5,79
18/12/2020	COMPRA	332	5,72
18/12/2020	COMPRA	6.570	5,73
18/12/2020	COMPRA	5.250	5,74
18/12/2020	COMPRA	5.856	5,75
18/12/2020	COMPRA	18.629	5,76
18/12/2020	COMPRA	1.061	5,77
18/12/2020	COMPRA	13.076	5,78
21/12/2020	COMPRA	4.317	5,63
21/12/2020	COMPRA	2.817	5,65
21/12/2020	COMPRA	61	5,66
21/12/2020	COMPRA	8.634	5,67
21/12/2020	COMPRA	2.878	5,68
21/12/2020	COMPRA	9.852	5,69
21/12/2020	COMPRA	6.839	5,70
21/12/2020	COMPRA	5.072	5,71
21/12/2020	COMPRA	10.213	5,72
21/12/2020	COMPRA	2.878	5,73
21/12/2020	COMPRA	1.439	5,74
22/12/2020	COMPRA	271	5,72
22/12/2020	COMPRA	4.059	5,73
22/12/2020	COMPRA	8.076	5,74
22/12/2020	COMPRA	18.628	5,75

22/12/2020	COMPRA	9.422	5,76
22/12/2020	COMPRA	11.544	5,77
22/12/2020	TRANSMISIÓN	309.713	5,69
22/12/2020	TRANSMISIÓN	1.235	6,63
23/12/2020	COMPRA	3.170	5,70
23/12/2020	COMPRA	8.908	5,71
23/12/2020	COMPRA	4.813	5,72
23/12/2020	COMPRA	6.156	5,73
23/12/2020	COMPRA	4.407	5,74
23/12/2020	COMPRA	11.642	5,75
23/12/2020	COMPRA	13.404	5,76
24/12/2020	COMPRA	1.284	5,68
24/12/2020	COMPRA	1.570	5,69
24/12/2020	COMPRA	3.967	5,70
24/12/2020	COMPRA	4	5,71
24/12/2020	COMPRA	499	5,72
24/12/2020	COMPRA	8.406	5,73
01/02/2021	COMPRA	455	5,49
01/02/2021	COMPRA	1.531	5,50
01/02/2021	COMPRA	4.521	5,51
01/02/2021	COMPRA	5.712	5,52
01/02/2021	COMPRA	12.282	5,53
01/02/2021	COMPRA	836	5,54
01/02/2021	COMPRA	836	5,55
01/02/2021	COMPRA	1.055	5,56
01/02/2021	COMPRA	1.672	5,59
01/02/2021	COMPRA	836	5,60
01/02/2021	COMPRA	836	5,61
01/02/2021	COMPRA	836	5,63
01/02/2021	COMPRA	836	5,64
01/02/2021	COMPRA	660	5,66
01/02/2021	COMPRA	36	5,67
01/02/2021	COMPRA	1.812	5,69
01/02/2021	COMPRA	248	5,70
02/02/2021	COMPRA	2.599	5,62
02/02/2021	COMPRA	8.591	5,63
02/02/2021	COMPRA	702	5,64
02/02/2021	COMPRA	5.252	5,65
02/02/2021	COMPRA	857	5,66
02/02/2021	COMPRA	1.479	5,67
02/02/2021	COMPRA	3.990	5,68
02/02/2021	COMPRA	947	5,69
02/02/2021	COMPRA	7.080	5,70
02/02/2021	COMPRA	4.503	5,71
03/02/2021	COMPRA	168	5,70
03/02/2021	COMPRA	9.251	5,72
03/02/2021	COMPRA	4.240	5,73
03/02/2021	COMPRA	3.912	5,74
03/02/2021	COMPRA	11.644	5,75
03/02/2021	COMPRA	8.461	5,76
04/02/2021	COMPRA	1.052	5,71
04/02/2021	COMPRA	3.162	5,72
04/02/2021	COMPRA	4.999	5,73

04/02/2021	COMPRA	8.430	5,74
04/02/2021	COMPRA	657	5,76
04/02/2021	COMPRA	1.052	5,77
04/02/2021	COMPRA	6.656	5,78
04/02/2021	COMPRA	7.759	5,79
05/02/2021	COMPRA	33.444	5,74
08/02/2021	COMPRA	37.000	5,73
09/02/2021	COMPRA	30.453	5,72
10/02/2021	COMPRA	34.193	5,72
11/02/2021	COMPRA	37.500	5,75
12/02/2021	COMPRA	7.767	5,73
12/02/2021	COMPRA	1.828	5,74
12/02/2021	COMPRA	595	5,75
12/02/2021	COMPRA	2.715	5,76
12/02/2021	COMPRA	9.668	5,77
12/02/2021	COMPRA	745	5,78
12/02/2021	COMPRA	5.120	5,79
15/02/2021	COMPRA	3.051	5,74
15/02/2021	COMPRA	6.367	5,75
15/02/2021	COMPRA	4.459	5,76
15/02/2021	COMPRA	1.733	5,77
15/02/2021	COMPRA	4.884	5,78
15/02/2021	COMPRA	2.212	5,79
15/02/2021	COMPRA	3.870	5,80
15/02/2021	COMPRA	7.870	5,81
15/02/2021	COMPRA	2.554	5,83
16/02/2021	COMPRA	328	5,65
16/02/2021	COMPRA	6.126	5,66
16/02/2021	COMPRA	5.105	5,67
16/02/2021	COMPRA	1.021	5,68
16/02/2021	COMPRA	5	5,69
16/02/2021	COMPRA	244	5,70
16/02/2021	COMPRA	18.875	5,71
16/02/2021	COMPRA	214	5,72
16/02/2021	COMPRA	4.082	5,73
17/02/2021	COMPRA	2.649	5,62
17/02/2021	COMPRA	2.125	5,63
17/02/2021	COMPRA	2.322	5,67
17/02/2021	COMPRA	1.988	5,68
17/02/2021	COMPRA	50	5,69
17/02/2021	COMPRA	12.923	5,70
17/02/2021	COMPRA	1.174	5,71
17/02/2021	COMPRA	5.755	5,72
17/02/2021	COMPRA	4.050	5,73
17/02/2021	COMPRA	3.964	5,74
18/02/2021	COMPRA	11.066	5,68
18/02/2021	COMPRA	974	5,69
18/02/2021	COMPRA	5.219	5,70
18/02/2021	COMPRA	1.156	5,71
18/02/2021	COMPRA	7.215	5,72
18/02/2021	COMPRA	485	5,73
18/02/2021	COMPRA	9.443	5,74
18/02/2021	COMPRA	942	5,75

19/02/2021	COMPRA	3.629	5,61
19/02/2021	COMPRA	7.569	5,62
19/02/2021	COMPRA	3.736	5,63
19/02/2021	COMPRA	7.771	5,64
19/02/2021	COMPRA	3.329	5,65
19/02/2021	COMPRA	2.288	5,67
19/02/2021	COMPRA	4.719	5,68
19/02/2021	COMPRA	3.959	5,69
22/02/2021	COMPRA	1.299	5,51
22/02/2021	COMPRA	5.802	5,52
22/02/2021	COMPRA	15.982	5,53
22/02/2021	COMPRA	6.472	5,54
22/02/2021	COMPRA	602	5,55
22/02/2021	COMPRA	1.765	5,57
22/02/2021	COMPRA	4.079	5,59
22/02/2021	COMPRA	1.499	5,60
23/02/2021	COMPRA	14.924	5,50
23/02/2021	COMPRA	9.362	5,51
23/02/2021	COMPRA	3.533	5,52
23/02/2021	COMPRA	1.851	5,53
23/02/2021	COMPRA	1.861	5,54
23/02/2021	COMPRA	5.769	5,55
24/02/2021	COMPRA	1.006	5,45
24/02/2021	COMPRA	2.322	5,46
24/02/2021	COMPRA	5.548	5,47
24/02/2021	COMPRA	1.548	5,48
24/02/2021	COMPRA	1.548	5,50
24/02/2021	COMPRA	9.418	5,51
24/02/2021	COMPRA	11.433	5,52
24/02/2021	COMPRA	4.177	5,54
25/02/2021	COMPRA	485	5,48
25/02/2021	COMPRA	1.016	5,50
25/02/2021	COMPRA	2.033	5,51
25/02/2021	COMPRA	12.315	5,53
25/02/2021	COMPRA	1.661	5,54
25/02/2021	COMPRA	500	5,52
01/03/2021	COMPRA	2.761	5,42
01/03/2021	COMPRA	808	5,44
01/03/2021	COMPRA	2.547	5,45
01/03/2021	COMPRA	4.781	5,46
01/03/2021	COMPRA	1.549	5,47
01/03/2021	COMPRA	9.275	5,48
01/03/2021	COMPRA	890	5,49
01/03/2021	COMPRA	16.181	5,50
01/03/2021	COMPRA	808	5,51
02/03/2021	COMPRA	510	5,50
02/03/2021	COMPRA	3.327	5,51
02/03/2021	COMPRA	2.843	5,52
02/03/2021	COMPRA	19.965	5,53
02/03/2021	COMPRA	2.415	5,54
02/03/2021	COMPRA	805	5,55
02/03/2021	COMPRA	10.635	5,56
03/03/2021	COMPRA	500	5,54

03/03/2021	COMPRA	9.477	5,55
03/03/2021	COMPRA	17.700	5,56
03/03/2021	COMPRA	4.652	5,57
03/03/2021	COMPRA	5.828	5,58
04/03/2021	COMPRA	1.365	5,57
04/03/2021	COMPRA	367	5,58
04/03/2021	COMPRA	6.029	5,59
04/03/2021	COMPRA	4.303	5,60
04/03/2021	COMPRA	24.482	5,61
04/03/2021	COMPRA	4.254	5,62
04/03/2021	TRANSMISIÓN	2.369.170	5,74
11/03/2021	TRANSMISIÓN	333.056	5,50
19/04/2021	COMPRA	3.000	5,35
19/04/2021	COMPRA	6.099	5,37
19/04/2021	COMPRA	9.297	5,38
19/04/2021	COMPRA	16.809	5,39
19/04/2021	COMPRA	5.795	5,40
20/04/2021	COMPRA	30.564	5,38
20/04/2021	COMPRA	11.575	5,39
20/04/2021	COMPRA	2.361	5,40
21/04/2021	COMPRA	1.049	5,39
21/04/2021	COMPRA	16.683	5,41
21/04/2021	COMPRA	7.227	5,42
21/04/2021	COMPRA	1.514	5,43
21/04/2021	COMPRA	4.564	5,44
21/04/2021	COMPRA	8.497	5,45
21/04/2021	COMPRA	6.966	5,46
22/04/2021	COMPRA	329	5,42
22/04/2021	COMPRA	13.944	5,43
22/04/2021	COMPRA	16.382	5,44
22/04/2021	COMPRA	11.907	5,45
22/04/2021	COMPRA	2.292	5,46
22/04/2021	COMPRA	2.036	5,47
22/04/2021	COMPRA	2.610	5,48
23/04/2021	COMPRA	3.185	5,36
23/04/2021	COMPRA	15.611	5,37
23/04/2021	COMPRA	19.958	5,38
23/04/2021	COMPRA	1.178	5,39
23/04/2021	COMPRA	3.534	5,40
23/04/2021	COMPRA	1.342	5,41
23/04/2021	COMPRA	2.226	5,42
23/04/2021	COMPRA	2.469	5,43
23/04/2021	COMPRA	997	5,44
26/04/2021	COMPRA	11.001	5,31
26/04/2021	COMPRA	4.110	5,32
26/04/2021	COMPRA	2.484	5,33
26/04/2021	COMPRA	9.200	5,34
26/04/2021	COMPRA	12.863	5,35
26/04/2021	COMPRA	12.842	5,36
27/04/2021	COMPRA	20.158	5,34
27/04/2021	COMPRA	13.608	5,35
27/04/2021	COMPRA	8.326	5,36
27/04/2021	COMPRA	7.011	5,37

27/04/2021	COMPRA	6.397	5,38
28/04/2021	COMPRA	63	5,31
28/04/2021	COMPRA	1.100	5,32
28/04/2021	COMPRA	9.889	5,34
28/04/2021	COMPRA	1.517	5,35
28/04/2021	COMPRA	5.226	5,36
28/04/2021	COMPRA	222	5,37
28/04/2021	COMPRA	4.719	5,38
28/04/2021	COMPRA	8.677	5,39

ANEXO 13

Certificado de la información financiera no auditada del Oferente a 31 de diciembre de 2021 y correspondiente al período desde su constitución y hasta el 31 de diciembre de 2021, inclusive

Certificado

D. Miguel Liria Plañiol, en su calidad de apoderado especial de OPAL SPANISH HOLDINGS, S.A.U. (la "Sociedad")

Certificate

Mr Miguel Liria Plañiol, in his condition as authorised representative of OPAL SPANISH HOLDINGS, S.A.U. (the "Company")

CERTIFICA

- I. Que el documento que se adjunta como Anexo 1 incorpora el balance de situación y la cuenta de pérdidas y ganancias de la Sociedad a fecha 31 de diciembre de 2021 para el periodo cerrado a esa fecha.
- II. Que la Sociedad no ha formulado todavía sus cuentas anuales correspondientes al ejercicio finalizado el 31 de diciembre de 2021.

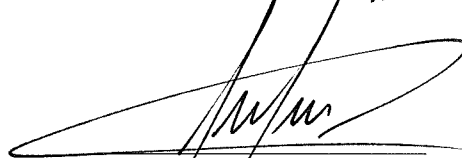
CERTIFIES

- I. That the document attached as Annex 1 includes the balance sheet and the profit and loss account of the Company as of and for the financial year ended 31 December 2021.
- II. That the Company has not yet drawn up its individual annual accounts corresponding to the financial year ended 31 December 2021.

Y para que así conste, expido este certificado en Madrid, a 21 de febrero de 2022.

In witness hereof, I hereby issue this certificate in Madrid, on 21 February 2022.

Atentamente / Sincerely,



Opal Spanish Holdings, S.A.U.

D. / Mr Miguel Liria Plañiol

Apoderado especial / Authorised representative

ANEXO 1 / ANNEX 1

Balance

OPAL SPANISH HOLDINGS, S.A.U.

N.I.F.: A16808453

<i>(en miles de euros)</i>	A 31/12/2021
ACTIVO	
A) ACTIVO NO CORRIENTE	0
1. Inmovilizado intangible	0
2. Inmovilizado material	0
3. Inversiones inmobiliarias	0
4. Inversiones en empresas del grupo y asociadas a largo plazo	0
5. Inversiones financieras a largo plazo	0
6. Activos por impuesto diferido	0
B) ACTIVO CORRIENTE	1.680.876
I. Activos no corrientes mantenidos para la venta	0
II. Existencias	0
III. Deudores comerciales y otras cuentas a cobrar	0
1. Clientes por ventas y prestaciones de servicios	0
2. Accionistas (socios) por desembolsos exigidos	0
3. Otros deudores	0
IV. Inversiones en empresas del grupo y asociadas a corto plazo	1.855
V. Inversiones financieras a corto plazo	0
VI. Periodificaciones	0
VII. Efectivo y otros activos líquidos equivalentes	1.679.021
1. Depósitos indisponibles	1.678.968
2. Cuentas bancarias	53
TOTAL ACTIVO	1.680.876

	A 31/12/2021
PATRIMONIO NETO Y PASIVO	
A) PATRIMONIO NETO	1.089.482
A-1) Fondos propios	1.089.482
I. Capital	60
1. Capital escriturado	60
2. (Capital no exigido)	0
II. Prima de emisión	0
III. Reservas	0
1. Reserva de capitalización	0
2. Otras reservas	0
IV. (Acciones y participaciones en patrimonio propias)	0
V. Resultados de ejercicios anteriores	0
VI. Otras aportaciones de socios	1.100.000
VII. Resultado del ejercicio	(10.578)
VIII. (Dividendo a cuenta)	0
IX. Otros instrumentos de patrimonio neto	0
A-2) Ajustes por cambios de valor	0
A-3) Subvenciones, donaciones y legados recibidos	0
B) PASIVO NO CORRIENTE	590.269
I. Provisiones a largo plazo	0
II. Deudas a largo plazo	0
1. Deudas con entidades de crédito	0
2. Acreedores por arrendamiento financiero	0
3. Otras deudas a largo plazo	0
III. Deudas con empresas del grupo y asociadas a largo plazo	590.269
IV. Pasivos por impuesto diferido	0
V. Periodificaciones a largo plazo	0
C) PASIVO CORRIENTE	1.125
I. Pasivos vinculados con activos no corrientes mantenidos para la venta	0
II. Provisiones a corto plazo	0
III. Deudas a corto plazo	0
1. Deudas con entidades de crédito	0
2. Acreedores por arrendamiento financiero	0
3. Otras deudas a corto plazo	0

	A 31/12/2021
IV. Deudas con empresas del grupo y asociadas a corto plazo	1.125
V. Acreedores comerciales y otras cuentas a pagar	0
1. Proveedores	0
2. Otros acreedores	0
VI. Periodificaciones a corto plazo	0
TOTAL PATRIMONIO NETO Y PASIVO	1.680.876

Cuenta de Pérdidas y Ganancias

OPAL SPANISH HOLDINGS, S.A.U.

N.I.F.: A16808453

<i>(en miles de euros)</i>	Periodo cerrado el 31/12/2021
1. Importe neto de la cifra de negocios	0
2. Variación de existencias de productos terminados y en curso de fabricación	0
3. Trabajos realizados por la empresa para su activo	0
4. Aprovisionamientos	0
5. Otros ingresos de explotación	0
6. Gastos de personal	0
7. Otros gastos de explotación	0
8. Amortización del inmovilizado	0
9. Imputación de subvenciones de inmovilizado no financiero y otras	0
10. Excesos de provisiones	0
11. Deterioro y resultado por enajenaciones del inmovilizado	0
A) RESULTADO DE EXPLOTACIÓN	0
12. Ingresos financieros	0
13. Gastos financieros	(10.578)
14. Variación de valor razonable en instrumentos financieros	0
15. Diferencias de cambio	0
16. Deterioro y resultado por enajenaciones de instrumentos financieros	0
B) RESULTADO FINANCIERO	(10.578)
C) RESULTADO ANTES DE IMPUESTOS	(10.578)
17. Impuestos sobre beneficios	0
D) RESULTADO DEL EJERCICIO	(10.578)

ANEXO 14

Copia del informe financiero anual consolidado auditado de Otis correspondiente al ejercicio cerrado el 31 de diciembre de 2021 junto con la traducción al español del informe de auditoría, los estados financieros y las notas

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549**

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 001-39221

OTIS

OTIS WORLDWIDE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

83-3789412
(I.R.S. Employer Identification No.)

One Carrier Place, Farmington, Connecticut 06032
(Address of principal executive offices, including zip code)

(860) 674-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.01 par value)	OTIS	New York Stock Exchange
0.000% Notes due 2023	OTIS/23	New York Stock Exchange
0.318% Notes due 2026	OTIS/26	New York Stock Exchange
0.934% Notes due 2031	OTIS/31	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to

file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in

Large Accelerated Filer ☒ Accelerated Filer ☐

Non-accelerated Filer ☐ Smaller Reporting Company ☐

Emerging Growth Company ☐

Rule 12b-2 of the Exchange Act.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐. No ☒.

The aggregate market value of the voting Common Stock held by non-affiliates at June 30, 2021 was approximately \$34,888,309,556 based on the New York Stock Exchange closing price for such shares on that date. For purposes of this calculation, the Registrant has assumed that its directors and executive officers are affiliates.

At January 21, 2022, there were 424,962,356 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III hereof incorporates by reference portions of the Otis Worldwide Corporation Proxy Statement for the 2022 Annual Meeting of Shareholders (the "2022 Proxy Statement"). The 2022 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

OTIS WORLDWIDE CORPORATION
Form 10-K
For the Year Ended December 31, 2021
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Otis Worldwide Corporation's and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of Otis Worldwide Corporation and its subsidiaries. Names, abbreviations of names, logos, and product and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. As used herein, the terms "we", "us", "our", "the Company" or "Otis", unless the context otherwise requires, mean Otis Worldwide Corporation and its subsidiaries. References to Internet websites in this Form 10-K are provided for convenience only. Information available through these websites is not incorporated by reference into this Form 10-K.

PART I

Item 1. Business

Our Company

Otis is the world's leading elevator and escalator manufacturing, installation and service company. We serve customers in over 200 countries and territories around the world. Otis has global scale and local focus, with over 1,400 branches and offices, and a direct physical presence in approximately 80 countries.

Separation from United Technologies Corporation

Otis is a Delaware corporation and was incorporated on March 1, 2019 in connection with the separation and distribution ("Separation") of each of Otis and Carrier Global Corporation ("Carrier") from United Technologies Corporation, subsequently renamed Raytheon Technologies Corporation ("UTC" or "RTX", as applicable) into separate independent publicly-traded companies. The Separation occurred on April 3, 2020. References to "UTC" relate to pre-Separation matters, and references to "RTX" relate to post-Separation matters.

The Separation was completed pursuant to a Separation and Distribution Agreement ("Separation Agreement") and other agreements with UTC and Carrier related to the Separation, including but not limited to a transition services agreement ("TSA"), a tax matters agreement ("TMA"), an employee matter agreement ("EMA") and an intellectual property agreement (the "Intellectual Property Agreement"). For further discussion of these agreements, see Item 1A, "Note 1: Business Overview" in Item 8 and Item 15 in this Form 10-K.

The following description of our business should be read in conjunction with Item 7 in this Form 10-K, including the information contained therein under the heading "Business Overview."

Description of Business by Segment

Our Company is organized into two segments, New Equipment and Service, which, for the year ended December 31, 2021, contributed 45% and 55% of our net sales, and 21% and 79% of our segment operating profit, respectively. Our international operations represented approximately 74% of our net sales for the year ended December 31, 2021.

New Equipment

Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential, commercial and infrastructure projects. In 2021, our New Equipment segment had sales of \$6.4 billion and operating profit of \$459 million. In 2021, our New Equipment sales in China and the Americas each represented approximately one-third of our new equipment net sales, respectively, while China represented over half of our global New Equipment unit volume.

We have developed a range of elevator and escalator solutions to meet the varying needs and objectives of our diverse customers. Our primary elevator and escalator solutions are described below.

The Gen2 family of elevators has been our principal low-and mid-rise elevator solution. Since its launch in 2000, Otis has sold over one million Gen2 units, making it our best selling elevator platform. In 2021, we introduced the successors to the Gen2 family of elevators: the Gen3 and Gen360 digital elevator platforms. These platforms enhance the space-saving, energy-efficient design of the Gen2 elevator with the connectivity of the Otis ONE IoT (internet of things) digital service platform, while adding additional safety features for the passengers and our colleagues who maintain the elevator. Otis ONE is designed

to continuously monitor equipment health and performance in real time to provide proactive, predictive and transparent information to our technicians and customers. The technology expands predictive and remote maintenance capabilities to support improved elevator up-time and service productivity.

The Gen360 elevator also features a new native electronic architecture, with many mechanical components replaced by electronic components that in connection with our service increase reliability, reduce the potential for entrapments and free hoistway space to accommodate larger cabins. The new Otis One IoT solution turns the elevator into a network of sensors for real-time status updates. A foldable, in-ceiling platform allows maintenance operations to be performed safely from within the car rather than on top of it and, depending on local regulations, eliminates the need for a refuge space above the car and the protrusion on the roof for a flat roof design. With 360-degree cameras in the hoistway, Otis service teams can visually confirm, fine-tune, diagnose and solve many issues remotely without stopping the elevator.

For taller, high-rise buildings, our most prominent product is the SkyRise elevator solution. The SkyRise advanced high-rise elevator platform combines cutting-edge technologies and precision engineering to deliver solutions for residential, commercial and mixed use skyscrapers.

Otis offers a range of technologies for improving the passenger experience as well as the safety and efficiency of the building itself. Our proprietary Compass 360 destination management system groups passengers by their desired destination and directs them to an assigned car that minimizes waiting and ride time. The system's algorithms anticipate traffic demand within a building and improves traffic flow. Otis eView in-car display streams live, customizable infotainment to passengers and connects them to OTISLINE during an emergency. The Otis eCall Plus smartphone app enables passengers to summon their elevator remotely for a touchless experience. We have also rolled out new voice and gesturing technologies for summoning elevators to customers in China and North America, with other geographies to follow. And the new Otis Cab Air Purifier significantly reduces airborne bacteria and viruses, another innovation designed to address customer needs and passenger preferences as the result of the COVID-19 pandemic.

In addition to elevator solutions, we also offer escalators and moving walkways. With a range of finishes and aesthetics, Otis escalators integrate easily with building designs. Our smart design and features enhance sustainability and passenger safety, such as sensor-equipped escalators and moving walkways that efficiently run only when passengers approach, or operate at reduced speeds to conserve energy when there are no riders.

Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. We also sell New Equipment to government agencies, particularly, to support infrastructure projects, such as airports, railways or metros. We generally sell directly to our customers through our New Equipment sales personnel. Due to the large and widespread nature of the customer base in China and certain other geographies, our direct sales force is augmented by agents and distributors. We also rely on agents and distributors to sell our new equipment in certain other countries and territories. Given the breadth of our customer base and the large number of customers to whom we deliver new equipment on an annual basis, we are not dependent on any single customer and do not have any contracts material to Otis as a whole with any single customer. Our network of agents and distributors is broad and geographically dispersed, and we do not rely on or have any contracts material to Otis as a whole with any single agent or distributor.

New Equipment customers typically engage with us at an early stage during the construction cycle. The timing of order placement depends on factors including project complexity and customer requirements. Elevator installation usually occurs midway through building construction.

Most New Equipment orders are delivered within 12 months of booking, though larger projects can take longer to deliver based on customer construction schedules. When placing New Equipment orders, customers typically make an advance payment to cover costs including design and contract engineering. These advance payments are typically followed by periodic progress payments at specified milestones, such as delivery of materials at the job site and completion of installation and equipment commissioning. Installation is carried out by our installation technicians or through subcontractors, in which case we typically complete the final inspection and commissioning to ensure that our quality standards are met. Revenues are recognized based on percentage of completion. Once commissioned, New Equipment units are typically supported by a warranty for a limited period of time.

Service

Through our Service segment, we perform maintenance and repair services, as well as modernization services to upgrade elevators and escalators. We have a maintenance portfolio of over 2.1 million units globally, which includes Otis equipment manufactured and sold by us, as well as equipment from other original equipment manufacturers. Through our network of service sales personnel, we sell our services directly to customers in all significant elevator and escalator end-segments around the world. In 2021, our Service segment had net sales of \$7.9 billion and operating profit of \$1.8 billion.

Service customers typically comprise building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed. Customers securing services for elevators are frequently different from those who initially make purchasing decisions with respect to New Equipment solutions. With over 2.1 million maintenance units under contract globally, we have a wide range of customers in our Service segment and do not have any single service contract material to Otis as a whole. Contract duration depends on a number of factors, including customer needs, regulatory requirements and industry/geography dynamics. We work closely with our customers to renew these contracts as appropriate. Certain types of customers, such as those owning or operating large properties or portfolios of properties, tend to execute long-term maintenance agreements.

We grow our maintenance portfolio through conversion of newly installed units into maintenance contracts, through prospecting and winning units already in service from customers using another service provider and through acquisitions. Our Service sales personnel seek to win service contracts upon the expiration or termination of existing service contracts from customers by offering a superior value proposition through service excellence, an engaged and technically sophisticated group of field service technicians, a streamlined customer experience and strong elevator and escalator operating performance.

Our services include inspections, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs. A basic maintenance contract provides for inspection consistent with local regulatory needs. We also provide customers with repair services to address equipment and component wear and tear, as well as breakdowns. We offer incremental, tiered maintenance and service offerings, with varying levels of coverage up to and including comprehensive component replacement coverage.

Similar to most other electro-mechanical equipment, elevators and escalators are subject to wear and tear, which over time erodes equipment functionality. As elevator equipment ages, we work with customers to help renew or refresh their elevators with modernization solutions that enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics to complex upgrades of larger components and sub-systems.

We provide our Service offerings to our customers through a global network of approximately 34,000 Service mechanics operating out of over 1,400 branches and offices typically located in close proximity to concentrations of customers. Our mechanics are critical to our ability to deliver a high level of service to our customers. Our OTISLINE operations provide personalized customer support 24/7. They receive customer service requests and assign and dispatch field technicians, as necessary, to respond to service requests. Our network of service parts centers, repair centers, and obsolescence management capabilities are key enablers to supporting customers by keeping their elevators and escalators in good working condition.

Digital Technology initiatives

Otis has been using technology to monitor elevator performance remotely for decades, culminating in our latest Otis ONE technology discussed under "New Equipment" above. We also offer multimedia subscription options with additional voice, data and video digital services to customers leveraging our IoT technologies. By the end of 2021, approximately 35% of our global portfolio is connected. In 2022, we expect to continue to innovate and expand our digital ecosystem and suite of digital solutions for both our existing service portfolio customers and for new equipment shipments from our factories.

Research and Development & Intellectual Property

Innovation is a fundamental characteristic of our history and is central to our strategy. For the year ended December 31, 2021, research and development ("R&D") expense was \$159 million and 1.1% as a percentage of net sales. In addition to research and development expense, we made investments in digital and strategic initiatives of approximately \$59 million, which in combination with research and development expense was 1.5% as a percentage of net sales. We coordinate our R&D efforts globally through an operating model that sets global and local priorities based on customer and segment needs. We have 11 R&D centers and 18 factories around the world, including major locations in China, India, France, Spain and the United States. The R&D centers are strategically located close to concentrations of customers and factories to enable efficient development of engineering solutions that can serve as global model products and adapt quickly and efficiently to local customer needs and local demographic and construction trends. We have approximately 1,300 engineers globally, with increasing focus on digital initiatives, software, design of the user interface and the user experience.

We maintain a portfolio of patents, trademarks, copyrights, trade secrets, licenses and franchises related to the Otis business to protect our R&D investments in products and services. We currently own approximately 3,700 globally issued patents, and we have approximately 2,700 patent applications pending globally, of which approximately 2,600 applications were filed in the last three years. Our patents are primarily filed in Europe, the United States and Asia. We believe that our patents and trade secrets create a competitive advantage and that we have taken reasonable measures to build a portfolio of valid and enforceable intellectual property rights. However, these intellectual property rights might be challenged and could be found invalid or unenforceable. Loss of strategic patents and trade secrets could significantly affect our competitiveness. See Item 1A in this Form 10-K for further discussion of intellectual property matters.

Joint Ventures and Non-Wholly Owned Subsidiaries

Our international strategic relationships, joint ventures and non-wholly owned subsidiaries are an important part of our business as they support our access to international markets and customers. Results of these entities are consolidated with our financial and operational results. In addition to China and Spain, as discussed below, we also operate through joint ventures and non-wholly owned subsidiaries in other countries, including Italy, Russia, Malaysia, and certain countries in the Middle East.

China

We operate in China through two principal joint ventures: Otis Elevator (China) Investment Company Limited ("Otis China") and Otis Electric Elevator Company Limited ("Otis Electric"). Otis China is a joint venture established in 1998 for the purpose of manufacturing, installing and servicing elevators, escalators and related equipment. We are a majority owner of Otis China, and Tianjin Tai Kang Investment Co. Ltd. ("Tianjin Tai Kang") is our joint venture partner. Otis Electric, a subsidiary of Otis China, is a joint venture established in 1997 for the purpose of manufacturing, installing and servicing elevators, escalators and related equipment. Otis China owns a controlling equity stake in Otis Electric. Otis China's partner in Otis Electric is Xizi Elevator Group Co.

Zardoya Otis

We conduct our operations based in Spain through Zardoya Otis S.A. ("Zardoya Otis"), which manufactures, installs and services elevators and elevator equipment in Spain, and exports elevator equipment it manufactures for installation by certain of our subsidiaries outside of Spain. Zardoya Otis' shares are listed on Spanish stock exchanges, and the company is subject to the supervision of the Spanish Securities Exchange Commission (Comisión Nacional del Mercado de Valores (the "CNMV")). We own a majority equity stake in Zardoya Otis, with Euro Syns S.A. owning a minority position and the remaining shares being held by public shareholders.

In September 2021, the Company announced a tender offer to acquire all of the issued and outstanding shares of Zardoya Otis not owned by Otis. See Item 1A and "Note 1: Business Overview" in Item 8 in this Form 10-K for further details regarding this pending transaction, including risks associated therewith.

Competition

We operate in a global and highly competitive industry. Due to the global and localized nature of the industry, there are numerous participants of varying size that operate in our industry. According to industry estimates, there are hundreds of participants that offer New Equipment solutions and several thousand participants that offer maintenance and service solutions. In both the New Equipment and Service segments, major competitors globally include KONE Oyj, Schindler Group and TK Elevator, while there are a number of additional competitors in the Asia Pacific region. Competitive dynamics vary significantly by segment and geography. In the Service segment, independent service providers and other small operators are significant competitors in most of our local geographies. These independent service providers have an aggregate portfolio of about 50% of service units, but account for a smaller percentage of the service business when measured by value because of the types of units and level of maintenance covered by these providers.

There are several factors that determine competitiveness in the industry, including local codes and compliance requirements, customer preferences, price, reputation, delivery and execution, product quality, equipment performance, reliability and long-term service and product support. Our success in both our New Equipment and Service segments depends upon our ability to develop and market our products, services and solutions, as well as our ability to provide the people, technologies, facilities, equipment and financial capacity needed to deliver those products and services with maximum efficiency. We believe our global presence, local relationships and proven track record in executing complex elevator and escalator solutions contribute to our iconic brand, reputation and competitive position in the industry. We believe our business strategies sustain New Equipment growth, accelerate Service portfolio growth, advance the digitalization of Otis, focus and empower the organization, support our ability to successfully compete across the New Equipment and Service segments, and will help deliver sustainable earnings growth.

Compliance with Government Regulations

We conduct our business through subsidiaries and affiliates worldwide. Any changes in legislation or government policies impacting our industry, including with respect to employee safety, labor-related regulations, industrial equipment, licensing requirements, foreign ownership limitations and building and elevator safety codes, can affect our operations. We closely monitor local legislation and government policies in the locations in which we operate.

In addition, our operations are subject to and affected by environmental regulations promulgated by federal, state and local authorities in the United States and regulatory authorities with jurisdiction over our foreign operations. We have incurred and will likely continue to incur liabilities under various government statutes and regulations for the cleanup of pollutants previously released into the environment. We do not anticipate that compliance with current provisions relating to the protection of the environment or that any payments we may be required to make for cleanup liabilities will have a material adverse effect upon our competitive position, cash flows, results of operations or financial condition.

U.S. laws, regulations, orders, and other measures concerning the export or re-export of products, software, services and technology to, and other trade-related activities involving, non-U.S. countries and parties affect the operations of Otis and its affiliates, as do those of other countries pertaining to similar matters.

For further discussion of risks related to environmental matters and other government regulations, see in this Form 10-K Item 1A, Item 7 and "Note 2: Summary of Significant Accounting Policies" and "Note 22: Contingent Liabilities" in Item 8 in this Form 10-K.

Seasonality

Our business and operating results are generally not subject to significant fluctuations as a result of seasonality, although we have experienced lower New Equipment sales in Asia in the first calendar quarter, coinciding with Lunar New Year celebrations. In addition, we have also experienced lower New Equipment sales in the fourth quarter in China, due to a national holiday that occurs during the first week of October which may impact the relative mix of sales within the quarter.

Raw Materials and Supplies

Due to the global and distributed nature of our operations, we partner with a diverse network of several thousand suppliers globally. These include product and non-product suppliers, as well as subcontractors. We rely on approximately 500 key suppliers for our manufacturing supply chain.

Components and systems necessary to effectively complete our New Equipment projects, as well as to satisfy our maintenance and repair obligations, are often available from two or more sources within the industry. While we believe no single supplier is material to our business, some components or applications require particular specifications or qualifications. In those cases, there may be a single supplier or a limited number of suppliers that can readily provide such components, which have in the past, and could in the future, result in supply constraints or cost pressures due to an issue with such a supplier, including financial or operational difficulties or a contract dispute. Additionally, the slowdown of economic activity due to COVID-19 and subsequent ongoing recovery in certain regions, as well as the impact of COVID-19 more broadly on employment and the economy, have created long lead times and product shortages for certain components and supplier. We implemented mitigation actions to address potential disruption in and other risks relating to our supply chain, including the use of safety stock and alternative materials, as well as risk assessments, qualification of multiple supply sources and use of long term supplier agreements.

Although at times high prices for some raw materials important to our business have caused margin and cost pressures for our business, including in connection with the impact of COVID-19 and the ongoing recovery, we do not expect near-term unavailability or pricing of materials, components or supplies that would have a material adverse effect on our business. We seek to manage commodity price risk through locking and hedging strategies, as well as passing the increases onto our customers through pricing. See Item 1A in this Form 10-K for risks associated with raw material and supply chain, as well as COVID-19.

Environmental, Social and Governance ("ESG")

Otis is committed to working for the global good of our passengers, customers, colleagues and society. In order to align our ESG initiatives with our broader strategy, we completed a materiality assessment in 2020 to determine our most critical ESG areas for management, goal-setting and reporting. This allows us to focus on the topics most important to our business. We also became a signatory to the U.N. Global Compact in March 2021. Our ESG goals and alignment to U.N. Sustainable Development Goals are categorized into four areas: Health & Safety, Environmental & Impact, People & Communities and Governance & Accountability.

We have published our ESG goals, which can be found in the Investor section of our corporate website. Additionally, we expect to publish an ESG report on our ESG activities, metrics and progress towards our goals starting in 2022. In 2022, our progress towards reducing Scope 1 and Scope 2 greenhouse gases will be a factor in determining payouts under our executive short-term incentive plan. Our ESG goals and ESG report are not incorporated by reference into this Form 10-K and will be available in the Investors section of our website (<http://www.otis.com>) under the heading "ESG". Also, see "Human Capital" below for additional information regarding certain ESG initiatives related to our colleagues, including health & safety, employee engagement and diversity, equity and inclusion.

There have been no, and we do not expect there to be in the near term, material impacts on our business, financial condition or results of operations as a result of compliance with legislation or regulatory rules regarding climate change, from the known physical effects of climate change or as a result of implementing our ESG initiatives. Increased regulation and other climate change concerns, however, could subject us to additional costs and restrictions, and we are not able to predict how such regulations or concerns would affect our business, operations or financial results.

Human Capital

As of December 31, 2021, our global workforce consists of approximately 70,000 colleagues, with 42% in Asia, 35% in Europe, the Middle East and Africa ("EMEA") and 22% in the Americas.

Approximately 63% of our workforce in the U.S. is covered by collective bargaining agreements. Outside of the U.S., our colleagues are represented by workers' councils or statutory labor unions as may be customary or required in those jurisdictions. While we strive to maintain good relationships with our employee representative bodies, our business may be adversely affected by work stoppages, union negotiations, labor disputes and other matters associated with our labor force. The collective bargaining agreement for most of our bargaining unit colleagues in the U.S. was renewed without disruption in July 2017 and is

set to expire in July 2022. Although some previous contract renegotiations have had a significant impact on our financial condition or results of operations, we do not anticipate that the renegotiation of this contract will have a material adverse effect on our competitive position, cash flows, financial condition or results of operations. For a discussion of employment-related matters, see Item 1A in this Form 10-K.

Compensation

Our colleagues are vital to our success, and we offer pay and benefits designed to attract, retain and motivate our colleagues and align their compensation with both individual and our overall performance. While our programs vary by location and based on the roles of our colleagues, they include competitive base pay, short-term incentive bonuses, long-term incentive pay in the form of stock awards, retirement plans, health care and insurance benefits, paid time off, tuition assistance through our Employee Scholar program, family leave, dependent care and employee assistance programs.

Safety and Health

Safety is one of the Otis Absolutes. For that reason, safety measures and indicators are regularly monitored by management and reported to our Board of Directors. To promote safety, we have a health and safety management system and regularly measure the effectiveness of our health and safety programs. We empower all of our colleagues and subcontractors with stop work authority if they perceive an unsafe condition or a behavior that may cause injury. We also seek to promote a culture where stop work authority can be freely exercised without the fear of retribution or retaliation, and a learning culture to enhance the quality and delivery of safety and technical training.

For our colleagues to be effective, they need to be healthy. Starting in 2020, with the added stress of the COVID-19 pandemic, we increased our efforts to improve our colleagues' mental health by expanding employee assistance plan benefits and by bringing increased attention to the importance of mental health. We believe this is an important initiative to continue and we are striving to provide employee assistance plan benefits to all of our colleagues by the end of 2022. During 2020 and 2021, we covered the cost of COVID-19 testing and treatment for our U.S. based colleagues and their covered family members under our welfare plans. We have, where possible, also offered remote work flexibility for our colleagues.

Training and Development

We strive to emphasize development and training, as we believe that individual and corporate success is driven by lifelong learning and by empowering our colleagues. As a result, we provide a range of development and mentoring opportunities that vary based on a colleague's career stage and function. One of our flagship programs is "Otis University," a global program that builds leadership and functional capabilities in sales, field, engineering, operations, and major projects. We are very proud of our "Employee Scholar Program," which is a comprehensive, company-sponsored education program that allows colleagues to expand their skills through degree or certification programs. Since the program's inception in 1997, Otis, as a business unit of UTC and following the Separation, has supported Otis colleagues in receiving more than 5,500 degrees across 60 countries through an investment of over \$95 million in the Employee Scholar Program.

Ensuring that we have access to trained technicians is very important to our business. Our mechanics receive extensive training to service and install equipment safely. This training, which is provided by Otis and our unions, consists of live, virtual, and on-the-job modules with experienced mechanics. To help us attract talent and provide us with a pipeline of trained mechanics in China, we have partnered with five technology schools in the country to offer the Otis Technology Academy. The students in the technology schools are provided with technical training, certifications, hands-on access to our equipment and an Otis apprenticeship period. We are also increasing the number of women in our mechanic population across the world in order to enhance diversity and to obtain access to a larger talent pool.

Commitment to Change

We aim to be an equal-opportunity employer of choice for people of broad perspectives and experiences, cultures, genders, races, and generations. We want to be a business whose workforce mirrors the diversity of our customers and the communities where we live and work and a place where every voice feels safe, welcomed and heard. To help us achieve these objectives, we:

- Conducted an independent review of our Company to uncover and eliminate biases affecting any colleagues in our hiring, compensation, professional development and other business practices;

- Accelerated anti-racism, unconscious bias and inclusion learning for colleagues at all levels of the organization and throughout their Otis careers;
- Created a diversity, equity & inclusion ("DE&I") advisory group at the enterprise level and regional DE&I councils to ensure transparency and to hold us accountable for achieving measurable progress towards a diverse, inclusive culture;
- Amplified our ongoing commitment to STEM and vocational education, by joining with community and business partners to invest in and build a diverse talent pipeline;
- Made social justice and racial equality an integral part of our community giving, volunteerism and external reporting programs; and
- Promoted and expanded mental health and well-being benefits, policies and practices to support our colleagues.

In addition, we believe that it is important for us to significantly increase the number of women we have in executive roles. In 2020, we joined the Paradigm for Parity coalition, pledging our commitment to establish gender parity across our executive leadership by 2030. In 2022, our progress against attaining gender parity across our executive leadership will be a factor in determining payouts under our executive short-term incentive plan.

Engagement

We believe that engaged colleagues deliver better service to our customers. We measure engagement by conducting colleague surveys two to three times a year. The results, which are reported to our Board of Directors and management, help us assess how our colleagues feel about working for us. We use the survey results to develop action plans to address areas of concern. The engagement surveys, which anonymizes the data, cover topics such as safety, ethics, belonging, quality, company prospects, inclusion, empowerment, accountability and managerial effectiveness.

Available Information

This Form 10-K and our quarterly reports on Form-10-Q, current reports on Form 8-K and any amendments to those reports are available free of charge through the Investors section of our Internet website (<http://www.otis.com>) under the heading "Financial Information" as soon as reasonably practicable after these reports are electronically filed with, or furnished to, the SEC. In addition, the SEC maintains a website (<http://www.sec.gov>) containing reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Cautionary Note Concerning Factors That May Affect Future Results

This Form 10-K contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for Otis’ future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “medium-term,” “near-term,” “confident,” “goals” and other words of similar meaning in connection with a discussion of future operating or financial performance, the Tender Offer and the Separation. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, dividends, share repurchases, tax rates, R&D spend, credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions of Otis following the Separation or in connection with the Tender Offer, including the estimated costs associated with the Separation and the Tender Offer, or statements that relate to climate change and our intent to achieve certain ESG targets or goals, including operational impacts and costs associated therewith, and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, Otis claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation:

- the effect of economic conditions in the industries and markets in which Otis and its businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues (including COVID-19 and variants thereof and the ongoing economic recovery therefrom and their effects on, among other things, global supply, demand and distribution), natural disasters and the financial condition of Otis’ customers and suppliers;
- challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services;
- future levels of indebtedness, capital spending and research and development spending;
- future availability of credit and factors that may affect such availability, credit market conditions and Otis’ capital structure;
- the timing and scope of future repurchases of Otis’ common stock (“Common Stock”), which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash;
- fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of COVID-19 or otherwise;
- cost reduction or containment actions, restructuring costs and related savings and other consequences thereof;
- new business and investment opportunities;
- the outcome of legal proceedings, investigations and other contingencies;
- pension plan assumptions and future contributions;
- the impact of the negotiation of collective bargaining agreements and labor disputes;
- the effect of changes in political conditions in the U.S. and other countries in which Otis and its businesses operate on general market conditions, global trade policies and currency exchange rates in the near term and beyond;
- the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which Otis and its businesses operate;
- the ability of Otis to retain and hire key personnel;
- the scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs;
- the timing of closing, if any, of the Tender Offer and the ability to achieve the expected benefits of the Tender Offer and the timing thereof;
- the ability to achieve the expected benefits of the Separation;
- the determination by the Internal Revenue Service and other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; and
- the amount of our obligations and nature of our contractual restrictions pursuant to, and disputes that have or may hereafter arise under the agreements we entered into with RTX and Carrier in connection with the Separation.

These and other factors are more fully discussed in the “Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and elsewhere in this Form 10-K and may cause actual results to differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements speak only as of the date of this report, or in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

Item 1A. Risk Factors

Our business, financial condition, operating results and cash flows can be impacted by the factors set forth below, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results.

Risks Related to our Business

We may be affected by global economic, capital market and political conditions in general, and conditions in the construction and infrastructure industries in particular.

Our business, financial condition, operating results and cash flows may be adversely affected by changes in global economic conditions and geopolitical risks, including global credit market conditions, levels of consumer and business confidence, commodity prices, raw material and energy costs, supply chain issues, foreign currency exchange rates, interest rates, labor costs, levels of government spending and deficits, trade policies, tariffs and trade barriers, political conditions, regulatory changes, fluctuations in residential and commercial construction activity, pandemic health issues (see discussion of COVID-19 below), natural disasters, actual or anticipated default on sovereign debt and other challenges that could affect the global economy. These economic and political conditions affect businesses such as ours in a number of ways. In particular, a slowdown in building and remodeling activity or decreased public spending on infrastructure projects could adversely affect our financial performance.

Our business may be further impacted by the COVID-19 pandemic.

COVID-19, including variants of the original virus, has continued to spread throughout the world, resulting in prolonged travel restrictions and shutdowns, occupancy limits or other restrictions of non-essential businesses, including construction and hospitality venues, impacting to various extents our factory operations, new equipment installations and access to units under maintenance. The ultimate impact of the COVID-19 pandemic on our business is uncertain at this time and will depend on future developments, including the availability, efficacy and distribution of various vaccines and treatments for COVID-19, but further prolonged restrictions or the rollback of reopening measures due to higher infection rates may further disrupt our operations and the operations of our suppliers, distributors and customers. COVID-19 has adversely affected and could further affect the ability of our customers to pay for our products and services and to obtain financing for significant purchases and operations, which has resulted in, and could further result in, a decrease and/or cancellation of orders for our products and services and/or payment delays or defaults. Similarly, COVID-19 and the ongoing economic recovery from the virus have adversely affected and may further affect our supply base and increase the potential for one or more of our suppliers to experience production constraints, distribution challenges, financial distress or bankruptcy, which could impact our ability to fulfill orders on time or at anticipated cost. Additionally, governments, including in the U.S., have enacted, or may enact, vaccine mandates. While the U.S. Supreme Court has recently blocked enforcement of one mandate, other mandates remain in effect, and uncertainty remains around whether additional mandates may be adopted in the future. Such mandates could result in labor disruptions, employee attrition, difficulty securing future labor needs and loss of government contracts. Furthermore, it is unclear what longer term effects the virus will have on the global economy, including the commercial building industry. Any of these factors could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our international operations subject us to risk as our results of operations may be adversely affected by changes in local and regional economic conditions, such as fluctuations in exchange rates, risks associated with government policies on international trade and investments, and risks associated with China and other emerging markets.

We conduct our business on a global basis, with approximately 74% of our 2021 net sales derived from international operations. Changes in local and regional economic conditions, including credit conditions and fluctuations in exchange rates, may affect product demand and reported profits in our non-U.S. operations, where transactions are generally denominated in local currencies. In addition, currency fluctuations may affect the prices we pay for the materials used in our products. Though we engage in hedging strategies to manage foreign currency exposures in connection with certain cross-border transactions, our operating margins may be negatively impacted by currency fluctuations that result in higher costs or lower revenues for certain cross-border transactions. Our financial statements are denominated in U.S. Dollars. Accordingly, fluctuations in exchange rates may also give rise to gains or losses when financial statements of non-U.S. operating units are translated into U.S. Dollars. Given that the majority of our sales are non-U.S. based, a strengthening of the U.S. Dollar against other major foreign currencies could adversely affect our results of operations.

Our international sales and operations are subject to risks associated with changes in local government laws, regulations and policies, including those related to investments and limitations on foreign ownership of businesses, taxation, foreign exchange controls, capital controls, employment regulations and the repatriation of earnings. Government policies on international trade and investments such as import quotas, capital controls, punitive taxes or tariffs or similar trade barriers, whether imposed by individual governments or regional trade blocs, can affect demand for our products and services, impact the competitive position of our products or services, or encumber our ability to manufacture or sell products in certain countries. The implementation of more restrictive trade policies, including the imposition of tariffs, or the renegotiation of existing trade agreements with the U.S. or countries where we sell large quantities of products and services, procure materials incorporated into our products, manufacture products or recruit and employ employees, including trade relations between the U.S. and China (as discussed below), could have a material adverse effect on our business, results of operations and financial condition, including our ability to recruit and retain employees or deploy certain employees to the geographies where their skills are best utilized. Our international sales and operations are also sensitive to changes in foreign nations' priorities, including government budgets, as well as to political and economic instability. International transactions may involve increased financial and legal risks due to differing legal systems and customs in foreign countries.

China is currently the largest end market for sales of new equipment in our industry, with our New Equipment sales in China representing approximately 35% of our global New Equipment net sales and over half of our global New Equipment unit volume. Changes to market and economic conditions in China, including credit conditions for our customers, or an escalation of trade conflicts between the U.S. and China, may impact our ability to continue New Equipment net sales in China at rates consistent with prior years. Furthermore, as is the case in many countries where we operate, the legal and regulatory regime in China is evolving, and accordingly, we could, in the future, be required to comply with significant requirements unique to China in order to maintain access to Chinese markets.

We expect that sales to emerging markets will continue to account for a significant portion of our sales as those and other developing nations and regions around the world increase their demand for our products and services. A slowdown in urbanization in emerging countries, such as China or India, could adversely affect our financial performance. In addition, as part of our global business model, we operate in certain countries, including Argentina, Brazil, China, India, Indonesia, Malaysia, Mexico, Poland, Russia, South Africa, Ukraine, Turkey and certain countries in the Middle East, that carry high levels of currency, political, compliance and economic risk. Our emerging market operations can present many risks, including differences in culturally accepted practices (such as employment and business practices), compliance risks, economic and government instability, currency fluctuations, and the imposition of foreign exchange and capital controls. While these factors and their impact are difficult to predict, any one or more of them could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

We use a variety of raw materials, supplier-provided parts, components, sub-systems and third-party manufacturing services in our business, and significant shortages, supplier capacity constraints, supplier production disruptions or price increases could increase our operating costs and adversely impact the competitive positions of our products.

Our reliance on suppliers (including third-party manufacturers) and commodity markets to secure the raw materials and components used in our products exposes us to volatility in the prices and availability of these materials. Issues with suppliers, (such as a disruption in deliveries, capacity constraints, production disruptions, quality issues and supplier closings or bankruptcies, including in connection with the impact of COVID-19 and the ongoing economic recovery), price increases or

decreased availability of raw materials or commodities could have a material adverse effect on our ability to meet our commitments to customers, could damage our reputation or could increase our operating costs, any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Adverse changes in our relationships with, or the financial condition, performance or purchasing patterns of, key distributors and agents could adversely affect us.

Certain of our businesses sell a significant amount of their products to distributors and agents, particularly in China, that have valuable relationships with customers. Some of these distributors and agents also sell our competitors' products, and if they favor competing products for any reason they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, or adverse developments in their financial condition, performance or purchasing patterns, or compliance practices, could adversely affect our reputation, competitive position, results of operations, cash flows or financial condition.

We design, manufacture, install and service products that incorporate advanced technologies; the introduction of new products and technologies involves risks, and we may not realize the degree or timing of benefits initially anticipated.

We seek to grow our business through the design, development, production, sale and support of innovative products that incorporate advanced technologies. The product and service needs of our customers change and evolve regularly, and we invest substantial amounts in research and development efforts to pursue advancements in technologies, products and services. Our ability to realize the anticipated benefits of our technological advancements, such as the development and execution of advanced digital technologies for the benefit of our New Equipment or Service segment or the development of new products depend on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced parts and materials; performance of suppliers and subcontractors; hiring and training of qualified personnel; achieving cost and production efficiencies; validation of innovative technologies; and customer interest in new technologies and products and acceptance of products we manufacture or that incorporate technologies we develop.

Our research and development efforts may not result in innovative products or services that incorporate new technologies for our New Equipment and Service segments, or products or services being developed on a timely basis or that meet the needs of our customers as effectively as competitive offerings. In addition, the markets for our products or services, or products that incorporate our technologies, may not develop or grow as we anticipate. We or our customers, suppliers or subcontractors may encounter difficulties in developing and producing new products and services, and may not realize the degree or timing of benefits initially anticipated or may otherwise suffer significant adverse financial consequences. Due to the design complexity of our products, we may experience delays in completing the development and introduction of new products. Any delays could result in increased development costs or divert resources from other projects. If we are unable to successfully develop and timely introduce new products, services and technologies, our competitors may develop competing technologies that gain market acceptance in advance of or instead of our products or services. The possibility also exists that our competitors might develop new technology or offerings that might cause our existing technology and offerings to become obsolete, which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

We operate in a competitive environment and our profitability depends on our ability to accurately estimate the costs and timing of providing our products and services.

Our contracts are typically awarded on a competitive basis. Our quotations and bids are based upon, among other items, the cost to provide the products and services. To generate an acceptable return on our investment in these contracts, we must be able to accurately estimate our costs to provide the services and deliver the products required by the contract and to be able to complete the contracts in a timely manner. If we fail to accurately estimate our costs or the time required to complete a new equipment order, or the extent of required maintenance pursuant to a service contract, the profitability of our contracts may be materially and adversely affected. Some of our contracts provide for liquidated damages if we do not perform in accordance with the contract. As a result of these and other factors, we may not be able to provide products and services at competitive prices while maintaining anticipated levels of profitability, which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Our debt levels and related debt service obligations could have negative consequences; we may need additional debt or equity financing in the future to meet our capital needs, and such financing may not be available on favorable terms, if at all, due to changes in global capital markets, our financial performance or outlook or our credit ratings and may be dilutive to existing shareholders.

As of December 31, 2021, we had \$7.2 billion outstanding long-term debt. Our debt level and related debt service obligations could have negative consequences, including, among others:

- requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which would reduce funds we have available for other purposes, such as acquisitions and reinvestment in our businesses; and
- reducing our flexibility in planning for or reacting to changes in our business and market conditions.

We may need additional financing for general corporate purposes. For example, we may need funds to increase our investment in research and development activities, to refinance or repay existing debt, or to make a strategic acquisition. We may be unable to obtain additional financing on terms favorable to us, if at all. Volatility in the world financial markets, including as a result of inflation concerns from the ongoing recovery from the COVID-19 pandemic, could increase borrowing costs or affect our ability to access the capital markets. Our ability to issue debt or enter into other financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for our products or services, or in the solvency of our customers, suppliers or distributors or other significantly unfavorable changes in economic conditions.

Otis has an investment grade credit rating from each of Moody's Investor Services, Inc. and Standard & Poor's. There can be no assurance that we will be able to maintain our credit ratings, and any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade or similar announcement, could increase the cost of borrowing under any indebtedness we may incur, reduce market capacity for our commercial paper, require the posting of additional collateral under our derivative contracts, or otherwise have a negative impact on our liquidity, capital position and access to the capital markets.

If we raise additional funds through the issuance of equity securities, our shareholders will experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to limitations on our operations due to restrictive covenants or rating agencies may downgrade our credit rating.

Quarterly cash dividends and share repurchases may be discontinued, accelerated or modified, are subject to a number of uncertainties and may affect the price of Common Stock.

Quarterly cash dividends are a component of our capital allocation strategy, which we fund with operating free cash flow, borrowings and divestitures. We also have authority to repurchase our shares under a share repurchase program, which we have suspended in connection with the Tender Offer. In general, dividends and share repurchases, if commenced, may be discontinued, accelerated, suspended or delayed at any time without prior notice. Furthermore, the amount of such dividends and repurchases may be changed, and the amount, timing and frequency of such dividends and repurchases may vary from historical practice or from the company's stated expectations. Decisions with respect to dividends and share repurchases are subject to the discretion of our Board of Directors and will be based on a variety of factors. Important factors that could cause us to discontinue, limit, suspend, increase or delay our quarterly cash dividends or share repurchases include market conditions, the market price of Common Stock, the nature and timing of other investment and acquisition opportunities, changes in our business strategy, the terms of our financing arrangements, our outlook as to the ability to obtain financing at attractive rates, the impact on our credit ratings and the availability of domestic cash. The reduction or elimination of our cash dividend or share repurchase program could adversely affect the market price of Common Stock. Although our share repurchase program is intended to enhance long-term shareholder value, changes in laws or regulations related thereto or short-term stock price fluctuations could reduce the program's effectiveness.

See Item 5 in this Form 10-K for more information regarding our share repurchase program.

We engage in acquisitions and divestitures, and may encounter difficulties integrating acquired businesses with, or disposing of businesses from, our current operations; therefore, we may not realize the anticipated benefits of these acquisitions and divestitures.

We seek to grow through strategic acquisitions in addition to internal growth. Our due diligence reviews in connection with our acquisitions may not identify all of the material issues necessary to accurately estimate the cost and potential loss contingencies of a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target's previous activities. For example, we may incur unanticipated costs, expenses or other liabilities as a result of an acquisition target's violation of applicable laws, such as anti-corruption, antitrust, anti-collusion, environmental or income tax laws. We also may incur unanticipated costs or expenses, including post-closing asset impairment charges, as well as expenses associated with eliminating duplicate facilities, litigation and other liabilities. We may incur unexpected costs associated with labor law, tax or pension matters or to bring acquired assets up to our operating standards. We may encounter difficulties in integrating acquired businesses with our operations, applying our internal controls to these acquired businesses or in managing strategic investments. Additionally, we may not realize the degree or timing of benefits we anticipate when we first enter into a transaction. Any of the foregoing could adversely affect our business and results of operations. In addition, accounting requirements relating to business combinations, including the requirement to expense certain acquisition costs as incurred, may cause us to incur greater earnings volatility and generally lower earnings during periods in which we acquire new businesses.

We also make strategic divestitures from time to time. Our divestitures may result in continued financial exposure to the divested businesses, such as through guarantees, other financial arrangements, continued supply and services arrangements, and environmental and product liability claims, following the transaction. Under these arrangements, nonperformance by those divested businesses could result in obligations being imposed on us that could have a material adverse effect on our competitive position, cash flows, results of operations or financial condition.

For constraints on mergers and acquisition activity after the completion of the distribution, see "Risk Factors—Risks Related to the Separation" below.

The Tender Offer of Zardoya Otis may not be completed at the price per share anticipated or result in the financial benefit in the time frame expected.

The Tender Offer is subject to approval by the CNMV and other uncertainties. Zardoya Otis shareholders may not tender their shares or there may be competing offers. The Company may not be able to complete the Tender Offer at the anticipated price or, if it does complete the Tender Offer, to realize certain cost and other expected benefits. If the Company is unable to complete the Tender Offer on the anticipated terms, time frame, or at all, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected, and the value of the Company's Common Stock may decline.

We are party to joint ventures and other strategic alliances, which may not be successful and may expose us to special risks and restrictions.

Our business operations depend on various strategic alliances and joint ventures. In certain regions, we operate our business through joint venture relationships or non-wholly owned subsidiaries, including: Otis Electric Elevator Company Limited and Otis Elevator (China) Investment Limited in China; and Zardoya Otis in Spain. (See the Risk Factor above regarding the Tender Offer). A significant downturn or deterioration in the business or financial condition of a joint venture partner could affect our results of operations in a particular period. Our joint ventures may experience labor strikes, diminished liquidity or credit unavailability, weak demand for products, delays in the launch of new products or other difficulties in their businesses. Changes in local government laws, regulations and policies, including those related to investments and limitations on foreign ownership of businesses, could adversely impact our ability to participate in and operate our joint ventures, or could result in changes to the ownership structure or allocation of rights in our joint ventures. If we are not successful in maintaining our joint ventures and other strategic partnerships, our financial condition, results of operations and cash flows may be adversely affected.

Joint ventures, strategic alliances and non-wholly owned subsidiaries inherently involve special risks. Whether or not we hold a majority interest or maintain operational control in such arrangements, our partners or other shareholders may (1) have economic or business interests or goals that are inconsistent with or contrary to ours, (2) exercise veto or other rights, to the extent available, to block actions that we believe to be in our or the joint venture's, strategic alliance's or non-wholly owned subsidiary's best interests, (3) take action contrary to our policies or objectives with respect to our investments or business or (4) be unable or unwilling (including as a result of financial or other difficulties) to fulfill their obligations, such as contributing

capital to expansion or maintenance projects, under the joint venture, strategic alliance or other agreement. There can be no assurance that any particular joint venture or strategic alliance will be beneficial to us.

We are subject to litigation, product safety and other legal and compliance risks.

We are subject to a variety of litigation, legal and compliance risks. These risks relate to, among other things, product safety, personal injuries, intellectual property rights, contract-related claims, taxes, environmental matters, competition laws and laws governing improper business practices. We could be charged with wrongdoing in connection with such matters. If convicted or found liable, we could be subject to significant fines, penalties, repayments and other damages (in certain cases, treble damages).

As a global business, we are subject to complex laws and regulations in the U.S. and other countries in which we operate. Those laws and regulations may be interpreted in different ways. They may also change from time to time, as may related interpretations and other guidance. Changes in laws or regulations could result in higher expenses or changes to business operations that could impact our ability to sell our products and services or sell them at expected profit levels. Uncertainty relating to those laws or regulations may also affect how we operate, structure our investments and enforce our rights.

Product and general liability claims (including claims related to the safety, reliability or maintenance of our products) and accident risks during the production, installation, maintenance and use of our products can result in significant costs, including settlements, punitive damages and other risks such as damage to our reputation, negative publicity and management distraction, which could reduce demand for our products and services.

In addition, we are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws that generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. The FCPA applies to companies, individual directors, officers, employees and agents. Under certain anti-corruption laws, companies also may be held liable for the actions of partners or representatives. Certain of our customer relationships are with governmental entities and are, therefore, subject to the FCPA and other anti-corruption laws. Despite meaningful measures that we undertake to seek to ensure lawful conduct, which include training and internal controls, we may not always be able to prevent our employees, partners, joint ventures, agents or distributors from violating the FCPA or other anti-corruption laws. As a result, we could be subject to criminal and civil penalties, disgorgement, changes or enhancements to our compliance measures that could increase our costs, decrease our access to certain sales channels, personnel changes or other remedial actions. Prior to the Separation, UTC, including Otis, was subject to a formal investigation by the SEC related to alleged violations of anti-corruption laws, which resulted in a Settlement Order in which our former parent UTC paid a civil penalty related to certain activities in our business in Russia, China and Kuwait, as well as activities in another UTC business.

Moreover, we are subject to antitrust and anti-collusion laws, including mandatory supply laws and bidding regulations, in various jurisdictions throughout the world. Changes in these laws or their interpretation, administration and/or enforcement may occur over time, and any such changes may limit our future acquisitions or operations, or result in changes to our strategies, sales and distribution structures or other business practices. We are subject to ongoing claims related to alleged violations of anti-collusion laws in certain European countries, where we are subject to claims for overcharges on elevators and escalators related to civil cartel cases. Though we have implemented policies, controls and other measures to prevent collusion or anti-competitive behavior, our controls may not always be effective in preventing our employees, partners, joint ventures, agents or distributors from violating antitrust or anti-collusion laws.

Violations of FCPA, antitrust or other anti-corruption or anti-collusion laws, or allegations of such violations, could disrupt our operations, cause reputational harm, involve significant management distraction and result in a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

We also must comply with various laws and regulations relating to the export of products, services and technology from the U.S. and other countries having jurisdiction over our operations. In the U.S., these laws include, among others, the Export Administration Regulations administered by the Department of Commerce and embargoes and sanctions regulations administered by the Department of the Treasury. In addition, U.S. foreign policy may restrict or prohibit business dealings with certain individuals, entities or countries; changes in these prohibitions can happen suddenly and could result in a material adverse effect on our operations.

For a description of current material legal proceedings, see "Note 22: Contingent Liabilities" in Item 8 of this Form 10-K.

Our defined benefit pension plans are subject to financial market risk that could adversely affect our results.

The performance of the financial markets and interest rates can impact our defined benefit pension plan expenses and funding obligations. Significant decreases in the discount rate or investment losses on plan assets may increase our funding obligations and adversely impact our financial results. See "Note 13: Employee Benefit Plans" in Item 8 of this Form 10-K for further discussion on pension plans and related obligations and contingencies.

Information security, data privacy and identity protection may require significant resources and present certain risks to our business, reputation and financial condition.

We collect, store, have access to and otherwise process certain confidential or sensitive data that may be subject to data privacy and cybersecurity laws, regulations or customer-imposed controls, including proprietary business information, personal data and other information. We also develop products that may in certain cases collect, store, have access to, and otherwise process certain personally identifiable or confidential data of our customers who purchase and use such products either separately or as a part of another product or system or by way of access to our websites or social media accounts. Although we seek to protect such data and design our products to enable our customers to use them while complying with applicable data privacy and cybersecurity laws and/or customer-imposed controls and have experienced cyber-attacks in the past, both our internal systems and products may be vulnerable to hacking or further cyber-attacks, material security breaches, theft, programming errors or employee errors, which could lead to the compromise of such data, unauthorized access, use, disclosure, modification or destruction of information, improper use of our systems, software solutions or networks, defective products, production downtimes and/or operational disruptions in violation of applicable law and/or contractual obligations. A significant actual or perceived risk of theft, loss, fraudulent use or misuse of customer, employee or other data, whether by us, our suppliers, distributors, customers or other third parties, as a result of employee error or malfeasance, or as a result of the compromise of software, security and other products we incorporate into our products, as well as non-compliance with applicable industry standards or our contractual or other legal obligations or privacy and information security policies regarding such data, could result in costs, fines, litigation or regulatory actions, or could lead customers to select products and services of our competitors. In addition, any such event could harm our reputation, cause unfavorable publicity or otherwise adversely affect certain potential customers' perception of the security and reliability of our services as well as our credibility and reputation, which could result in lost sales. In addition, because of the global nature of our business, both our internal systems and products must comply with the applicable laws, regulations and standards in a number of jurisdictions, which continue to evolve, and in certain cases, include provisions that are unclear. Government enforcement actions, including due to geopolitical concerns, and violations of data privacy and cybersecurity laws could be costly or interrupt our business operations. Any of the foregoing factors could result in reputational damage or civil or governmental proceedings, which could result in a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Our business and financial performance depend on continued substantial investment in information technology infrastructure, which may not yield anticipated benefits, and may be adversely affected by cyber-attacks on information technology infrastructure and products and other business disruptions.

The efficient operation of our business will require continued substantial investment in technology infrastructure systems, including partial shifting from virtual private networks to cloud-based networks, and we must attract and retain qualified people to operate these systems, expand and improve them, integrate new systems effectively and efficiently convert to new systems when required. An inability to fund, acquire and implement these systems might impact our ability to respond effectively to changing customer expectations, manage our business, scale our solutions effectively or impact our customer service levels, which could put us at a competitive disadvantage and negatively impact our financial results. Repeated or prolonged interruptions of service due to problems with our systems or third-party technologies, whether or not in our control, could have a significant negative impact on our reputation and our ability to sell products and services. Furthermore, we are highly dependent upon a variety of internal computer and telecommunication systems to operate our business. Failure to design, develop and implement new technology infrastructure systems in an effective and timely manner, or to adequately invest in and maintain these systems, could result in the diversion of management's attention and resources and could materially adversely affect our operating results, competitive position and ability to efficiently manage our business. Our existing information systems may become obsolete, requiring us to transition our systems to a new platform. Such a transition would be time consuming, costly and damaging to our competitive position, and could require additional management resources. Failure to implement and deploy new systems or replacement systems on the schedules anticipated, could materially adversely affect our operating results.

In addition, our business may be impacted by disruptions to our own or third-party information technology (“IT”) infrastructure, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. Cyber-based risks, in particular, are evolving and include attacks on our IT infrastructure, as well as attacks targeting the security, integrity and/or availability of the hardware, software and information installed, stored or transmitted in our products, including after the purchase of those products and when they are installed into third-party products, facilities or infrastructure. Such attacks could disrupt our business operations, our systems or those of third parties, and could impact the ability of our products to work as intended. We have experienced cyber-based attacks, and, due to the evolving threat landscape, may continue to experience them going forward, potentially with more frequency. We continue to make investments and adopt measures designed to enhance our protection, detection, response, and recovery capabilities, and to mitigate potential risks to our technology, products, services and operations from potential cyber-attacks. However, given the unpredictability, nature and scope of cyber-attacks, it is possible that potential vulnerabilities could go undetected for an extended period. As a result of a cyber-attack, we could potentially be subject to production downtimes, operational delays or other detrimental impacts on our operations or ability to provide products and services to our customers; destruction or corruption of data; security breaches; manipulation or improper use of our or third-party systems, networks or products; financial losses from remedial actions, loss of business, potential liability, penalties, fines and/or damage to our reputation, any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition. Due to the evolving nature of such risks, the impact of any potential incident cannot be predicted. Any disruption to our business due to such issues, or an increase in our costs to cover these issues that is greater than what we have anticipated, could have an adverse effect on our competitive position, results of operations, cash flows or financial condition.

There can be no assurance that our systems will not fail or experience disruptions, and any significant failure or disruption of these systems could prevent us from making sales, ordering supplies, delivering products, providing functional products and otherwise conducting our business.

We depend on our intellectual property, and have access to certain intellectual property and information of our customers, suppliers and distributors; infringement or failure to protect our intellectual property could adversely affect our future growth and success.

We rely on a combination of patents, trademarks, copyrights, trade secrets, nondisclosure agreements, customer and supplier agreements, license agreements, information technology security systems, internal controls and compliance systems and other measures to protect our intellectual property. We also rely on nondisclosure agreements, information technology security systems and other measures to protect certain customer and supplier information and intellectual property that we have in our possession or to which we have access. Our efforts to protect such intellectual property and proprietary rights may not be sufficient. We cannot be sure that our pending patent applications will result in the issuance of patents to us, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that these patents will be found to be valid or sufficiently broad to preclude our competitors from introducing technologies similar to those covered by our patents and patent applications. Our ability to protect and enforce our intellectual property rights also may be limited. In addition, we may be the target of competitor or other third-party patent enforcement actions seeking substantial monetary damages or seeking to prevent the sale and marketing of certain of our products or services. Our competitive position also may be adversely impacted by limitations on our ability to obtain possession of, and ownership or necessary licenses concerning, data important to the development or provision of our products or service offerings, or by limitations on our ability to restrict the use by others of data related to our products or services. Any of these events or factors could subject us to judgments, penalties and significant litigation costs or temporarily or permanently disrupt our sales and marketing of the affected products or services and could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Additional tax expense or additional tax exposures could affect our future profitability.

We are subject to income taxes in the United States and various international jurisdictions. Changes to tax laws and regulations, as well as changes and conflicts in related interpretations or other tax guidance could materially impact our tax receivables and liabilities and our deferred tax assets and deferred tax liabilities. Additionally, in the ordinary course of business, we are subject to examinations by various tax authorities. In addition, governmental authorities in various jurisdictions could launch new examinations and expand existing examinations. The global and diverse nature of our operations means that these risks will continue and additional examinations, proceedings and contingencies will arise from time to time. Our competitive position, cash flows, results of operation or financial condition may be affected by the outcome of examinations, proceedings and contingencies that cannot be predicted with certainty.

See “Business Overview” and “Results of Operations - Income Taxes” in Item 7 and “Note 2: Significant Accounting Policies” and “Note 16: Income Taxes” in Item 8 in this Form 10-K, for further discussion on income taxes and related contingencies.

We may not realize expected benefits from our cost reduction and restructuring efforts, and our profitability may be hurt or our business otherwise might be adversely affected.

In order to operate more efficiently and cost effectively, we may adjust employment, optimize our footprint or undertake other restructuring activities. These activities are complex and may involve or require significant changes to our operations. If we do not successfully manage restructuring activities, expected efficiencies and benefits might be delayed or not realized, and our operations and business could be disrupted. Risks associated with these actions and other workforce management issues include unfavorable political responses, unforeseen delays in the implementation of anticipated workforce reductions, additional unexpected costs, adverse effects on employee morale, the failure to meet operational targets due to the loss of employees or work stoppages, any of which may impair our ability to achieve anticipated cost reductions, otherwise harm our business or have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Risks Related to Our Common Stock

Anti-takeover provisions could enable our Board of Directors to resist a takeover attempt by a third party and limit the power of our shareholders.

Otis’ amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with Otis’ Board of Directors rather than to attempt a hostile takeover. These provisions include, among others, (1) the ability of our remaining directors to fill vacancies on Otis’ Board of Directors (except in an instance where a director is removed by shareholders and the resulting vacancy is filled by shareholders); (2) limitations on shareholders’ ability to call a special shareholder meeting; (3) rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings; and (4) the right of Otis’ Board of Directors to issue preferred stock without shareholder approval.

In addition, we are subject to Section 203 of the Delaware General Corporation Law (“DGCL”), which could have the effect of delaying or preventing a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation’s outstanding voting stock.

We believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with Otis’ Board of Directors and by providing Otis’ Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make Otis immune from takeovers; however, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that Otis’ Board of Directors determines is not in the best interests of Otis and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

In addition, an acquisition or issuance of our stock could trigger the application of Section 355(e) of the Internal Revenue Code (“Code”), causing the distribution of Common Stock pursuant to the Separation to be taxable to RTX. Under the TMA, we would be required to indemnify RTX for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that our shareholders may consider favorable.

Our amended and restated bylaws designate the state courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against Otis and our directors and officers.

Otis' amended and restated bylaws provide that unless Otis' Board of Directors otherwise determines, the state courts within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of Otis, any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of Otis to Otis or its shareholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, any action asserting a claim against Otis or any current or former director or officer or other employee of Otis arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, any action asserting a claim relating to or involving Otis governed by the internal affairs doctrine, or any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL.

To the fullest extent permitted by law, this exclusive forum provision applies to state and federal law claims, including claims under the federal securities laws, including the Securities Exchange Act of 1934, as amended ("Exchange Act"), although Otis shareholders will not be deemed to have waived Otis' compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims subject to exclusive federal jurisdiction, a court could find the exclusive forum provision contained in the amended and restated bylaws to be inapplicable or unenforceable.

This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with Otis or our directors or officers, which may discourage such lawsuits against Otis and our directors and officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition.

Risks Related to the Separation

Our historical information is not necessarily indicative of the results that we will achieve as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information in this Form 10-K for the periods prior to the Separation is derived from the combined financial statements and accounting records of our former parent UTC and is based on a number of estimates and assumptions. Accordingly, such historical financial information does not necessarily reflect the financial condition, results of operations or cash flows that we will achieve as a separate, publicly traded company. Prior to the Separation, our business had been operated by UTC as part of its broader corporate organization, rather than as an independent company. As part of our former parent UTC, we were able to enjoy certain benefits from UTC's operating diversity, purchasing power and opportunities to pursue integrated strategies with UTC's other businesses. Additionally, UTC or one of its affiliates performed or helped perform various corporate functions for us, such as accounting, auditing, tax, legal, human resources, investor relations, risk management, treasury and other general and administrative functions. Our historical and pro forma financial results reflect allocations of corporate expenses from UTC for such functions, which are likely to be less than the expenses we will incur as a separate publicly traded company. In addition, the diversification of our sales, costs, and cash flows have diminished as a stand-alone company, such that our results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and our ability to fund capital expenditures and investments, and service debt may be diminished and we are no longer able to use cash flow from UTC's other businesses as part of its centralized cash management systems to fund our investments and operations. Accordingly, for these reasons, as well as the additional Risks Related to the Separation noted below, we may not achieve the expected benefits of the Separation.

As a result of the Separation, certain members of management, directors and shareholders may own stock in RTX, Otis and Carrier, and as a result may face actual or potential conflicts of interest.

Management and directors of each of RTX, Otis and Carrier may own common stock in all three companies as a result of the Separation. This ownership overlap could create, or appear to create, potential conflicts of interest when the management and directors of one company face decisions that could have different implications for themselves and the other two companies. For example, potential conflicts of interest could arise in connection with the resolution of any dispute regarding the terms of the agreements governing the separation and Otis' relationship with RTX and Carrier thereafter.

We may not be able to engage in desirable capital-raising or strategic transactions as a result of the Separation and the related TMA.

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its shareholders as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. To preserve the tax-free treatment of the Separation, and in addition to Otis' indemnity obligation described below, the TMA restricts us, for the two-year period following the Separation, except in specific circumstances, from (1) entering into any transaction pursuant to which all or a portion of the shares of Otis stock would be acquired, whether by merger or otherwise; (2) issuing equity securities beyond certain thresholds; (3) repurchasing shares of Otis stock other than in certain open-market transactions; and (4) ceasing to actively conduct certain of our businesses. The TMA also prohibits us from taking or failing to take any other action that would prevent the Separation and certain related transactions from qualifying as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code or for applicable non-U.S. income tax purposes. Further, the TMA imposes similar restrictions on us and our subsidiaries during the two-year period following the Separation that are intended to prevent certain transactions undertaken as part of the internal reorganization from failing to qualify as transactions that are generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code or for applicable non-U.S. income tax purposes. These restrictions may limit our ability to pursue certain equity issuances, strategic transactions, repurchases or other transactions that we may otherwise believe to be in the best interests of our shareholders or that might increase the value of our business.

In connection with the Separation, each of RTX, Otis and Carrier agreed to indemnify the other parties for certain liabilities. If we are required to pay under these indemnities to RTX and/or Carrier, our financial results could be negatively impacted. Also, the RTX or Carrier indemnities may not be sufficient to hold us harmless from the full amount of liabilities for which RTX and Carrier are allocated responsibility, and RTX and/or Carrier may not be able to satisfy their respective indemnification obligations in the future.

Pursuant to the Separation Agreement, the TMA and the EMA, each party agreed to indemnify the other parties for certain liabilities. Indemnities that we may be required to provide RTX and/or Carrier are not subject to any cap, may be significant and could negatively impact our business. Third parties could also seek to hold us responsible for any of the liabilities that RTX and/or Carrier has agreed to retain. The indemnities from RTX and Carrier for our benefit may not be sufficient to protect us against the full amount of such liabilities, and RTX and/or Carrier may not be able to fully satisfy their respective indemnification obligations. Any amounts we are required to pay pursuant to such indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business. Moreover, even if we ultimately succeed in recovering from RTX or Carrier, as applicable, we may be temporarily required to bear these losses ourselves. Each of these risks could negatively affect our business, results of operations and financial condition.

If the Separation, together with certain related transactions, were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, including as a result of subsequent acquisitions of our stock or the stock of RTX, we, as well as RTX, Carrier, and RTX's shareholders, could be subject to significant tax liabilities. In addition, if certain internal restructuring transactions were to fail to qualify as transactions that are generally tax-free for U.S. federal or non-U.S. income tax purposes, we, as well as RTX and Carrier could be subject to significant tax liabilities. In certain circumstances, we could be required to indemnify RTX for material taxes and other related amounts pursuant to indemnification obligations under the TMA.

In connection the Separation, our former parent UTC received a ruling from the IRS regarding certain U.S. federal income tax matters relating to the Separation and an opinion of outside counsel regarding the qualification of certain elements of the Separation under Section 355 of the Code. The IRS ruling and the opinion of counsel were based upon and rely on, among other

things, various facts and assumptions, as well as certain representations, statements and undertakings of UTC (and RTX), Otis and Carrier, including those relating to the past and future conduct of UTC (and RTX), Otis and Carrier. Notwithstanding receipt of the IRS ruling and the opinion of counsel, the IRS could determine that the Separation and/or certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings upon which the IRS ruling or the opinion of counsel was based were inaccurate or have not been complied with. In addition, the IRS ruling does not address all of the issues that are relevant to determining whether the Separation, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes. The opinion of counsel represents the judgment of such counsel and is not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion of counsel. Accordingly, notwithstanding receipt by UTC of the IRS ruling and the opinion of counsel, there can be no assurance that the IRS will not assert that the Separation and/or certain related transactions did not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge.

If the distribution of Common Stock pursuant to the Separation were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, RTX would recognize a taxable gain as if it had sold the Common Stock in a taxable sale for its fair market value, and RTX shareholders who received Common Stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. Even if the distribution of Common Stock pursuant to the Separation were to otherwise qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code, it may result in taxable gain to RTX (but not its shareholders) under Section 355(e) of the Code if the Separation were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50% or greater interest (by vote or value) in RTX or Otis. For this purpose, any acquisitions of RTX or Otis shares within the period beginning two years before the distribution of Common Stock pursuant to the Separation and ending two years after such distribution are presumed to be part of such a plan, although RTX or Otis may be able to rebut that presumption (including by qualifying for one or more safe harbors under applicable Treasury Regulations).

In addition, in connection with and prior to the Separation, UTC and its subsidiaries completed various internal reorganization transactions. With respect to certain transactions undertaken as part of the internal reorganization, UTC obtained tax rulings in certain non-U.S. jurisdictions and/or opinions of external tax advisors, in each case, regarding the tax treatment of such transactions. Such tax rulings and opinions were based upon and relied on, among other things, various facts and assumptions, as well as certain representations (including with respect to certain valuation matters relating to the internal reorganization), statements and undertakings of UTC (and RTX), Otis, Carrier or their respective subsidiaries. If any of these representations or statements were, or become, inaccurate or incomplete, or if RTX, Otis, Carrier or any of their respective subsidiaries do not fulfill or otherwise comply with any such undertakings or covenants, such tax rulings and/or opinions may be invalid or the conclusions reached therein could be jeopardized. Further, notwithstanding receipt of any such tax rulings and/or opinions, there can be no assurance that the relevant taxing authorities will not assert that the tax treatment of the relevant transactions differs from the conclusions reached in the relevant tax rulings and/or opinions. In the event the relevant taxing authorities prevail with any challenge in respect of any relevant transaction, we, as well as RTX and Carrier could be subject to significant tax liabilities.

Under the TMA, Otis generally is required to indemnify RTX and Carrier for any taxes resulting from the Separation and certain related transactions (and any related costs and other damages) to the extent such amounts resulted from (1) an acquisition of all or a portion of the equity securities or assets of Otis, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the acquisition), (2) other actions or failures to act by Otis or (3) certain of Otis' representations, covenants or undertakings contained in any of the separation-related agreements and documents or in any documents relating to the IRS ruling and/or the opinion of counsel being incorrect or violated. Further, under the TMA, we generally are required to indemnify RTX and Carrier for a specified portion of any taxes (and any related costs and other damages) (a) arising as a result of the failure of the Separation and certain related transactions to qualify as a transaction that is generally tax-free (including as a result of Section 355(e) of the Code) or a failure of any internal separation transaction that is intended to qualify as a transaction that is generally tax-free to so qualify, in each case, to the extent such amounts do not result from a disqualifying action by, or acquisition of equity securities of, Otis, Carrier or RTX or (b) arising from an adjustment, pursuant to an audit or other tax proceeding, with respect to any transaction undertaken in connection with the Separation that is not intended to qualify as a transaction that is generally tax-free. Any such indemnity obligations could be material.

Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.

In connection with the Separation, our former parent UTC undertook several corporate reorganization transactions involving its subsidiaries, which, including the Separation of Otis, may be subject to various fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the separation, any entity involved in these reorganization transactions or the separation: (1) was insolvent, was rendered insolvent by reason of the separation, or had remaining assets constituting unreasonably small capital, and (2) received less than fair consideration in connection with the reorganization; or intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured, then the court could void the Separation, in whole or in part, as a fraudulent conveyance or transfer. The court could then require our shareholders to return to RTX some or all of the shares of the Common Stock issued in the distribution, or require RTX or Otis, as the case may be, to fund liabilities of the other company for the benefit of creditors. The measure of insolvency would vary depending upon the jurisdiction and the applicable law. Generally, however, an entity would be considered insolvent if the fair value of its assets was less than the amount of its liabilities (including the probable amount of contingent liabilities), or if it incurred debt beyond its ability to repay the debt as it matures. No assurance can be given as to what standard a court would apply to determine insolvency or that a court would determine that Otis or any of its subsidiaries were solvent at the time of or after giving effect to the distribution.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have a direct physical presence in approximately 80 countries with an overall property portfolio comprising approximately 15 million square feet of space as of December 31, 2021, compared to approximately 16 million square feet of space as of December 31, 2020. We have approximately 2,300 facilities, of which approximately 50%, 37% and 13% of which are located in EMEA, Asia and the Americas, respectively. We operate over 1,400 branches and offices, 11 R&D centers and 18 manufacturing facilities globally. Our principal manufacturing facilities are located across Brazil, China, Czech Republic, France, India, Korea, Russia, Spain, and the United States, of which 10 are owned. Our principal R&D centers are located in China, the United States, India, France, Germany, Japan and Spain. Our branches and R&D centers typically support both our New Equipment and Service segments.

Our fixed assets as of December 31, 2021 include manufacturing facilities and non-manufacturing facilities, such as warehouses, and a substantial quantity of machinery and equipment, most of which are general purpose machinery and equipment using special jigs, tools and fixtures and in many instances having automatic control features and special adaptations. The facilities, warehouses, machinery and equipment in use as of December 31, 2021 are substantially in good operating condition.

Item 3. Legal Proceedings

For a discussion regarding material legal proceedings, see "Note 22, Contingent Liabilities" to the Consolidated Financial Statements within Item 8 of this Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Common Stock is listed on the New York Stock Exchange under the symbol "OTIS". There were approximately 22,100 registered shareholders at January 21, 2022. The information required by Item 5 with respect to securities authorized for issuance under equity compensation plans is incorporated by reference to Part III, Item 12 in this Form 10-K.

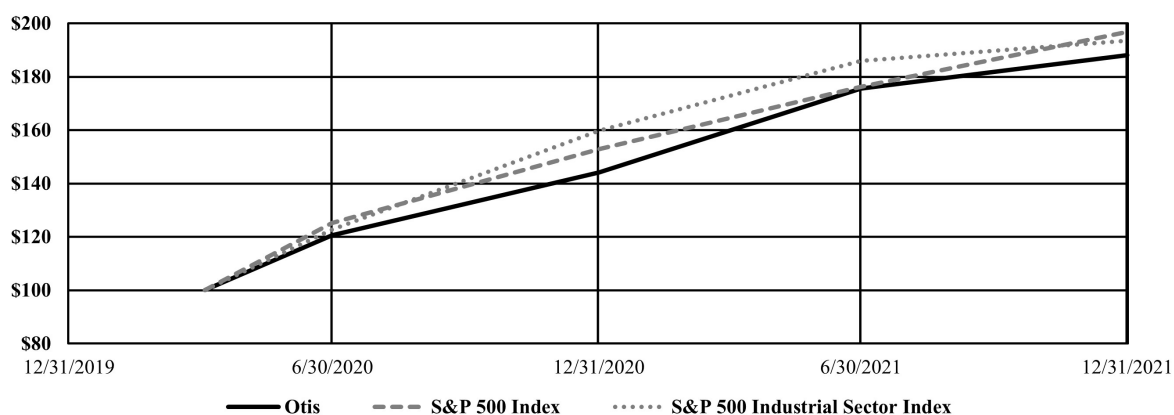
Stock Performance Graph

The following table and graph illustrate the total return from April 3, 2020 (date of Separation) through December 31, 2021, for (1) our Common Stock, (2) the Standard and Poor's ("S&P") 500 Index, and (3) the S&P 500 Industrial Sector Index. The graph and table assume that \$100.00 was invested on April 3, 2020 in each of our Common Stock, the S&P 500 Index and the S&P 500 Industrial Select Sector Index, and that any dividends were reinvested. The comparison reflected in the graph and the table are not intended to forecast the future performance of our Common Stock and may not be indicative of our future performance.

Comparison of Cumulative Total Return - Table

	April 3, 2020	June 30, 2020	December 31, 2020	June 30, 2021	December 31, 2021
Otis	\$ 100	\$ 121	\$ 144	\$ 176	\$ 188
S&P 500 Index	100	125	153	176	197
S&P 500 Industrial Sector Index	100	122	158	186	193

Comparison of Cumulative Total Return - Graph



Issuer Purchases of Equity Securities

The following table provides information about our purchases during the quarter ended December 31, 2021 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

2021	Total Number of Shares Purchased (thousands)	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of a Publicly Announced Program (thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (dollars in millions)
October 1 - October 31	—	\$ —	—	\$ 275
November 1 - November 30	—	—	—	\$ 275
December 1 - December 31	—	—	—	\$ 275
Total	—	\$ —	—	—

⁽¹⁾ Average price paid per share includes costs associated with the repurchases.

On April 27, 2020, our Board of Directors authorized a share repurchase program for up to \$1 billion of Common Stock. As of December 31, 2021, the maximum dollar value of shares that may yet be purchased under this current program was approximately \$275 million. Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with rules 10b5-1 and 10b-18 under the Exchange Act. As a result of the increased debt incurred to fund the Tender Offer, we have temporarily suspended our share repurchases as we focus on deleveraging.

Item 6. [Reserved]**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations****BUSINESS OVERVIEW**

We are the world's leading elevator and escalator manufacturing, installation and service company. Our Company is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. We sell our New Equipment directly to customers, as well as through agents and distributors.

Through our Service segment, we perform maintenance and repair services for both our own products and those of other manufacturers and provide modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services to address equipment and component wear and tear and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics to complex upgrades of larger components and sub-systems. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

We function under a centralized operating model whereby we pursue a global strategy set around New Equipment and Service, in large measure, because we seek to grow our maintenance portfolio, in part, through the conversion of new elevator and escalator installations into service contracts. Accordingly, we benefit from an integrated global strategy, which sets priorities and establishes accountability across the full product lifecycle.

For additional discussion of our business, refer to Item 1 in this Form 10-K.

Zardoya Otis Tender Offer

The Company announced a tender offer to acquire all of the issued and outstanding shares of Zardoya Otis not owned by Otis (the "Tender Offer"). The offer price is €7.07 per share in cash after adjusting for dividends. As of February 4, 2022, the Tender Offer remains outstanding and has not yet been completed. See "Note 1: Business Overview" and "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K, as well as "Liquidity and Financial Condition" in this item, for further details regarding this pending transaction and financing arrangements entered into in connection with the Tender Offer and Item 1A in this Form 10-K for additional risks related to thereto.

Impact of COVID-19 on our Company

The results of our operations and overall financial performance were impacted due to the COVID-19 pandemic during the years ended December 31, 2021 and 2020. COVID-19 has had, and could continue to have, an impact on our business, including impacts to overall financial performance in 2022, as a result of the following, among other things:

- Customer demand impacting our new equipment, maintenance and repair, and modernization businesses
- Cancellations or delays of customer orders
- Customer liquidity constraints and related credit reserves
- Supplier and raw material capacity constraints, delays and related costs

We currently do not expect any significant impact to our capital and financial resources from the COVID-19 pandemic, including our overall liquidity position based on our available cash and cash equivalents and our access to credit facilities and the capital markets.

See the "Liquidity and Financial Condition" section of this item of this Form 10-K for further detail and Item 1A in this Form 10-K for additional risks related to COVID-19.

Separation from United Technologies Corporation

As previously disclosed, on April 3, 2020, Otis became an independent, publicly-traded company and its Common Stock is listed under the symbol "OTIS" on the New York Stock Exchange ("NYSE") as a result of the separation ("the Separation") of each of Otis and Carrier Global Corporation ("Carrier") from United Technologies Corporation, subsequently renamed Raytheon Technologies Corporation ("UTC" or "RTX", as applicable).

Prior to the Separation on April 3, 2020, our historical financial statements were prepared on a standalone combined basis and were derived from the consolidated financial statements and accounting records of our former parent, UTC. For the periods subsequent to April 3, 2020, our financial statements are presented on a consolidated basis as the Company became a standalone public company.

We entered into a transition services agreement ("TSA") and tax matters agreement ("TMA") with our former parent, UTC, and Carrier on April 2, 2020. Under the TSA, we received services for information technology, technical and engineering support, application support for operations, general administrative services and other support services. The TSA and the related trailing exit costs are substantially completed as of December 31, 2021. For additional discussion, see "Note 5: Related Parties" in Item 8 in this Form 10-K.

The TMA governs the parties' respective rights, responsibilities and obligations with respect to tax matters (including responsibility for taxes, entitlement to refunds, allocation of tax attributes, preparation of tax returns, control of tax contests and other tax matters). For additional discussion, see "Note 5: Related Parties" in Item 8 in this Form 10-K.

See Item 1A in this Form 10-K for discussion on risks related to Separation.

RESULTS OF OPERATIONS

Net Sales

<i>(dollars in millions)</i>	2021	2020	2019
Net sales	\$ 14,298	\$ 12,756	\$ 13,118
Percentage change year-over-year	12.1 %	(2.8)%	1.6 %

The factors contributing to the total percentage change year-over-year in total Net sales are as follows:

	2021	2020
Organic volume	8.9 %	(2.1)%
Foreign currency translation	3.0 %	(0.4)%
Acquisitions and divestitures, net	0.2 %	(0.2)%
Other	— %	(0.1)%
Total % change	12.1 %	(2.8)%

The Organic volume increase of 8.9% for 2021 was driven by increases in organic sales of 15.5% in New Equipment and 4.1% in Service.

The Organic volume decrease of (2.1)% for 2020 was driven by decreases in organic sales of (4.0)% in New Equipment and (0.7)% in Service.

See "Segment Review" below for a discussion of Net sales by segment.

Cost of Products and Services Sold

<i>(dollars in millions)</i>	2021	2020	2019
Cost of products and services sold	\$ 10,105	\$ 8,977	\$ 9,292
Percentage change year-over-year	12.6 %	(3.4)%	1.1 %

The factors contributing to the percentage change year-over-year in total cost of products and services sold are as follows:

	2021	2020
Organic volume	9.1 %	(2.7)%
Foreign currency translation	3.3 %	(0.5)%
Acquisitions and divestitures, net	0.2 %	(0.2)%
Total % change	12.6 %	(3.4)%

The organic increase in total cost of products and services sold in 2021 was driven primarily by the organic sales increases noted above.

The organic volume decrease in total cost of products and services sold in 2020 was driven by the organic sales decrease noted above, productivity and cost containment actions.

Gross Margin

<i>(dollars in millions)</i>	2021	2020	2019
Gross margin	\$ 4,193	\$ 3,779	\$ 3,826
Gross margin percentage	29.3 %	29.6 %	29.2 %

Gross margin decreased 30 basis points in 2021 when compared to 2020, as improvements in gross margin in both New Equipment and Service were more than offset by overall segment mix.

Gross margin increased 40 basis points in 2020 when compared to 2019, primarily driven by improvement in the Service margin and overall segment mix, partially offset by a decrease in the New Equipment margin.

Research and Development

<i>(dollars in millions)</i>	2021	2020	2019
Research and development	\$ 159	\$ 152	\$ 163
Percentage of Net sales	1.1 %	1.2 %	1.2 %

Research and development spending increased \$7 million, or 4.6%, in 2021 compared to 2020. Research and development expense as a percentage of net sales has remained relatively flat year-over-year. Research and development includes product development and innovation, including for IoT and developing the next generation of connected elevators and escalators.

Research and development spending decreased approximately \$11 million, or (6.7)%, in 2020 compared to 2019 primarily as a result of cost containment actions taken in 2020. Research and development expenses remained relatively consistent as a percentage of Net sales.

Selling, General and Administrative

<i>(dollars in millions)</i>	2021	2020	2019
Selling, general and administrative	\$ 1,948	\$ 1,924	\$ 1,810
Percentage of Net sales	13.6 %	15.1 %	13.8 %

2021 Compared with 2020

Selling, general and administrative expenses increased \$24 million, or 1.2%, in 2021. The primary drivers of the change are the following:

- Higher employment and information technology costs, including incremental standalone public company costs, and the absence of cost containment actions taken during 2020 in response to COVID-19;
- Impact of unfavorable foreign exchange of \$38 million compared to 2020;
- These increases were partially offset by lower non-recurring Separation-related costs and the absence of UTC allocations of \$105 million.

Selling, general and administrative expenses as a percentage of Net sales decreased 150 basis points in 2021 compared to 2020, as Net sales increased at a faster rate than expenses.

2020 Compared with 2019

Selling, general and administrative expenses increased approximately \$114 million, or 6.3%, in 2020. The primary drivers of the change are the following:

- Lower employment costs and lower discretionary spending, including cost containment actions taken in response to COVID-19, and the absence of corporate allocations from UTC, being more than offset by
- Higher non-recurring Separation-related costs and incremental standalone public company costs.

Selling, general and administrative expenses as a percentage of Net sales increased 130 basis points in 2020 compared to 2019, primarily driven by the increase in non-recurring Separation-related costs, incremental standalone public company costs and lower Net sales.

Restructuring Costs

<i>(dollars in millions)</i>	2021	2020	2019
Restructuring costs	\$ 56	\$ 77	\$ 54

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions, and to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations. We continue to closely monitor the economic environment and may undertake further restructuring actions to keep our cost structure aligned with the demands of the prevailing market conditions.

Total 2021 restructuring costs include \$41 million of costs related to 2021 actions, \$13 million of costs related to 2020 actions and \$2 million of costs related to pre-2020 actions.

Most of the expected charges will require cash payments, which we have funded and expect to continue to fund with cash generated from operations. During 2021, we had cash outflows of approximately \$51 million related to the restructuring actions and expect to make cash payments of \$47 million to complete the actions announced, which is comprised of \$7 million of additional restructuring expenses and \$40 million of existing restructuring accruals as of December 31, 2021.

We generally expect to achieve annual recurring savings within the two-year period subsequent to initiating the actions, including \$41 million for the 2021 actions and \$55 million for the 2020 actions, of which approximately \$66 million was realized for the 2021 and 2020 actions during the current year.

For additional discussion of restructuring, see Note 17, "Restructuring Costs" in the Consolidated Financial Statements.

Other Income (Expense), Net

<i>(dollars in millions)</i>	2021	2020	2019
Other income (expense), net	\$ 22	\$ (64)	\$ (39)

Other income (expense), net primarily includes the impact of changes in the fair value and settlement of derivatives, gains or losses on sale of businesses and fixed assets, earnings from equity method investments, fair value changes on equity securities, impairments, non-recurring Separation-related expenses and certain other operating items.

The change in Other income (expense), net of \$86 million in 2021 compared to 2020, was primarily driven by the absence of a fixed asset impairment of \$(71) million and related licensing costs of \$(14) million recognized during 2020.

The change in Other income (expense), net of \$(25) million in 2020 compared to 2019, was driven by fixed asset impairments of \$(71) million and related license costs of \$(14) million and non-recurring Separation-related expenses. These were partially offset by favorable mark-to-market adjustments on foreign currency derivatives of \$46 million when compared to 2019, the absence of the loss on the sale of a business of \$19 million included in the 2019 results and a non-recurring gain of \$17 million related to an expected insurance recovery recognized for property damage as a result of the fire in our manufacturing facility in Germany in 2020.

See "Note 5: Related Parties" in Item 8 in this Form 10-K for further discussion on costs related to the Separation.

Interest Expense (Income), Net

<i>(dollars in millions)</i>	2021	2020	2019
Interest expense (income), net	\$ 136	\$ 122	\$ (14)

Interest expense (income), net primarily relates to interest expense on our external debt, offset by interest income earned on cash balances, short-term investments and, in 2019 and prior, related party activity between Otis and our former parent, UTC.

The increase in Interest expense (income), net of \$14 million in 2021 compared to 2020, was primarily driven by interest expense on the external debt associated with the Separation, which was not outstanding for the full year of 2020, as well as costs associated with the bridge financing and related guarantees and the interest expense related to the Tender Offer. This was partially offset by lower interest expense as a result of the debt refinancing and debt repayments during 2021. For additional discussion of debt refinancing and repayments, see the "Liquidity and Financial Condition" section below.

The increase in Interest expense (income), net in 2020 compared to 2019 was primarily driven by interest expense of \$124 million on our external debt and debt issuance cost amortization of \$5 million in 2020. These expenses were partially offset by interest income on short-term investments.

The average interest rate on our external debt for 2021 and 2020 was 2.3%.

For additional discussion of borrowings, see "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K.

Income Taxes

	2021	2020	2019
Effective tax rate	27.6 %	30.1 %	31.9 %

The 2021, 2020 and 2019 effective tax rates are higher than the statutory U.S. rate primarily due to higher international tax rates as compared to the lower U.S. federal statutory rate and foreign earnings subject to U.S. tax under the provisions of the U.S. Tax Cuts and Jobs Act ("TCJA").

The 2021 effective tax rate is lower than the 2020 effective tax rate primarily due to the following:

- \$16 million tax benefit related to repatriation of foreign earnings as a result of changes to planned debt repayments and in estimates related to Otis' pre-Separation tax attributes;
- \$16 million decrease in U.S. tax related to base erosion and anti-abuse tax in 2021;
- Absence of the tax cost resulting from Separation-related expenses and fixed asset impairment incurred in 2020; and
- The net impact of income tax settlements related to the Separation, as discussed in Note 5, "Related Parties".

The 2020 effective tax rate is lower than the 2019 effective tax rate primarily due to a \$10 million tax benefit related to our change in assertion of no longer intending to reinvest certain undistributed earnings of our international subsidiaries made during 2020 as compared to the liability previously recorded by UTC, a decrease as a result of tax regulations related to the TCJA that were enacted during 2020, as well as a recognition of a Separation-related foreign tax loss, all partially offset by incremental withholding taxes in 2020.

For additional discussion of income taxes and the effective income tax rate, see "Note 16: Income Taxes" in Item 8 in this Form 10-K.

Noncontrolling Interest in Subsidiaries' Earnings

<i>(dollars in millions)</i>	2021	2020	2019
Noncontrolling interest in subsidiaries' earnings	\$ 174	\$ 150	\$ 151

Noncontrolling interest in subsidiaries' earnings increased in 2021 in comparison to 2020, primarily driven by an increase in net income from non-wholly owned subsidiaries and the impact of foreign exchange rates. Ownership interest in the underlying non-wholly owned subsidiaries has remained generally consistent year-over-year.

For additional discussion of the Zardoya Otis Tender Offer, see "Note 1: Business Overview" in Item 8 in this Form 10-K.

Noncontrolling interest in subsidiaries' earnings remained consistent in 2020 in comparison to 2019.

Net Income Attributable to Otis Worldwide Corporation

<i>(dollars in millions, except per share amounts)</i>	2021	2020	2019
Net income attributable to Otis Worldwide Corporation	\$ 1,246	\$ 906	\$ 1,116
Diluted earnings per share	\$ 2.89	\$ 2.08	\$ 2.55

Net income attributable to Otis Worldwide Corporation increased in 2021, compared to the same period in 2020, primarily driven by higher operating profit and the benefit of a lower effective tax rate, partially offset by higher noncontrolling interest in subsidiaries' earnings and higher interest expense.

Net income attributable to Otis Worldwide Corporation decreased in 2020, compared to the same period in 2019, primarily driven by non-recurring Separation-related costs, fixed asset impairments, non-recurring Separation-related tax

benefits, the impact of non-recurring tax items, and incremental standalone public company costs incurred in 2020 after the Separation.

For additional discussion of the net income attributable to shareholders and earnings per share, see "Note 3: Earnings Per Share" in Item 8 in this Form 10-K.

Segment Review

(dollars in millions)	Net Sales			Operating Profit			Operating Profit Margin		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
New Equipment	\$ 6,428	\$ 5,371	\$ 5,648	\$ 459	\$ 318	\$ 393	7.1 %	5.9 %	7.0 %
Service	7,870	7,385	7,470	1,762	1,611	1,603	22.4 %	21.8 %	21.5 %
Total segment	14,298	12,756	13,118	2,221	1,929	1,996	15.5 %	15.1 %	15.2 %
General corporate expenses and other	—	—	—	(113)	(290)	(182)	—	—	—
Total	\$ 14,298	\$ 12,756	\$ 13,118	\$ 2,108	\$ 1,639	\$ 1,814	14.7 %	12.8 %	13.8 %

As previously disclosed in our Quarterly Report on Form 10-Q for the quarter ending June 30, 2021, we changed how we present and discuss operating profit in our Segment Review of the Management's Discussion and Analysis. Previously, we presented and discussed the percentage change in segment operating profit between periods using organic/operational profit, which excluded the impact of foreign currency translation, acquisitions and divestitures and restructuring costs. We are now presenting and discussing, including for the 2020 to 2019 comparison, the change in the total dollar amount of segment operating profit and the percentage change in operating profit margin between periods. There is no change in the amounts of operating profit that we have previously disclosed. We have continued to use the same key metrics to explain the changes in our operating performance that we previously used. For example, as discussed below, the drivers of the changes in 2021 relative to the prior year are volume, rate drivers, selling general and administrative expense, foreign exchange and restructuring which are consistent with the drivers we have disclosed in the past where applicable. In addition, we will discuss the impact of foreign currency translation, acquisitions and divestitures and restructuring to the extent they are meaningful to understanding our performance. We believe this changed approach aligns better with how we measure our performance.

New Equipment

The New Equipment segment designs, manufactures, sells and installs a wide range of passenger and freight elevators, as well as escalators and moving walkways in residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. We sell directly to customers as well as through agents and distributors. We also sell New Equipment to government agencies to support infrastructure projects, such as airports, railways or metros.

Summary performance for New Equipment for the years ended December 31, 2021, 2020 and 2019 was as follows:

(dollars in millions)	2021	2020	2019	Total Increase (Decrease) Year-Over-Year for:			
				2021 compared with 2020		2020 compared with 2019	
Net sales	\$ 6,428	\$ 5,371	\$ 5,648	\$ 1,057	19.7 %	\$ (277)	(4.9)%
Cost of sales	5,293	4,439	4,640	854	19.2 %	(201)	(4.3)%
	1,135	932	1,008	203	21.8 %	(76)	(7.5)%
Operating expenses	676	614	615	62	10.1 %	(1)	(0.2)%
Operating profit	\$ 459	\$ 318	\$ 393	\$ 141	44.3 %	\$ (75)	(19.1)%
Operating profit margin	7.1 %	5.9 %	7.0 %				

Summary analysis of the Net sales change for New Equipment for the years ended December 31, 2021 and 2020 compared with the prior years was as follows:

Components of Net sales change:	2021	2020
Organic	15.5 %	(4.0)%
Foreign currency translation	4.1 %	(0.8)%
Acquisitions/Divestitures, net	0.1 %	(0.1)%
Total % change	19.7 %	(4.9)%

2021 Compared with 2020

The organic sales increase of 15.5% was driven by mid-teens growth in the Americas, high teens growth in Asia and high single digit growth in EMEA.

New Equipment operating profit increased \$141 million, primarily due to higher volume of \$140 million, with an operating margin increase of 120 basis points. Favorable field installation and material productivity was partially offset by unfavorable price and mix and commodity headwinds. Foreign currency tailwinds of \$30 million were more than offset by higher selling, general and administrative costs of \$40 million.

2020 Compared with 2019

The organic sales decrease of (4.0)% was primarily driven by organic sales declines in all regions primarily due to impacts of the COVID-19 pandemic.

New Equipment operating profit decreased \$(75) million, with an operating profit margin decrease of 110 basis points. Strong material productivity of \$60 million and cost containment actions were more than offset by lower volume of \$(35) million and unfavorable rate drivers of \$(90) million due to under-absorption, field inefficiencies, price and mix and higher bad debt expense. New Equipment operating profit was also impacted by foreign currency headwinds of \$(10) million, higher restructuring costs of \$(10) million and incremental public company standalone costs.

Service

The Service segment performs maintenance and repair services for both our products and those of other manufacturers and provides modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services that address equipment and component wear and tear, and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics, to complex upgrades of larger components and sub-systems. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

Summary performance for Service for the years ended December 31, 2021, 2020 and 2019 was as follows:

<i>(dollars in millions)</i>	2021	2020	2019	Total Increase (Decrease) Year-Over-Year for:			
				2021 compared with 2020		2020 compared with 2019	
Net sales	\$ 7,870	\$ 7,385	\$ 7,470	\$ 485	6.6 %	\$ (85)	(1.1)%
Cost of sales	4,812	4,538	4,652	274	6.0 %	(114)	(2.5)%
	3,058	2,847	2,818	211	7.4 %	29	1.0 %
Operating expenses	1,296	1,236	1,215	60	4.9 %	21	1.7 %
Operating profit	\$ 1,762	\$ 1,611	\$ 1,603	\$ 151	9.4 %	\$ 8	0.5 %
Operating profit margin	22.4 %	21.8 %	21.5 %				

Summary analysis of the Net sales change for Service for the years ended December 31, 2021 and 2020 compared with the prior years was as follows:

Components of Net sales change:	2021	2020
Organic	4.1 %	(0.7)%
Foreign currency translation	2.3 %	(0.1)%
Acquisitions/Divestitures, net	0.2 %	(0.3)%
Total % change	6.6 %	(1.1)%

2021 Compared with 2020

Net Sales

The organic sales increase of 4.1% is due to organic sales increases in maintenance and repair of 4.5% and modernization of 2.5%.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic	4.5 %	2.5 %
Foreign currency translation	2.2 %	1.9 %
Acquisitions/Divestitures, net	0.3 %	0.1 %
Total % change	7.0 %	4.5 %

Operating profit

Service operating profit increased \$151 million, primarily due to higher volume of \$120 million, with an operating margin increase of 60 basis points. Favorable pricing and mix and lower bad debt expense were partially offset by the absence of the benefit from prior year field actions taken in response to COVID-19. Foreign exchange tailwinds of \$35 million and lower restructuring expense of \$15 million were more than offset by higher selling general and administrative costs of \$60 million, including the impact from cost containment actions taken in the prior year.

2020 Compared with 2019

Net Sales

The organic sales decrease of (0.7)% is due to a sales decrease in maintenance and repair of (0.9)%, with modernization sales remaining flat.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic	(0.9)%	0.1 %
Foreign currency translation	(0.1)%	0.1 %
Acquisitions/Divestitures, net	(0.2)%	(1.1)%
Total % change	(1.2)%	(0.9)%

Operating Profit

Service operating profit increased \$8 million, with an operating profit margin increase of 30 basis points. Favorable productivity, pricing and mix, and cost containment actions more than offset the combined impact of price concessions, lower volume and higher bad debt expense. Service operating profit was also favorably impacted by foreign currency, offset by higher restructuring costs and incremental public company standalone costs.

General Corporate Expenses and Other

(dollars in millions)	2021	2020	2019
General corporate expenses and other	\$ (113)	\$ (290)	\$ (182)

General corporate expenses and other decreased \$(177) million in 2021 compared to 2020, primarily due to the absence of a fixed asset impairment of \$(71) million and related licensing costs of \$(14) million recognized in 2020, as well as lower non-recurring Separation costs and the absence of UTC allocations of \$(108) million.

General corporate expenses and other increased \$108 million in 2020 compared to 2019, primarily driven by fixed asset impairments of \$71 million and associated license costs of approximately \$14 million, non-recurring Separation-related costs of \$119 million and incremental standalone public company costs in 2020. These were partially offset by favorable mark-to-market adjustments on foreign currency derivatives of \$46 million when compared to the prior period, the absence of losses on the sale of a business of \$19 million that occurred during 2019 and a non-recurring gain of approximately \$17 million related to an expected insurance recovery as a result of the fire in our manufacturing facility in Germany recognized in 2020.

LIQUIDITY AND FINANCIAL CONDITION

<i>(dollars in millions)</i>	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,565	\$ 1,782
Total debt	7,273	5,963
Net debt (total debt less cash and cash equivalents)	5,708	4,181
Total equity	(3,144)	(3,395)
Total capitalization (total debt plus total equity)	4,129	2,568
Net capitalization (total debt plus total equity less cash and cash equivalents)	2,564	786
Total debt to total capitalization	176 %	232 %
Net debt to net capitalization	223 %	532 %

As of December 31, 2021, we had cash and cash equivalents of approximately \$1.6 billion, of which approximately 91% was held by the Company's foreign subsidiaries. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. On occasion, we are required to maintain cash deposits with certain banks with respect to contractual obligations related to acquisitions and divestitures or other legal obligations. As of December 31, 2021 and 2020, the amount of such restricted cash was approximately \$1.9 billion and \$19 million, respectively, including the proceeds from the issuance of debt that is restricted in order to fund the Tender Offer. See further discussion of debt issuances below.

From time-to-time we may need to access the capital markets to obtain financing. We may incur indebtedness or issue equity as needed. Although we believe that the arrangements in place as of December 31, 2021 permit us to finance our operations on acceptable terms and conditions, our access to, and the availability of, financing on acceptable terms and conditions in the future could be impacted by many factors, including (1) our credit ratings or absence of a credit rating, (2) the liquidity of the overall capital markets and (3) the current state of the economy, including the impact of COVID-19. There can be no assurance that we will continue to have access to the capital markets on terms acceptable to us.

The following is a summary of the long-term debt issuances in 2021 and 2020:

<i>(dollars in millions)</i>		
Issuance Date	Description of Debt	Aggregate Principal Balance
November 12, 2021	0.000% notes due 2023 (€500 million principal value)	\$ 572
November 12, 2021	0.318% notes due 2026 (€600 million principal value)	687
November 12, 2021	0.934% notes due 2031 (€500 million principal value)	572
March 11, 2021	0.37% notes due 2026 (¥21,500 million principal value)	199
March 27, 2020	LIBOR plus 112.5 bps term loan due 2023 (the "Term Loan")	1,000
February 27, 2020	LIBOR plus 45 bps floating rate notes due 2023	500
February 27, 2020	2.056% notes due 2025	1,300
February 27, 2020	2.293% notes due 2027	500
February 27, 2020	2.565% notes due 2030	1,500
February 27, 2020	3.112% notes due 2040	750
February 27, 2020	3.362% notes due 2050	750

The net proceeds from the February and March 2020 debt issuances listed above, totaling \$6.3 billion, were used to distribute cash to UTC as part of the Separation in 2020. The proceeds from the March 2021 issuance of Japanese Yen notes listed above were used to repay a portion of our outstanding Euro denominated commercial paper. The proceeds from the November 2021 issuance of the Euro notes listed above are held in escrow to fund the Tender Offer, which is reflected as Restricted cash on the Consolidated Balance Sheet as of December 31, 2021.

The following is a summary of the long-term debt repayments in 2021 and 2020:

(dollars in millions)

Payment Date	Description of Debt	Total Principal Payments
11-20-2020	LIBOR plus 112.5 bps term loan due 2023	\$ 250
09-28-2020	LIBOR plus 112.5 bps term loan due 2023	\$ 750

In 2020, we repaid the \$1.0 billion term loan in full, using cash from operations and proceeds from the issuance of Euro denominated and US Dollar denominated commercial paper. In 2021, the commercial paper was repaid in full, using cash from operations and proceeds from the issuance of the Japanese Yen notes. For additional discussion of borrowings, including commercial paper activity, see "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K.

Following the enactment of the TCJA, and after reassessing as part of the Separation, the Company determined that it no longer intends to reinvest certain undistributed earnings of our international subsidiaries that have been previously taxed in the U.S. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, we will continue to permanently reinvest these earnings.

We expect to fund our ongoing operating, investing and financing requirements mainly through cash flows from operations, available liquidity through cash on hand and available bank lines of credit and access to the capital markets.

On April 27, 2020, our Board of Directors authorized a share repurchase program for up to \$1.0 billion of Common Stock, of which approximately \$725 million has been utilized as of December 31, 2021. Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs, or under plans complying with rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended. During 2021, the Company repurchased 9.7 million shares of Common Stock for approximately \$725 million. As a result of the increased debt incurred to fund the Tender Offer, we have temporarily suspended share repurchases as we focus on deleveraging.

Cash Flow - Operating Activities

(dollars in millions)

	2021	2020	2019
Net cash flows provided by operating activities	\$ 1,750	\$ 1,480	\$ 1,469

2021 Compared with 2020

Cash generated from operating activities in 2021 was \$270 million higher than in 2020, primarily due to higher net income of \$364 million and increased cash inflows related to current assets and current liabilities activity of \$83 million, as described below. These were partially offset by \$98 million of lower non-cash adjustments from Net income, including the absence of fixed asset impairments of \$71 million in 2020, as well as \$106 million of lower Other operating activities, net, primarily due to long-term accruals in 2020.

2021 Changes in Working Capital

The 2021 cash inflows related to current assets and current liabilities operating activity were \$160 million, including the following main drivers:

- Accounts payable, which increased by \$130 million, primarily due to increased volume;
- Accrued liabilities, which increased by \$72 million, primarily due to the timing of payments, which more than offset the payments of \$56 million in foreign tax obligations pursuant to the TMA and income tax liabilities in certain jurisdictions;
- Contract assets, current and Contract liabilities, current, net change of \$53 million, driven by the timing of billings on contracts compared to the progression on current contracts; and

- Other current assets, which decreased by \$43 million, primarily due to prepaid income tax utilization and indemnification payments received pursuant to the TMA in order to pay foreign tax obligations, partially offset by advanced payments to suppliers; partially offset by
- Accounts receivable, net, which increased by \$152 million, primarily due to increased volume.

2020 Compared with 2019

Cash generated from operating activities in 2020 was \$11 million higher than in 2019, primarily due to increased cash inflows related to current assets and current liabilities of \$109 million, as described below. There were also increased Other operating activities of \$106 million compared to the same period in 2019, primarily due to increased long-term accruals. These were partially offset by lower net income of \$211 million, which includes the impact of interest expense on debt, incremental standalone public company costs and non-recurring Separation-related costs in 2020.

2020 Changes in Working Capital

The 2020 cash inflows related to current assets and current liabilities operating activity were \$77 million. These cash inflows were primarily driven by:

- Net change in Contract assets, current and Contract liabilities, current of \$282 million, driven by the timing of billings on contracts compared to the progression on current contracts; and
- Accounts payable, which increased by \$20 million, primarily due to the timing of payments to suppliers; partially offset by
- Inventories, net, which increased by \$76 million due to the impact of higher production inventory levels related to the timing of deliveries to construction sites; and
- Accounts receivable, net, which increased by \$163 million due to slower collections and increased customer financing activity.

Additionally, Other current assets decreased by \$28 million due to receipt of indemnification payments pursuant to the TMA in order to pay foreign tax obligations, partially offset by tax prepayments in certain jurisdictions, while Accrued liabilities decreased \$14 million largely due to the payment of foreign tax obligations pursuant to the TMA described above and income tax liabilities in certain jurisdictions, partially offset by accruals for interest in excess of interest payments. The receipt and payment of indemnification assets and foreign tax obligations resulted in no net cash flow for 2020. See "Note 5: Related Parties" in Item 8 in this Form 10-K for further discussion on transactions with our former parent UTC.

Cash Flow - Investing Activities

<i>(dollars in millions)</i>	2021	2020	2019
Net cash flows used in investing activities	\$ (89)	\$ (353)	\$ (203)

Cash flows used in investing activities primarily reflect capital expenditures, investments in businesses and securities, proceeds received on the sale of fixed assets, and settlement of derivative contracts.

2021 compared to 2020

<i>(dollars in millions)</i>	2021	2020	Change
Investing Activities:			
Capital expenditures	\$ (156)	\$ (183)	\$ 27
Investments in businesses and intangible assets	(80)	(53)	(27)
Proceeds from sale of (investments in) equity securities	40	(51)	91
Receipts (payments) on settlements of derivative contracts	73	(69)	142
Other investing activities, net	34	3	31
Net cash flows used in investing activities	\$ (89)	\$ (353)	\$ 264

Cash flows used in investing activities in 2021 compared to 2020 decreased \$264 million, including the following main drivers:

- \$142 million higher net cash from the settlement of derivative instruments in 2021, with net cash receipts of \$73 million and payments of \$69 million in 2021 and 2020, respectively;
- \$91 million higher net cash from equity securities, including \$58 million of proceeds from the sale of equity securities in 2021, compared to \$(51) million of investments made in equity securities in 2020; and
- \$31 million higher Other investing activities, net primarily due to property damage insurance proceeds received and discussed below under "Germany Fire", as well as proceeds from the sales of fixed assets.

As discussed in Note 18, "Financial Instruments" to the Consolidated Financial Statements, we enter into derivative instruments for risk management purposes. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates and commodity prices. These fluctuations can increase the costs of financing, investing and operating the business. We use derivative instruments, including forward contracts and options, to manage certain foreign currency and commodity price exposures.

Germany Fire

As previously disclosed, during 2020 there was a fire at the Company's manufacturing facility in Germany. During 2021, the Company settled the related property damage claim with the insurance company, as reflected in Other investing activities, net in the Consolidated Statements of Cash Flows. During 2021, the Company also reached a final agreement with the insurance company related to the business interruption claim to cover costs incurred as a result of the fire and received the final payments during the year. The impact to our operations or financial results from this event was not material.

2020 compared to 2019

(dollars in millions)

	2020	2019	Change
Investing Activities:			
Capital expenditures	\$ (183)	\$ (145)	\$ (38)
Investments in businesses and intangible assets	(53)	(47)	(6)
Proceeds from sale of (investments in) equity securities	(51)	—	(51)
Proceeds from sale of equity securities	—	—	—
Receipts (payments) on settlements of derivative contracts	(69)	(5)	(64)
Other investing activities, net	3	(6)	9
Net cash flows provided by (used in) investing activities	\$ (353)	\$ (203)	\$ (150)

Cash flows used in investing activities in 2020 compared to 2019 increased \$150 million, including the following drivers:

- \$64 million higher net cash payments from the settlement of derivative instruments in 2020, including \$21 million of payments associated with the hedges of foreign-denominated TMA indemnification assets;
- \$51 million of investments in 2020 related to equity securities;
- \$38 million higher capital expenditures; and
- \$6 million higher investments in business.

Cash Flow - Financing Activities

<i>(dollars in millions)</i>	2021	2020	2019
Net cash flows provided by (used in) financing activities	\$ 58	\$ (844)	\$ (1,133)

Financing activities primarily include increases or decreases to short-term borrowings, issuance or repayment of long-term debt, dividends paid to common shareholders, repurchases of Common Stock and dividends paid to non-controlling interests. The activity in 2020 and 2019 includes transfers to and from our former parent, UTC, prior to the Separation, consisting of, among other things, cash transfers, distributions, cash investments and changes in receivables and payables. For further discussion on these transfers, see "Note 5: Related Parties" in Item 8 in this Form 10-K.

2021 compared to 2020

<i>(dollars in millions)</i>	2021	2020	Change
Financing Activities:			
Increase (decrease) in short-term borrowings, net	\$ (655)	\$ 647	\$ (1,302)
Proceeds from issuance of long-term debt	2,030	6,300	(4,270)
Payment of debt issuance costs	(25)	(43)	18
Repayment of long-term debt	—	(1,000)	1,000
Dividends paid on Common Stock	(393)	(260)	(133)
Repurchases of Common Stock	(725)	—	(725)
Dividends paid to noncontrolling interest	(155)	(149)	(6)
Net transfers to UTC	—	(6,330)	6,330
Other financing activities, net	(19)	(9)	(10)
Net cash flows provided by (used in) financing activities	\$ 58	\$ (844)	\$ 902

Net cash provided by financing activities was \$58 million in 2021 compared to net cash used by financing activities of \$844 million in 2020, which changed primarily due to the following:

- Net borrowings of \$1.4 billion during 2021 compared to net repayments on borrowings of \$353 million during 2020. These were comprised of the following activities:
 - Net proceeds from the issuance of long-term debt of \$2.0 billion, partially offset by net repayments of short-term borrowings of \$655 million during 2021; and
 - Repayments of long-term debt of \$1.0 billion, partially offset by net short-term borrowings of \$647 million during 2020.
- Repurchases of Common Stock of \$725 million and higher dividends paid on Common Stock of \$133 million during 2021; and
- Net transfers to UTC related to the Separation of \$6.3 billion during 2020, which were primarily funded by the net proceeds from issuance of long-term debt of \$6.3 billion during 2020.

Net borrowings in 2021 include €1.6 billion in proceeds from the issuance of Euro denominated notes, which will be used to fund the Tender Offer. For additional discussion of borrowings activity, see "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K.

2020 compared to 2019

(dollars in millions)

	2020	2019	Change
Financing Activities:			
Increase (decrease) in short-term borrowings, net	\$ 647	\$ 6	\$ 641
Proceeds from issuance of long-term debt	6,300	—	6,300
Payment of debt issuance costs	(43)	—	(43)
Repayment of long-term debt	(1,000)	—	(1,000)
Dividends paid on Common Stock	(260)	—	(260)
Dividends paid to noncontrolling interest	(149)	(163)	14
Net transfers to UTC	(6,330)	(972)	(5,358)
Other financing activities, net	(9)	(4)	(5)
Net cash flows provided by (used in) financing activities	\$ (844)	\$ (1,133)	\$ 289

Net cash used in financing activities decreased \$289 million in 2020 compared to 2019 primarily due to the net proceeds from the issuance of long-term debt of \$6.3 billion in 2020, of which \$1.0 billion was repaid with \$641 million of proceeds from the issuance of short-term commercial paper in 2020 and cash from operations. These net inflows were partially offset by a \$5.4 billion increase in net transfers to UTC related to the Separation, and a \$260 million increase in dividends paid on Common Stock in 2020. See "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K for further discussion on borrowings.

Guaranteed Securities: Summarized Financial Information

The following information is provided in compliance with Rule 13-01 of Regulation S-X under the Securities Exchange Act of 1934, as amended, with respect to the 2023 Euro Notes, the 2026 Euro Notes and the 2031 Euro Notes (together the "Euro Notes"), in each case issued by Highland Holdings S.à r.l. ("Highland"), a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Euro Notes are fully and unconditionally guaranteed by Otis Worldwide Corporation ("OWC") on an unsecured, unsubordinated basis. Refer to "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K for additional information.

Highland is a wholly-owned, indirect consolidated subsidiary of OWC. OWC is incorporated under the laws of Delaware. As a company incorporated and existing under the laws of Luxembourg, and with its registered office in Luxembourg, Highland is subject to Luxembourg insolvency and bankruptcy laws in the event any insolvency proceedings are initiated against it. Luxembourg bankruptcy law is significantly different from, and may be less favorable to creditors than, the bankruptcy law in effect in the United States and may make it more difficult for creditors to recover the amount they could expect to recover in liquidation under U.S. insolvency and bankruptcy rules.

The Euro Notes are not guaranteed by any of OWC's or Highland's subsidiaries (all OWC subsidiaries other than Highland are referred to herein as "non-guarantor subsidiaries"). Holders of the Euro Notes will have a direct claim only against Highland, as issuer, and OWC, as guarantor.

The following tables set forth the summarized financial information as of and for the years ended December 31, 2021 and 2020 of each of OWC and Highland on a standalone basis, which does not include the consolidated impact of the assets, liabilities, and financial results of their subsidiaries except as noted on the tables below, nor does it include any impact of intercompany eliminations as there were no intercompany transactions between OWC and Highland. This summarized financial information is not intended to present the financial position or results of operations of OWC or Highland in accordance with U.S. GAAP.

<i>(dollars in millions)</i>	Year Ended December 31,	
	2021	2020
<i>OWC Statement of Operations - Standalone and Unconsolidated</i>		
Revenue	\$ —	\$ —
Cost of revenue	—	—
Operating expenses	13	10
Income from consolidated subsidiaries	19	4
Income (loss) from operations excluding income from consolidated subsidiaries	(18)	(2)
Net income (loss) excluding income from consolidated subsidiaries	(116)	(100)

<i>(dollars in millions)</i>	As of December 31,	
	2021	2020
<i>OWC Balance Sheet - Standalone and Unconsolidated</i>		
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	\$ 197	\$ 307
Current assets (intercompany receivables from non-guarantor subsidiaries)	—	—
Noncurrent assets, investments in consolidated subsidiaries	1,271	1,348
Noncurrent assets (excluding investments in consolidated subsidiaries)	48	62
Current liabilities (intercompany payables to non-guarantor subsidiaries)	1,516	139
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	73	721
Noncurrent liabilities	5,725	5,540

<i>(dollars in millions)</i>	Year Ended December 31,	
	2021	2020
Highland Statement of Operations - Standalone and Unconsolidated		
Revenue	\$ —	\$ —
Cost of revenue	—	—
Operating expenses	—	—
Income from consolidated subsidiaries	635	445
Income (loss) from operations excluding income from consolidated subsidiaries	—	—
Net income (loss) excluding income from consolidated subsidiaries	(3)	(1)

<i>(dollars in millions)</i>	As of December 31,	
	2021	2020
Highland Balance Sheet - Standalone and Unconsolidated		
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	\$ —	\$ —
Current assets (intercompany receivables from non-guarantor subsidiaries)	2	87
Noncurrent assets (investments in consolidated subsidiaries)	12,524	11,251
Noncurrent assets (excluding investments in consolidated subsidiaries)	—	—
Current liabilities (intercompany payables to non-guarantor subsidiaries)	171	318
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	2	1
Noncurrent liabilities	1,795	—

CRITICAL ACCOUNTING ESTIMATES

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. "Note 2: Summary of Significant Accounting Policies" in Item 8 in this Form 10-K describes the significant accounting policies used in preparation of the Consolidated Financial Statements. Management believes the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. The most significant areas involving management judgments and estimates are described below. Actual results in these areas could differ from management's estimates.

Revenue Recognition from Contracts with Customers

We recognized revenue in accordance with FASB ASC Topic 606: *Revenue from Contracts with Customers* and its related amendments, (referred to, collectively, as "ASC 606"). For new equipment and modernization contracts, equipment and installation are typically procured in a single contract providing the customer with a complete installed elevator or escalator unit. The combination of equipment and installation promises are typically a single performance obligation. For these performance obligations, revenue is recognized over time using costs incurred to date relative to total estimated costs at completion to measure progress. Contract costs are usually incurred over a period of time, which can be several years, and the estimation of these costs requires management's judgment. Contract costs included in the calculation are comprised of labor, materials, subcontractors' costs or other direct costs and indirect costs, which include indirect labor costs.

The long-term nature of the contracts, the complexity of the products and the scale of the projects can affect our ability to estimate costs precisely. We review cost estimates on significant new equipment and modernization contracts on a quarterly basis and, for others, no less frequently than annually or when circumstances change and warrant a modification to a previous estimate. We record changes in contract estimates using the cumulative catch-up method and we review changes in contract estimates for their impact on net sales or operating profit in the Consolidated Financial Statements. Modifications are recognized as a cumulative catch-up or treated as a separate accounting contract if the modification adds distinct goods or services and the modification is priced at its stand-alone selling price.

See "Note 2: Summary of Significant Accounting Policies" in Item 8 in this Form 10-K.

Income Taxes

The future tax benefit arising from deductible temporary differences and tax carryforwards was \$647 million as of December 31, 2021 and \$642 million as of December 31, 2020. Management estimates that our earnings during the periods when the temporary differences become deductible will be generally sufficient to realize the related future income tax benefits, which may be realized over an extended period of time. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate that realization is not likely, a valuation allowance is provided.

In assessing the need for a valuation allowance, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. Valuation allowances related to deferred tax assets can be affected by changes to tax laws, changes to statutory tax rates and future taxable income levels. In the event we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through an increase to tax expense in the period in which that determination is made or when tax law changes are enacted. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through a decrease to tax expense in the period in which that determination is made.

In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements. See "Note 3: Earnings Per Share" and "Note 15: Accumulated Other Comprehensive Income (Loss)" in Item 8 in this Form 10-K for further discussion. Additionally, see "Note 22: Contingent Liabilities" in Item 8 in this Form 10-K for discussion of administrative review proceedings with the German Tax Office.

Goodwill

We have generated goodwill as a result of our acquisitions. At the time of acquisition, we account for business acquisitions using the purchase method of accounting, in accordance with which assets acquired and liabilities assumed are recorded at their respective fair values at the acquisition date. The fair value of the consideration paid, including contingent consideration, is assigned to the assets acquired and liabilities assumed based on their respective fair values. Goodwill represents the excess of the purchase price over the estimated fair values of the assets acquired and liabilities assumed.

We review our goodwill for impairment on an annual basis at July 1 or more frequently if events or a change in circumstances indicate that the carrying amount may not be recoverable. We test goodwill for impairment at a level within the Company referred to as the reporting unit, which is one level below the operating segment level. We have determined there to be three reporting units within each business segment.

In accordance with Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*, we initially perform a qualitative assessment (commonly known as "step zero") to determine whether further impairment testing is necessary before performing the two-step test. The qualitative assessment requires judgments by management about economic conditions including the entity's operating environment, its industry and other market considerations, entity-specific events related to financial performance or loss of key personnel and other events that could impact the reporting unit. If management concludes, based on assessment of relevant events, facts and circumstances, that it is more likely than not that a reporting unit's fair value is greater than its carrying value, no further impairment testing is required. If we determine, based on this assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying value, we perform a quantitative goodwill impairment test by comparing the reporting unit's fair value with its carrying value. An impairment loss is recognized for the amount by which the reporting unit's carrying value exceeds its fair value, up to the total amount of goodwill allocated to the reporting unit. No impairment loss is recognized if the fair value of the reporting unit exceeds its carrying value.

We completed the annual goodwill impairment test for all of our reporting units as of July 1, 2021 and determined that no adjustment to goodwill was necessary as the fair value of each reporting unit was in excess of the carrying value of each reporting unit.

Contingent Liabilities

Otis is party to litigation related to a number of matters as described in "Note 22: Contingent Liabilities" in Item 8 in this Form 10-K. In particular, they may include risks associated with contractual, regulatory and other matters, which may arise in the ordinary course of business. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and accrues for contingent losses that are probable and reasonably estimable. To assess the exposure to potential liability, we consult with relevant internal and external counsel. In making the decision regarding the need for loss accruals, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. See Part I, Item 1A in this Form 10-K for further discussion.

Employee Benefit Plans

We sponsor domestic and international defined benefit pension and other postretirement plans. Major assumptions used in the accounting for these employee benefit plans include the discount rate, expected return on plan assets, rate of increase in employee compensation levels and mortality rates. Assumptions are determined based on company data and appropriate market indicators, and are evaluated each year as of December 31. A change in any of these assumptions would have an effect on net periodic pension and postretirement benefit costs reported in the Consolidated Financial Statements.

In the following table, we show the sensitivity of our pension and other postretirement benefit plan liabilities and net periodic cost to a 25 basis point change in the discount rates for benefit obligations, as of December 31, 2021:

<i>(dollars in millions)</i>	Increase in Discount Rate of 25 bps	Decrease in Discount Rate of 25 bps
Pension plans		
Projected benefit obligation	\$ (29)	\$ 30
Net periodic pension (benefit) cost	(2)	2

The impact on the accumulated postretirement benefit obligation and on the net periodic postretirement (benefit) cost is less than \$1 million.

Pension expense is also sensitive to changes in the expected long-term rate of asset return. An increase or decrease of 25 basis points in the expected long-term rate of asset return would have decreased or increased 2021 pension expense by approximately \$2 million.

The weighted-average discount rates used to measure pension liabilities and costs utilize each plan's specific cash flows and are then compared to high-quality bond indices for reasonableness. Global market interest rates increased in 2021 as compared with 2020, and, as a result, the weighted-average discount rate used to measure pension liabilities was 1.5% in 2021 and 1.1% in 2020.

See "Note 13: Employee Benefit Plans" in Item 8 in this Form 10-K for further discussion.

Off-Balance Sheet Arrangements and Contractual Obligations

We extend a variety of financial guarantees to third parties in support of our business. We also have obligations arising from environmental, health and safety, tax and employment matters. Circumstances that could cause the contingent obligations and liabilities arising from these arrangements to come to fruition include changes in the underlying transaction, non-performance under a contract or deterioration in the financial condition of the guaranteed party.

Otis' contractual obligations and commitments as of December 31, 2021 are discussed below. See also "Note 13: Employee Benefit Plans" in Item 8 of this Form 10-K for further discussion of our expected pension and postretirement contributions.

Long-term Debt

See "Note 10: Borrowings and Lines of Credit" in Item 8 of this Form 10-K for further discussion of our long-term debt principal payments as of December 31, 2021. In the following table, we show the timing of payments of interest on long-term debt as of December 31, 2021:

(dollars in millions)	Total	Payments Due by Period			
		2022	2023-2024	2025-2026	Thereafter
Long-term debt - future interest	\$ 1,705	\$ 137	\$ 267	\$ 226	\$ 1,075

Purchase Obligations

Purchase obligations include amounts committed for the purchase of goods and services under legally enforceable contracts or purchase orders. Where it is not practically feasible to determine the legally enforceable portion of our obligation under certain of our long-term purchase agreements, we include additional expected purchase obligations beyond what may be legally enforceable. We enter into contractual purchase commitments with suppliers and service vendors to support our information technology that are either necessary to operate our business or are resulting from implementing strategic initiatives. In the following table, we show the timing of payments of total purchase obligations as of December 31, 2021:

(dollars in millions)	Total	Payments Due by Period			
		2022	2023-2024	2025-2026	Thereafter
Purchase obligations	\$ 1,192	\$ 1,134	\$ 51	\$ 6	\$ 1

Other Long-term Liabilities

Other long-term liabilities in the table below includes obligations relate to product service and warranty policies, estimated remediation costs and contractual indemnities, and are included in Other long-term liabilities on the "Consolidated Balance Sheets" in Item 8 of this Form 10-K. The timing of expected cash flows associated with these obligations is based upon management's estimates over the terms of these agreements and is largely based upon historical experience and were as follows as of December 31, 2021:

(dollars in millions)	Total	Payments Due by Period			
		2022	2023-2024	2025-2026	Thereafter
Other long-term liabilities	\$ 341	\$ 18	\$ 115	\$ 139	\$ 69

The balance above includes \$220 million of long-term contractual payables due to RTX for reimbursement of tax payments that RTX is responsible to pay after the Separation pursuant to the TMA. Otis will reimburse RTX for those tax payments through 2027.

Unrecognized Tax Benefits

Otis has unrecognized tax benefits of \$392 million as of December 31, 2021, the timing of which is uncertain to become payable. See "Note 16: Income Taxes" in Item 8 in this Form 10-K for additional discussion on unrecognized tax benefits.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to fluctuations in foreign currency exchange rates and commodity prices. To manage certain of those exposures, we use derivative instruments, including forward contracts. Derivative instruments utilized by us in our hedging activities are viewed as risk management tools, involve relatively little complexity and are not used for trading or speculative purposes. We diversify the counterparties used and monitor the concentration of risk to limit our counterparty exposure.

We have evaluated our exposure to changes in foreign currency exchange rates, commodity prices and interest rates in our market risk sensitive instruments, which are primarily cash, debt and derivative instruments, using a value at risk analysis. Based on a 95% confidence level and one-day holding period, as of December 31, 2021, the potential loss in fair value on our market risk sensitive instruments was not material in relation to our financial position, results of operations or cash flows. Our calculated value at risk exposure represents an estimate of reasonably possible net losses based on volatilities and correlations, and is not necessarily indicative of actual results. Additionally, any losses or gains on derivative instruments would be mostly offset by corresponding gains or losses in the remeasurement of the underlying transactions being hedged.

Refer to "Note 2: Summary of Significant Accounting Policies", "Note 10: Borrowings and Lines of Credit" and "Note 18: Financial Instruments" in Item 8 in this Form 10-K for additional discussion of foreign currency exchange, interest rates and financial instruments, including the aggregate notional amount of our outstanding foreign currency and commodity price hedges.

Foreign Currency Exposures

The value of certain foreign currencies as compared to the U.S. Dollar may impact Otis' financial results. We have a high volume of foreign currency exposures that result from our international sales, purchases, investments and other international transactions. International sales were approximately \$10.6 billion, \$9.3 billion and \$9.5 billion in 2021, 2020 and 2019, respectively. We manage foreign currency exposures that are associated with committed foreign currency purchases and sales as well as foreign currency denominated assets and liabilities that are created in the ordinary course of business. More than insignificant exposures, that cannot be naturally offset, are generally hedged with foreign currency derivatives.

For our non-U.S. based entities, a substantial portion of revenues are generated and costs are incurred in local currencies. We transact business in various foreign currencies, which exposes our cash flows and earnings to changes in foreign currency exchange rates. We periodically enter into sales contracts denominated in currencies other than the functional currency of the parties to the transaction, which can create foreign exchange exposure. While the objective of the hedging program is to minimize the foreign currency exchange impact on operating results, there are typically variances between the hedging gains or losses and the translational impact due to the length of hedging contracts, changes in the sales profile, volatility in the exchange rates and other such operational considerations. Otis does not enter into hedging contracts for speculative purposes.

As discussed in "Note 18: Financial Instruments" in Item 8 in this Form 10-K, as of December 31, 2021 we have ¥21.5 billion (\$189 million) of Japanese Yen denominated long-term debt, which qualifies as a net investment hedge against our investments in Japanese businesses. As of December 31, 2021, the net investment hedge is deemed to be effective.

As discussed in "Note 10: Borrowings and Lines of Credit" in Item 8 in this Form 10-K, as of December 31, 2021 we have €1,600 million (\$1,807 million) of Euro denominated long-term debt.

Commodity Price Risk

The fluctuation in prices of certain raw materials may impact Otis' financial results. We are exposed to volatility in the prices of commodities used in some of our products and component parts, such as steel, aluminum and copper, among others. When possible and appropriate, we maintain fixed price contracts on raw materials and component parts. However, we are prone to exposure as these contracts expire. When possible and appropriate, we also include price escalation linked to commodity prices in contracts with our customers and take pricing actions for future contracts. However, products and services delivered to our customers are often provided a year or more after being agreed to, and not all raw material price increases can be passed along to customers with existing contracts. Therefore, when commodity price risk is not mitigated by other methods, we may enter into hedging contracts. Otis does not enter into hedging contracts for speculative purposes.

Interest Rate Risk

Our long-term debt portfolio primarily consists of fixed-rate instruments. For any variable rate debt, interest rate changes in the London Interbank Offered Rate ("LIBOR") will impact future earnings and cash flows. From time to time, we may hedge floating rates using interest rate swaps. The hedges would be designated as fair value hedges and the gains and losses on the swaps would be reported in interest expense, reflecting that portion of interest expense at a variable rate.

For information concerning market risk sensitive instruments, see discussion under the headings "Foreign Exchange Exposures" and "Derivatives and Hedging Activity" in "Note 2: Summary of Accounting Policies," as well as "Note 18: Financial Instruments" in Item 8 in this Form 10-K for additional discussion on unrecognized tax benefits.

Item 8. Financial Statements and Supplementary Data**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND
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(All other schedules are not required and have been omitted)

Management has assessed the effectiveness of Otis' internal control over financial reporting as of December 31, 2021. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework* (2013). Management concluded that based on its assessment, Otis' internal control over financial reporting was effective as of December 31, 2021. The effectiveness of Otis' internal control over financial reporting, as of December 31, 2021, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

by: /s/ JUDITH F. MARKS
Judith F. Marks
Chair, President and Chief Executive Officer

by: /s/ RAHUL GHAI
Rahul Ghai
Executive Vice President and Chief Financial Officer

by: /s/ MICHAEL P. RYAN
Michael P. Ryan
Vice President and Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Otis Worldwide Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Otis Worldwide Corporation and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Estimated Costs at Completion for New Equipment Contracts

As described in Notes 2 and 23 to the consolidated financial statements, the Company recognized \$6.4 billion of revenue from new equipment contracts for the year ended December 31, 2021. For new equipment contracts, equipment and installation are typically procured in a single contract providing the customer with a complete installed elevator or escalator unit. The combination of equipment and installation promises are typically a single performance obligation. For these performance obligations, revenue is recognized over time using costs incurred to date relative to total estimated costs at completion to measure progress. As disclosed by management, contract costs are usually incurred over a period of time, which can be several years, and the estimation of these costs requires management's judgment. The long-term nature of the contracts, the complexity of the products and the scale of the projects can affect management's ability to estimate costs precisely. Management reviews cost estimates on significant new equipment contracts on a quarterly basis and, for others, no less frequently than annually or when circumstances change and warrant a modification to a previous estimate. Management records changes in contract estimates using the cumulative catch-up method and reviews changes in contract estimates for their impact on net sales or operating profit in the consolidated financial statements. Contract costs included in the calculation are comprised of labor, materials, subcontractors' costs or other direct costs and indirect costs, which include indirect labor costs.

The principal considerations for our determination that performing procedures relating to revenue recognition - estimated costs at completion for new equipment contracts is a critical audit matter are the significant judgment by management to determine the estimated costs at contract completion, which in turn led to significant auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the estimated expected labor and indirect labor costs used in the development of estimated costs at contract completion.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of the estimated costs at contract completion and development of the significant assumptions related to the estimated expected labor and indirect labor costs. These procedures also included, among others, evaluating and testing management's process for developing and modifying estimated costs at contract completion for a sample of contracts, which included evaluating the reasonableness of significant assumptions related to the estimated expected labor and indirect labor costs considered by management specific to each contract. Evaluating the reasonableness of the estimated expected labor and indirect labor costs involved assessing management's ability to reasonably estimate costs at completion by (i) testing costs incurred to date and obtaining a sample of executed contracts and related change orders, (ii) performing a comparison of the margin, driven by the estimated and actual costs incurred, to that of similar completed equipment contracts, and (iii) evaluating the timely identification of circumstances that may warrant a modification to estimated total cost to complete.

/s/ PricewaterhouseCoopers LLP
Hartford, Connecticut
February 4, 2022

We have served as the Company's auditor since 2019.

OTIS WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(dollars in millions, except per share amounts)</i>	2021	2020	2019
Net sales:			
Product sales	\$ 6,428	\$ 5,371	\$ 5,648
Service sales	7,870	7,385	7,470
	<u>14,298</u>	<u>12,756</u>	<u>13,118</u>
Costs and expenses:			
Cost of products sold	5,293	4,439	4,640
Cost of services sold	4,812	4,538	4,652
Research and development	159	152	163
Selling, general and administrative	1,948	1,924	1,810
	<u>12,212</u>	<u>11,053</u>	<u>11,265</u>
Other income (expense), net	22	(64)	(39)
Operating profit	<u>2,108</u>	<u>1,639</u>	<u>1,814</u>
Non-service pension cost (benefit)	11	6	(33)
Interest expense (income), net	136	122	(14)
Net income before income taxes	<u>1,961</u>	<u>1,511</u>	<u>1,861</u>
Income tax expense	541	455	594
Net income	<u>1,420</u>	<u>1,056</u>	<u>1,267</u>
Less: Noncontrolling interest in subsidiaries' earnings	174	150	151
Net income attributable to Otis Worldwide Corporation	<u><u>\$ 1,246</u></u>	<u><u>\$ 906</u></u>	<u><u>\$ 1,116</u></u>
Earnings per share (Note 3):			
Basic	\$ 2.91	\$ 2.09	\$ 2.55
Diluted	\$ 2.89	\$ 2.08	\$ 2.55
Weighted average number of shares outstanding			
Basic shares	427.7	433.2	433.1
Diluted shares	431.4	434.6	433.1

See accompanying Notes to Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(dollars in millions)</i>	2021	2020	2019
Net income	\$ 1,420	\$ 1,056	\$ 1,267
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax	(53)	8	(26)
Pension and postretirement benefit plan adjustments:			
Net actuarial gain (loss)	71	(43)	(28)
Amortization of actuarial loss and prior service credit	18	15	9
Other	13	(19)	(22)
	102	(47)	(41)
Tax benefit (expense)	(27)	11	9
Pension and postretirement benefit plan adjustments, net of tax	75	(36)	(32)
Change in unrealized cash flow hedging:			
Unrealized cash flow hedging gain (loss)	(1)	10	(3)
Adjustment for net (gain) loss realized and included in net income	4	(3)	—
Change in unrealized cash flow hedging, net of tax	3	7	(3)
Other comprehensive income (loss), net of tax	25	(21)	(61)
Comprehensive income	1,445	1,035	1,206
Less: Comprehensive income attributable to noncontrolling interest	(147)	(186)	(140)
Comprehensive income attributable to Otis Worldwide Corporation	\$ 1,298	\$ 849	\$ 1,066

See accompanying Notes to Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONSOLIDATED BALANCE SHEETS

<i>(dollars in millions)</i>	2021	2020
<u>Assets</u>		
Cash and cash equivalents	\$ 1,565	\$ 1,782
Restricted cash	1,910	17
Accounts receivable (net of allowance for expected credit losses of \$175 and \$161)	3,232	3,148
Contract assets	550	458
Inventories, net	622	659
Other current assets	382	429
Total Current Assets	8,261	6,493
Future income tax benefits	335	334
Fixed assets, net	774	774
Operating lease right-of-use assets	526	542
Intangible assets, net	419	484
Goodwill	1,667	1,773
Other assets	297	310
Total Assets	\$ 12,279	\$ 10,710
<u>Liabilities and (Deficit) Equity</u>		
Short-term borrowings	\$ 24	\$ 701
Accounts payable	1,556	1,453
Accrued liabilities	1,993	1,977
Contract liabilities	2,674	2,542
Total Current Liabilities	6,247	6,673
Long-term debt	7,249	5,262
Future pension and postretirement benefit obligations	558	654
Operating lease liabilities	336	367
Future income tax obligations	267	321
Other long-term liabilities	606	634
Total Liabilities	15,263	13,911
Commitments and contingent liabilities (Note 22)		
Redeemable noncontrolling interest	160	194
Shareholders' (Deficit) Equity:		
Common Stock and additional paid-in-capital	119	59
Treasury Stock	(725)	—
Accumulated deficit	(2,256)	(3,106)
Accumulated other comprehensive income (loss)	(763)	(815)
Total Shareholders' (Deficit) Equity	(3,625)	(3,862)
Noncontrolling interest	481	467
Total (Deficit) Equity	(3,144)	(3,395)
Total Liabilities and (Deficit) Equity	\$ 12,279	\$ 10,710

See accompanying Notes to Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(dollars in millions, except per share amounts)</i>	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	UTC Net Investment (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' (Deficit) Equity	Noncontrolling Interest	Total (Deficit) Equity	Redeemable Noncontrolling Interest
Balance as of January 1, 2019	\$ —	\$ —	\$ —	\$ 2,262	\$ (708)	\$ 1,554	\$ 458	\$ 2,012	\$ 203
Net transfers (to) from UTC	—	—	—	(935)	—	(935)	—	(935)	—
Net income	—	—	—	1,116	—	1,116	147	1,263	4
Other comprehensive income (loss), net of tax	—	—	—	—	(50)	(50)	(9)	(59)	(2)
Dividends attributable to noncontrolling interest	—	—	—	—	—	—	(146)	(146)	(17)
Acquisitions, disposals and other changes	—	—	—	(13)	—	(13)	6	(7)	10
Balance as of December 31, 2019	\$ —	\$ —	\$ —	\$ 2,430	\$ (758)	\$ 1,672	\$ 456	\$ 2,128	\$ 198
Adoption of credit loss standard, net of tax (Note 2)	—	—	—	(25)	—	(25)	—	(25)	—
Net transfers (to) from UTC and Separation-related transactions	—	—	—	(6,150)	—	(6,150)	—	(6,150)	—
Issuance of Common Stock and reclassification of deficit	4	—	(3,584)	3,580	—	—	—	—	—
Net income	—	—	741	165	—	906	138	1,044	12
Other comprehensive income (loss), net of tax	—	—	—	—	(57)	(57)	34	(23)	2
Stock-based compensation and Common Stock issued under employer plans	55	—	—	—	—	55	—	55	—
Cash dividends declared (\$0.60 per Common Share)	—	—	(260)	—	—	(260)	—	(260)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	—	(138)	(138)	(9)
Acquisitions, disposals and other changes	—	—	(3)	—	—	(3)	(23)	(26)	(9)
Balance as of December 31, 2020	\$ 59	\$ —	\$ (3,106)	\$ —	\$ (815)	\$ (3,862)	\$ 467	\$ (3,395)	\$ 194
Net income	—	—	1,246	—	—	1,246	163	1,409	11
Other comprehensive income (loss), net of tax	—	—	—	—	52	52	(15)	37	(12)
Stock-based compensation and Common Stock issued under employer plans	62	—	(2)	—	—	60	—	60	—
Cash dividends declared (\$0.92 per Common Share)	—	—	(393)	—	—	(393)	—	(393)	—
Repurchase of Common Shares	—	(725)	—	—	—	(725)	—	(725)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	—	(145)	(145)	(11)
Acquisitions, disposals and other changes	(2)	—	(1)	—	—	(3)	11	8	(22)
Balance as of December 31, 2021	\$ 119	\$ (725)	\$ (2,256)	\$ —	\$ (763)	\$ (3,625)	\$ 481	\$ (3,144)	\$ 160

See accompanying Notes to Consolidated Financial Statements.

OTIS WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(dollars in millions)</i>	2021	2020	2019
Operating Activities:			
Net income	\$ 1,420	\$ 1,056	\$ 1,267
Adjustments to reconcile net income to net cash flows provided by operating activities, net of acquisitions:			
Depreciation and amortization	203	191	180
Deferred income tax expense (benefit)	(92)	(51)	(8)
Stock compensation cost	65	63	37
Losses on fixed asset impairment or disposal of business	—	71	26
Change in:			
Accounts receivable, net	(152)	(163)	(191)
Contract assets and liabilities, current	53	282	97
Inventories, net	14	(76)	60
Other current assets	43	28	30
Accounts payable	130	20	6
Accrued liabilities	72	(14)	(34)
Pension contributions	(37)	(64)	(32)
Other operating activities, net	31	137	31
Net cash flows provided by operating activities	1,750	1,480	1,469
Investing Activities:			
Capital expenditures	(156)	(183)	(145)
Investments in businesses and intangible assets, net of cash acquired (Note 9)	(80)	(53)	(47)
Proceeds from sale of (investments in) equity securities	40	(51)	—
Receipts (payments) on settlements of derivative contracts	73	(69)	(5)
Other investing activities, net	34	3	(6)
Net cash flows used in investing activities	(89)	(353)	(203)
Financing Activities:			
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	(304)	647	6
Proceeds from borrowings (maturities longer than 90 days)	152	—	—
Repayments of borrowings (maturities longer than 90 days)	(503)	—	—
Proceeds from issuance of long-term debt	2,030	6,300	—
Payment of debt issuance costs	(25)	(43)	—
Repayment of long-term debt	—	(1,000)	—
Dividends paid on Common Stock	(393)	(260)	—
Repurchases of Common Stock	(725)	—	—
Dividends paid to noncontrolling interest	(155)	(149)	(163)
Net transfers to UTC	—	(6,330)	(972)
Other financing activities, net	(19)	(9)	(4)
Net cash flows provided by (used in) financing activities	58	(844)	(1,133)
Effect of foreign exchange rate changes on cash and cash equivalents	(43)	59	(20)
Net increase in cash and cash equivalents	1,676	342	113
Cash, cash equivalents and restricted cash, beginning of year	1,801	1,459	1,346
Cash, cash equivalents and restricted cash, end of year	3,477	1,801	1,459
Less: Restricted cash	1,912	19	13
Cash and cash equivalents, end of period	\$ 1,565	\$ 1,782	\$ 1,446
Supplemental cash flow information:			
Interest paid (including related party interest of \$0, \$0 and \$18)	\$ 129	\$ 81	\$ 18
Income taxes paid, net of (refunds) (including related party of \$0, \$(15) and \$255)	552	561	632

See accompanying Notes to Consolidated Financial Statements.

Note 1: Business Overview

Otis (as defined below) is the world's largest elevator and escalator manufacturing, installation and service company. Our operations are classified into two segments: New Equipment and Service. Through the New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways, for residential and commercial building and infrastructure projects. The Service segment provides maintenance and repair services for both our products and those of other manufacturers, and provides modernization services to upgrade elevators and escalators.

On November 26, 2018, United Technologies Corporation, subsequently renamed to Raytheon Technologies Corporation on April 3, 2020 ("UTC" or "RTX", as applicable), announced its intention to spin-off its Otis reportable segment and its Carrier reportable segment into two separate publicly-traded companies (the "Separation"). On April 3, 2020, the Company became an independent publicly-traded company through a pro-rata distribution of 0.5 shares of Common Stock for every share of UTC common stock held at the close of business on the record date of March 19, 2020 ("Distribution"). Otis began to trade as a separate public company (New York Stock Exchange ("NYSE"): OTIS) on April 3, 2020.

Unless the context otherwise requires, references to "Otis", "we", "us", "our" and "the Company" refer to (i) Otis Worldwide Corporation's business prior to the Separation and (ii) Otis Worldwide Corporation and its subsidiaries following the Separation, as applicable. References to "UTC" relate to pre-Separation matters, and references to "RTX" relate to post-Separation matters.

The Separation was completed pursuant to a Separation and Distribution Agreement ("Separation Agreement") and other agreements with our former parent, UTC, related to the Separation, including but not limited to a transition services agreement (the "Transition Services Agreement" or "TSA"), a tax matters agreement (the "Tax Matters Agreement" or "TMA"), an employee matters agreement (the "Employee Matters Agreement" or "EMA") and an intellectual property agreement (the "Intellectual Property Agreement"). For further discussion on these agreements, see Note 5, "Related Parties".

Zardoya Otis Tender Offer

In September 2021, the Company announced a tender offer, subject to the terms and conditions thereof, to acquire all of the issued and outstanding shares of Zardoya Otis, S.A. ("Zardoya Otis") not owned by the Company at a price of €7.00 per share in cash (the "Tender Offer"), subject to adjustment for dividends and other distributions declared and paid by Zardoya Otis after the announcement, and its intention to delist the shares of Zardoya Otis from the Spanish stock exchanges subsequent to the Tender Offer. The price per share of the Tender Offer was first adjusted to €6.93 for the dividend paid on October 11, 2021. On December 21, 2021, the Company announced it reached an agreement for Euro Syns S.A. (a non-controlling equity owner in Zardoya Otis) to irrevocably tender its shares in the Tender Offer at an offer price of €7.14 per share in cash (€7.07 per share after adjusting for dividends paid by Zardoya Otis on January 10, 2022). As a result of this agreement, the Company increased the tender price to all shareholders to €7.07 per share in cash after adjusting for the dividends paid. The Tender Offer is subject to approval by the CNMV, which is still pending as of February 4, 2022. The value of the issued and outstanding shares of Zardoya Otis not owned by the Company is €1.66 billion based on the adjusted tender price of €7.07.

The Company owned a controlling interest and had operational control of Zardoya Otis as of and for the years ended December 31, 2021, 2020 and 2019, and therefore its financial results are included in our Consolidated Financial Statements. As of December 31, 2021, the Company owned 50.02% of Zardoya Otis. See Note 10, "Borrowings and Lines of Credit" and Note 20, "Guarantees" for additional information regarding financing and guarantee agreements entered into by the Company and its subsidiaries in connection with the Tender Offer.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation. Prior to the Separation on April 3, 2020, our historical financial statements were prepared on a standalone combined basis and were derived from the consolidated financial statements and accounting records of our former parent, UTC. For the period subsequent to April 3, 2020, our financial statements are presented on a consolidated basis as the Company became a standalone public company (collectively, the financial statements for all periods presented, including the historical results of the Company prior to April 3, 2020, are now referred to as "Consolidated Financial Statements" to reflect this change). They have been prepared in accordance with the instructions to Form 10-K.

Prior to the Separation on April 3, 2020, the Consolidated Statements of Operations included all revenues and costs directly attributable to Otis, including costs for facilities, functions and services used by Otis. Costs for certain functions and services performed by centralized UTC organizations were directly charged to Otis based on specific identification when possible or based on a reasonable allocation driver such as net sales, headcount, usage or other allocation methods. All charges and allocations for facilities, functions and services performed by UTC organizations have been deemed settled in cash by Otis to UTC in the period in which the cost was recorded on the Consolidated Statements of Operations. Current and deferred income taxes were determined based on the standalone results of Otis. However, because the Company was included in our former parent UTC's tax group in certain jurisdictions, the Company's actual tax balances may differ from those reported. The Company's portion of its domestic income taxes and certain income taxes for jurisdictions outside the U.S. are deemed to have been settled in the period the related tax expense was recorded prior to the Separation.

The Consolidated Financial Statements include the accounts of Otis and its controlled subsidiaries, as well as entities where Otis has a variable interest and is the primary beneficiary as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation*. The factors we use to determine the primary beneficiary of a variable interest entity ("VIE") may include decision authority, control over management of day-to-day operations and the amount of our equity investment in relation to others' investments.

All significant intracompany accounts and transactions within the Company have been eliminated in the preparation of the Consolidated Financial Statements.

Certain amounts for prior years have been reclassified to conform to the current year presentation, which are immaterial.

Use of Estimates. The preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. In addition, estimates and assumptions may impact the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We assessed certain accounting matters that generally require consideration of forecasted financial information in the context of the information reasonably available to us and the unknown future impacts of coronavirus ("COVID-19") as of December 31, 2021 and 2020, and through the date of this report. The accounting matters assessed included, but were not limited to, our allowance for credit losses, the carrying value of our goodwill and other long-lived assets, financial assets and revenue recognition. While there was not a material impact to our Consolidated Financial Statements as of and for the years ended December 31, 2021 and 2020 resulting from our assessments of these matters, future assessment of our current expectations at that time of the magnitude and duration of COVID-19, as well as other factors, could result in material impacts to our Consolidated Financial Statements in future reporting periods.

Risks and Uncertainties. As the global COVID-19 pandemic continues and the economic recovery is ongoing, the Company continues to closely monitor and manage the impact of the COVID-19 pandemic on its business globally. It is difficult to estimate at this time the duration and extent of the continued impact of the pandemic and ongoing economic recovery on the Company's business, financial position, cash flow and results of operations. The results of our operations and overall financial performance were impacted during the years ended December 31, 2021 and 2020, including impacts to customer demand for our new equipment, maintenance and repair and modernization businesses, cancellations or delays of customer orders, customer liquidity constraints and related credit reserves, and supplier and raw material capacity constraints, delays and related costs. Primarily in 2020, there were also temporary closures and reduced capacity of our operations, limited new equipment job site closures and challenges in accessing units to provide maintenance and repair services that also impacted our results.

Due to existing conditions and uncertainty, COVID-19 and ongoing economic recovery could have an impact on our business, cash flow and results of operations into 2022. The extent of the impact will depend largely on future developments, which are highly uncertain, including the severity of the outbreak and variants of COVID-19, efficacy, availability and distribution of vaccines, actions taken by government authorities to further contain the outbreak or address its impact and its longer-term impacts on the global economy, among other factors.

Cash and Cash Equivalents. Cash and cash equivalents includes cash on hand, demand deposits and short-term cash investments that are highly liquid in nature and have original maturities of three months or less.

Restricted Cash. In certain circumstances we are required to maintain cash deposits with certain banks with respect to contractual or other legal obligations, and therefore the use of these cash deposits for general operational purposes is restricted. Restricted cash as of December 31, 2021 is primarily cash of \$1.9 billion required to be held in escrow to fund the Tender

Offer, which is expected to be completed in 2022. The non-current portion of restricted cash is \$2 million as of December 31, 2021 and 2020, and is included in Other assets on the Consolidated Balance Sheets.

Accounts Receivable. The Company records accounts receivables when the right to consideration becomes unconditional. We regularly evaluate the collectability of our accounts receivable and maintain reserves for expected credit losses. See Note 6, "Accounts Receivable, Net" for additional information on the Company's policy for evaluation of expected credit losses. We do not believe that accounts receivable represent significant concentrations of credit risk because of the diversified portfolio of individual customers and geographic areas.

Retainage and Unbilled Receivables. Current and long-term accounts receivable as of December 31, 2021 and 2020 include retainage of \$75 million and \$61 million, respectively, and unbilled receivables of \$109 million and \$104 million, respectively. Retainage represents amounts that, pursuant to the applicable contract, are not due until after project completion and acceptance by the customer. Unbilled receivables represent revenues that are earned but may not be currently billable to the customer under the terms of the contract. These items are expected to be billed and collected in the ordinary course of business. Unbilled receivables where we have an unconditional right to payment are included in Accounts receivable, net as of December 31, 2021 and 2020.

Customer Financing Notes Receivable. Through financing arrangements with our customers, we extend payment terms, which are generally not more than one year in duration.

Factoring. The Company may sell certain trade accounts and notes receivable to lending institutions to manage credit risk. Financial assets sold under these arrangements are excluded from Accounts receivable, net in the Company's Consolidated Balance Sheets at the time of sale if the Company has surrendered control over the related assets. Whether control has been relinquished requires, among other things, an evaluation of relevant legal considerations and an assessment of the nature and extent of the Company's continuing involvement with the assets transferred. Gains and losses stemming from transfers reported as sales are included in Interest expense (income), net in the accompanying Consolidated Statements of Operations.

Contract Assets and Liabilities. Contract assets and liabilities represent the difference in the timing of revenue recognition from receipt of cash from our customers and billings.

Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. Performance obligations partially satisfied in advance of customer billings are included in Contract assets, current. Contract liabilities relate to payments received in advance of the satisfaction of performance under the contract. We receive payments from customers based on the terms established in our contracts. See Note 4, "Contract Assets and Liabilities" for further discussion of contract assets and liabilities.

Inventories. Inventories are stated at the lower of cost or estimated realizable value and are primarily based on a first-in, first-out ("FIFO") method. Valuation reserves for excess, obsolete and slow-moving inventory are estimated by comparing the inventory levels of individual parts to both future sales forecasts or production requirements and historical usage rates in order to identify inventory where the resale value or replacement value is less than inventoriable cost. See Note 7, "Inventories, Net" for further details of the inventories by classification.

Fixed Assets. Fixed assets, including software capitalized for internal-use, are recorded at cost. Depreciation of fixed assets is computed over the fixed assets' useful lives on a straight-line basis, unless another systematic and rational basis is more representative of the fixed asset's pattern of use. See Note 8, "Fixed Assets" for further details of useful lives.

Internal-use software. The Company capitalizes direct costs of services used in the development of, and external software acquired for use as, internal-use software. Amounts capitalized are amortized over a period ranging from three to five years, on a straight-line basis, unless another systematic and rational basis is more representative of the software's use. Amounts are reported as a component of Machinery and equipment.

Asset Retirement Obligations. The Company records the fair value of legal obligations associated with the retirement of tangible long-lived assets in the period in which the legal obligations are determined to exist. Upon initial recognition of a liability, the Company capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is adjusted for changes in its present value and the capitalized cost is depreciated over the useful life of the related asset.

Fair Value of Financial Instruments. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

Level I – Quoted prices for identical instruments in active markets.

Level II – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level III – Instruments whose significant value drivers are unobservable.

The carrying amount of current trade receivables, accounts payable and accrued expenses approximates fair value due to the short maturity (less than one year) of the instruments.

Equity Method Investments. Entities in which we have the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting and are included in Other assets on the Consolidated Balance Sheets. Under this method of accounting, our share of the net earnings or losses of the investee entity is included in Other income (expense), net in the Consolidated Statements of Operations since the activities of the investee entity are closely aligned with the operations of the Company. We evaluate our equity method investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period.

Business Combinations. We account for transactions that are classified as business combinations in accordance with the FASB ASC Topic 805: *Business Combinations*. Once a business is acquired, the fair values of the identifiable assets acquired and liabilities assumed are determined with the excess cost recorded to goodwill. As required, preliminary fair values are determined once a business is acquired, with the final determination of the fair values being completed within the one-year measurement period from the date of acquisition.

Goodwill, Intangible Assets and Long-Lived Assets. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Intangible assets consist of service portfolios, patents, trademarks/trade names, customer relationships and other intangible assets. Acquired intangible assets are recognized at fair value during acquisition accounting and then amortized to Cost of products and services sold and Selling, general and administrative over the applicable useful lives.

Goodwill and Indefinite-Lived Intangible Assets. Goodwill and intangible assets deemed to have indefinite lives are not amortized. Goodwill and indefinite-lived intangible assets are subject to impairment testing annually or when a triggering event occurs using the guidance and criteria described in FASB ASC Topic 350: *Intangibles – Goodwill and Other*. This testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is reduced to fair value.

We test goodwill for impairment at a level within the Company referred to as the reporting unit, which is one level below the operating segment level. When testing goodwill for impairment, the Company may first assess qualitative factors. If an initial qualitative assessment identified that it is more likely than not that the fair value of a reporting unit is less than its carrying value, additional quantitative testing is performed. The Company may also elect to skip the qualitative testing and proceed directly to the quantitative testing. If the quantitative testing indicates that goodwill is impaired, an impairment charge is recognized based on the difference between the reporting unit's carrying value and its fair value. When it is determined that a quantitative analysis is required, the Company primarily utilizes a discounted cash flow methodology to calculate the fair value of its reporting units. The Company completed its most recent annual impairment testing as of July 1, 2021, and determined in the qualitative assessment that quantitative testing is not necessary. There were no triggering events since the annual impairment test.

Finite-Lived Intangible Assets and Long-Lived Assets. Useful lives of finite-lived intangible assets are estimated based upon the nature of the intangible asset. These intangible assets are amortized based on the pattern in which the economic benefits of the intangible assets are consumed or if straight-line amortization approximates the pattern of economic benefit, a straight-line amortization method may be used. The range of estimated useful lives is as follows:

Purchased service portfolios	5 to 25 years
Patents, trademarks/trade names	4 to 40 years
Customer relationships and other	1 to 20 years

The Company evaluates the potential impairment of long-lived assets, including finite-lived intangible assets whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. If the carrying value of other long-lived assets held and used exceeds the sum of the undiscounted expected future cash flows, the carrying value is written down to fair value. See Note 8, "Fixed Assets" and Note 9, "Business Acquisitions, Goodwill and Intangible Assets" for additional information regarding intangible assets and other long-lived assets.

Income Taxes. In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more-likely-than-not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, associated interest expense has also been recognized. We recognize accrued interest related to unrecognized tax benefits in Interest expense (income), net. Penalties, if incurred, would be recognized as a component of Income tax expense.

The U.S. Tax Cuts and Jobs Act ("TCJA") subjects the Company to a tax on Global Intangible Low-Taxed Income ("GILTI"). GILTI is a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. We account for GILTI as a period cost as incurred.

Income taxes as presented in the Consolidated Financial Statements of the Company for periods prior to the Separation attribute current and deferred income taxes of our former parent, UTC, to the Company's stand-alone financial statements in a manner that is systematic, rational and consistent with the asset and liability method prescribed by FASB ASC Topic 740: *Income Taxes* ("ASC 740"). Accordingly, the Company's income tax provision for periods prior to the Separation was prepared following the separate return method. The separate return method applies ASC 740 to the stand-alone financial statements of each member of the consolidated group as if the group members were a separate taxpayer and a stand-alone enterprise. The calculation of our income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. As a result, actual transactions included in the consolidated financial statements of UTC may not be included in the Consolidated Financial Statements of the Company. Similarly, the tax treatment of certain items reflected in the Consolidated Financial Statements of the Company may not be reflected in the consolidated financial statements and tax returns of UTC. Therefore, such items as net operating losses, credit carry-forwards and valuation allowances may exist in the stand-alone financial statements that may or may not exist in UTC's consolidated financial statements. As such, the income taxes of the Company as presented in the Consolidated Financial Statements prior to the Separation may not be indicative of the income taxes that the Company will report in the future.

See Note 5, "Related Parties" and Note 16, "Income Taxes" for additional information.

Revenue Recognition. We recognized revenue in accordance with FASB ASC Topic 606: *Revenue from Contracts with Customers* and its related amendments, (referred to, collectively, as "ASC 606"). The Company's revenue streams include new equipment, maintenance and repair, and modernization. New equipment, modernization and repair services revenue are recognized over time as we are enhancing an asset the customer controls. Maintenance revenue is recognized on a straight-line basis over the life of the maintenance contract.

New Equipment, Modernization and Repair services. For new equipment and modernization transactions, equipment and installation are typically procured in a single contract providing the customer with a complete installed elevator or escalator unit. The combination of equipment and installation promises are typically a single performance obligation. For repair services, the customer typically contracts for specific short-term services which form a single performance obligation.

For these performance obligations, revenue is recognized over time using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which corresponds with and best depicts transfer of control or the enhancement of the customer's assets. Contract costs included in the calculation are comprised of labor, materials, subcontractors' costs or other direct costs and indirect costs, which include indirect labor costs. Specific to new equipment and modernization arrangements, the Company, based on project progression, reviews cost estimates on significant contracts on a quarterly basis, and for others, no less frequently than annually or when circumstances change and warrant a modification to a previous estimate. These estimates form the basis for the amount of revenue to be recognized and include the latest updated total transaction price, costs and risks for each contract. These estimates for our ongoing contracts may materially change due to the change and completions of the contract scopes, cost estimates and customers' plans, among other factors.

For performance obligations recognized under the cost to cost method, we record changes in contract estimates using the cumulative catch-up method. Modifications are recognized as a cumulative catch-up or treated as a separate accounting contract if the modification adds distinct goods or services and the modification is priced at its stand-alone selling price.

Maintenance. Our customers purchase maintenance contracts which include services such as required periodic maintenance procedures, preventive services and stand ready obligations to remediate issues with the elevator/escalator when and if they arise. Given the continuous nature of these services throughout the year, we recognize revenue on maintenance contracts on a straight-line basis which aligns with the cost profile of these services. Contractual changes are typically recognized prospectively as most modifications are extensions of the existing arrangement.

Transaction Price Considerations. Our contracts typically include fixed payments which are generally received as we progress under our contracts. As a result, we have not identified any significant financing elements in our contract, and our contracts do not have significant estimates related to variable consideration except in the case of a project having an underlying performance issue, which is rare. In situations where multiple performance obligations in a single contract (e.g., new equipment and maintenance) exist, the transaction price is allocated to each performance obligation in proportion to their stand-alone selling prices. Estimates are made to account for changes in transaction prices attributable to pricing disputes that occur subsequent to the inception of contracts, based upon historical experience and the status of contracts.

Certain costs to obtain or fulfill contracts. Certain costs to obtain or fulfill a contract with a customer must be capitalized, to the extent recoverable from the associated contract margin, and subsequently amortized as the products or services are delivered to the customer. Sales commissions related to new equipment, modernization and maintenance contracts, excluding renewals, are capitalized as contract fulfillment costs and are amortized consistent with the pattern of transfer of the goods or services. Customer contract costs, which do not qualify for capitalization as contract fulfillment costs, are expensed as incurred.

Loss Contracts. Loss provisions on contracts are recognized to the extent that estimated contract costs exceed the estimated consideration from the products contemplated under the contractual arrangement. For new commitments, we generally record loss provisions at contract inception. For existing commitments, anticipated losses on contractual arrangements are recognized in the period in which losses become probable.

Remaining Performance Obligations ("RPO"). RPO represents the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. As of December 31, 2021, our total RPO was approximately \$17.1 billion. Of the total RPO as of December 31, 2021, we expect approximately 89% will be recognized as sales over the following 24 months.

Additional disclosure required by ASC 606 is provided in Note 23, "Segment Financial Data", including disaggregation of revenue into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Self-Insurance. The Company is primarily self-insured for a number of risks including, but not limited to, workers' compensation, general liability, automobile liability and employee-related healthcare benefits. The Company has obtained insurance coverage for amounts exceeding individual and aggregate loss limits. The Company accrues for known future claims and incurred but not reported losses within Accrued liabilities and Other long-term liabilities on the Consolidated Balance Sheets, totaling \$287 million and \$299 million as of December 31, 2021 and 2020, respectively.

Derivatives and Hedging Activity. We have used derivative instruments, principally forward contracts, to help manage certain foreign currency and commodity price exposures. Derivative instruments are viewed as risk management tools by us and are not used for trading or speculative purposes. By their nature, all financial instruments involve market and credit risks. We enter into derivative and other financial instruments with major investment grade financial institutions and have policies to monitor

the credit risk of those counterparties. We limit counterparty exposure and concentration of risk by diversifying counterparties. While there can be no assurance, we do not anticipate any material non-performance by any of these counterparties.

Designated Derivative Instruments. Derivatives used for hedging purposes may be designated and effective as a hedge of the identified risk exposure at the inception of the contract. All derivative instruments are recorded on the Consolidated Balance Sheets at fair value. Derivatives used to hedge foreign currency denominated balance sheet items and commodity prices for materials recognized in cost of sales, and are reported directly in earnings along with offsetting transaction gains and losses on the items being hedged. Derivatives used to hedge forecasted cash flows associated with foreign currency commitments or forecasted commodity purchases may be accounted for as cash flow hedges, as deemed appropriate. Gains and losses on derivatives designated as cash flow hedges are recorded in other comprehensive income (loss), net of tax and reclassified to earnings as a component of product sales or expenses, as applicable, when the hedged transaction occurs. Gains and losses on derivatives designated as cash flow hedges are recorded in Other operating activities, net within the Consolidated Statement of Cash Flows. To the extent that a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period it occurs.

Additional information pertaining to net investment hedging is included in Note 18, "Financial Instruments".

Non-designated Derivative Instruments. To the extent the hedge accounting criteria are not applied, the foreign currency forward contracts and commodity price contracts are utilized as economic hedges and changes in the fair value of these contracts are recorded currently in earnings in the period in which they occur. Additional information pertaining to these contracts is included in Note 18, "Financial Instruments".

In addition, the Company periodically enters into sales contracts denominated in currencies other than the functional currency of the parties to the transaction. The Company accounts for these transactions separately valuing the embedded derivative component of these contracts. The changes in the fair value of these embedded derivatives are recorded in Other income (expense), net in the Consolidated Statements of Operations. For the years ended December 31, 2021, 2020 and 2019, we recognized a gain of \$1 million, a loss of \$3 million and a loss of \$27 million, respectively, due to the changes in fair value of embedded derivatives.

Environmental. Environmental investigatory, remediation, operating and maintenance costs are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to each individual site, including current laws, regulations and prior remediation experience. Where no amount within a range of estimates is more likely, the minimum is accrued. Liabilities with fixed or reliably determinable future cash payments are discounted. Accrued environmental liabilities are not reduced by potential insurance reimbursements. See Note 22, "Contingent Liabilities" for additional details on the environmental remediation activities.

Research and Development. These costs are expensed in the period incurred and are shown on a separate line of the Consolidated Statements of Operations. Research and development expenses, covering research and the advancement of potential new and improved products and their uses, primarily include salaries and other employment costs.

Other Income (Expense), Net. Other income (expense), net includes the impact of changes in the fair value and settlement of derivatives, gains or losses on sale of businesses and fixed assets, earnings from equity method investments, fair value changes on equity securities, impairments, non-recurring Separation-related expenses, gains on insurance recoveries and certain other infrequent operating income and expense items.

Foreign Exchange. We conduct business in many different currencies and, accordingly, are subject to the inherent risks associated with foreign exchange rate movements. The financial position and results of operations of substantially all of our foreign subsidiaries are measured using the local currency as the functional currency. Foreign currency denominated assets and liabilities are translated into U.S. Dollars at the exchange rates existing at the respective balance sheet dates, and income and expense items are translated at the average exchange rates during the respective periods. The aggregate effects of translating the balance sheets of these subsidiaries are deferred within Accumulated other comprehensive income (loss).

Pension and Postretirement Obligations. Guidance under FASB ASC Topic 715: *Compensation – Retirement Benefits* requires balance sheet recognition of the overfunded or underfunded status of pension and postretirement benefit plans. Under this guidance, actuarial gains and losses, prior service costs or credits and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in other comprehensive income (loss), net of tax effects, until they are amortized as a component of net periodic benefit cost. Pension and postretirement obligation balances

and related costs reflected within the Consolidated Financial Statements include both costs directly attributable to plans dedicated to Otis, as well as an allocation of costs for Otis employees' participation in our former parent, UTC's plans prior to Separation. See Note 13, "Employee Benefit Plans" for additional information.

Additional Paid-in Capital. Additional paid-in capital includes the value of stock-based award activity, as well as the difference between the cost of acquiring the Noncontrolling interest in consolidated subsidiaries and Otis' carrying value of the Noncontrolling interest associated with those subsidiaries.

In 2021, the Company recorded in Additional paid-in capital \$2 million for transaction costs associated with the anticipated acquisition of shares of Zardoya Otis not owned by the Company. Refer to Note 1, "Business Overview" for additional information on the Tender Offer.

Noncontrolling Interest. Ownership interest in the Company's consolidated subsidiaries held by parties other than the Company are presented separately from Shareholders' (Deficit) Equity as "Noncontrolling interest" within equity on the Consolidated Balance Sheets. The amount of net income attributable to Otis Worldwide Corporation and the noncontrolling interest are both presented on the Consolidated Statements of Operations.

All noncontrolling interest with redemption features, such as put options or other contractual obligations to acquire the noncontrolling interest, that are not solely within our control are redeemable noncontrolling interest. Redeemable noncontrolling interest are reported in the mezzanine section of the Consolidated Balance Sheets, between Liabilities and equity (deficit), at the greater of redemption value or initial carrying value.

In 2021, the Company identified a misclassification between noncontrolling interest and redeemable noncontrolling interest. The impact of the correction of the misclassification to the Consolidated Balance Sheets as of January 1, 2019 was an increase to redeemable noncontrolling interest of \$94 million, a decrease to noncontrolling interest of \$79 million and a decrease to UTC Net Investment of \$15 million. The impact of the correction of the misclassification to the Consolidated Balance Sheets as of December 31, 2019 was an increase to redeemable noncontrolling interest of \$103 million, a decrease to noncontrolling interest of \$75 million and a decrease to UTC Net Investment of \$28 million. The impact of the correction of the misclassification to the Consolidated Balance Sheets as of December 31, 2020 was an increase to redeemable noncontrolling interest of \$111 million, a decrease to noncontrolling interest of \$81 million and a decrease to Accumulated Deficit of \$30 million. Additionally, the impact of redeemable noncontrolling interest to net income attributable to common shareholders was a reduction of \$0.03 to basic and diluted earnings per share of Common Stock in 2019. There was no impact to basic or diluted earnings per share of Common Stock in 2020.

The activity attributable to noncontrolling interest and redeemable noncontrolling interest for the years ended December 31, 2021, 2020 and 2019 are presented in the Consolidated Statements of Changes in Equity.

UTC Net Investment. For periods prior to the Separation, UTC's Net Investment in the Company was presented as "UTC Net Investment (Deficit)" on the Consolidated Balance Sheets. The Consolidated Statements of Changes in Equity includes activity in UTC Net Investment (Deficit) for corporate allocations, net cash transfers and other property transfers between our former parent, UTC, and the Company, as well as related party receivables, payables and long-term debt between the Company and other UTC affiliates that were settled on a current basis. Prior to the Separation, UTC performed cash management and other treasury-related functions on a centralized basis for nearly all of its legal entities, which included the Company, and, consequently, the net cash generated by the Company in legal entities that participated in UTC's centralized cash management and financing programs was transferred to UTC through the related party accounts. See Note 5, "Related Parties" for additional information.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*. This ASU and its related amendments (collectively, the "Credit Loss Standard") modifies the impairment model to utilize an expected loss methodology in place of the incurred loss methodology for financial instruments including trade receivables, contract assets, long term receivables and off-balance sheet credit exposures. The Credit Loss Standard requires consideration of a broader range of information to estimate expected credit losses, including historical information and current conditions through a reasonable forecast period. The Credit Loss Standard requires that the income statement reflect the measurement of credit losses for newly recognized financial assets as well as the expected increase or decrease of expected credit losses that have taken place during the period, which may result in earlier recognition of certain losses. We adopted this standard effective January 1, 2020 utilizing a modified retrospective approach. A cumulative-effect non-cash after-tax adjustment to retained earnings as of January 1, 2020 of \$25 million was recorded.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The new standard removes the disclosure requirements for the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy. The provisions of this ASU were effective for years beginning after December 15, 2019, with early adoption permitted. The Company adopted this standard effective January 1, 2020. The adoption of this ASU did not have a material impact on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-15, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The new standard provides updated guidance surrounding implementation costs associated with cloud computing arrangements that are service contracts. The provisions of this ASU were effective for years beginning after December 15, 2019. The Company adopted this standard prospectively effective January 1, 2020. The adoption of this ASU did not have a material impact on our Consolidated Financial Statements.

In February 2018, the FASB issued ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (Topic 220). The new standard allows companies to reclassify to retained earnings the stranded tax effects in Accumulated other comprehensive income from the then-newly-enacted TCJA. The new standard was effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. The Company adopted the standard and elected to reclassify the income tax effects of the TCJA from Accumulated other comprehensive (loss) to UTC Net Investment effective January 1, 2019. The adoption of this standard did not have a material impact on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-14, Compensation—Retirement Benefits—Defined Benefit Plans - *General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*. The new standard includes updates to the disclosure requirements for defined benefit plans including several additions, deletions and modifications to the disclosure requirements. The provisions of this ASU were effective for years ending after December 15, 2020, with early adoption permitted. The Company adopted this standard effective January 1, 2020. The adoption of this ASU did not have a material impact on our Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The amendments in this update remove certain exceptions of Topic 740 including: exception to the incremental approach for intraperiod tax allocation when there is a loss from continuing operations and income or gain from other items; exception to the requirement to recognize a deferred tax liability for equity method investments when a foreign subsidiary becomes an equity method investment; exception to the ability not to recognize a deferred tax liability for a foreign subsidiary when a foreign equity method investment becomes a subsidiary; exception to the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. There are also additional areas of guidance in regards to: franchise and other taxes partially based on income and the interim recognition of enactment of tax laws and rate changes. The provisions of this ASU were effective for years beginning after December 15, 2020, with early adoption permitted. The Company adopted this standard effective January 1, 2021. The adoption of this ASU did not have a material impact on our Consolidated Financial Statements.

Future Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions

affected by reference rate reform if certain criteria are met. The amendments in ASU 2020-04 apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 may be adopted and upon adoption may be applied prospectively to contract modifications made on or before December 31, 2022. We are currently evaluating the impact of adopting this standard but do not expect it to have a material impact on our Consolidated Financial Statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This ASU clarifies that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, with early application permitted. We are currently evaluating the impact of adopting this standard, however we do not expect it to have a material impact on our Consolidated Financial Statements.

Note 3: Earnings per Share

On April 3, 2020, the date of consummation of the Separation, 433,079,455 shares of the Common Stock, par value \$0.01 per share, were distributed to UTC shareholders of record as of March 19, 2020. This share amount is being utilized for the calculation of basic and diluted earnings per share for all periods presented prior to the Separation as all shares were owned by UTC prior to the Separation. For the 2019 calculations, these shares are treated as issued and outstanding at January 1, 2019 for purposes of calculating historical basic and diluted earnings per share.

<i>(dollars in millions, except per share amounts; shares in millions)</i>	2021	2020	2019
Net income attributable to Otis Worldwide Corporation	\$ 1,246	\$ 906	\$ 1,116
Impact of redeemable noncontrolling interest	—	—	(13)
Net income attributable to common shareholders	\$ 1,246	\$ 906	\$ 1,103
Basic weighted average number of shares outstanding	427.7	433.2	433.1
Stock awards and equity units (share equivalent)	3.7	1.4	—
Diluted weighted average number of shares outstanding	431.4	434.6	433.1
Earnings Per Share of Common Stock:			
Basic	\$ 2.91	\$ 2.09	\$ 2.55
Diluted	\$ 2.89	\$ 2.08	\$ 2.55

The computation of diluted earnings per share excludes the effect of the potential exercise of stock awards, including stock appreciation rights and stock options, when the average market price of the Common Stock is lower than the exercise price of the related stock awards during the period because the effect would be anti-dilutive. In addition, the computation of diluted earnings per share excludes the effect of the potential exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. There were 0.1 million and 4.6 million of anti-dilutive stock awards excluded from the computation for 2021 and 2020, respectively.

Prior to the Separation, Otis employees participated in UTC's equity incentive plans, pursuant to which they were granted stock options, stock appreciation rights, restricted stock units, and performance-based restricted stock units. All awards granted under these plans were related to UTC common shares. Upon Separation, outstanding awards held by Otis employees under UTC's equity incentive plans were converted in accordance with the EMA using the conversion ratios set forth in the EMA. Depending on whether the awards held on the Separation date were in an unvested or vested status, Otis employees either received converted awards solely in Otis based shares (unvested status) or a combination of Otis, UTC and Carrier share based awards (vested status). Former Otis employees, and current and former legacy UTC and Carrier employees, who on the Separation date were holding outstanding UTC awards in a vested status also received a combination of Otis, UTC and Carrier awards post-spin. The conversion methodology used was calculated in accordance with the EMA and with the purpose of maintaining the aggregate intrinsic value of the award immediately after the Separation when compared to the aggregate intrinsic value immediately prior to the Separation. See Note 13, "Employee Benefit Plans" for further detail.

For the purpose of the above diluted earnings per share computation, we only included the units associated with the converted Otis share-based awards. These awards were assumed to be outstanding beginning from the Separation date.

Note 4: Contract Assets and Liabilities

Contract assets reflect revenue recognized in advance of customer billing. Contract liabilities are recognized when a customer pays consideration, or we have a right to receive an amount of unconditional consideration, in advance of the satisfaction of performance obligations under the contract. We typically receive progress payments from our customers as we perform our work over time.

Total Contract assets and Contract liabilities as of December 31, 2021 and 2020 are as follows:

<i>(dollars in millions)</i>	2021	2020
Contract assets, current	\$ 550	\$ 458
Total contract assets	550	458
Contract liabilities, current	2,674	2,542
Contract liabilities, noncurrent (included within Other long-term liabilities)	52	44
Total contract liabilities	2,726	2,586
Net contract liabilities	\$ 2,176	\$ 2,128

Contract assets increased by \$92 million during the year ended December 31, 2021 as a result of the progression of current contracts and timing of billing on customer contracts. Contract liabilities increased by \$140 million during the year ended December 31, 2021 primarily due to contract billings in excess of revenue earned. During the years ended December 31, 2021 and 2020, we recognized revenue of \$2.0 billion and \$1.6 billion related to the contract liabilities as of January 1, 2021 and as of January 1, 2020, respectively.

Note 5: Related Parties

In connection with the Separation as further described in Note 1, "Business Overview", the Company entered into several agreements with our former parent, UTC, and Carrier. These agreements include a separation and distribution agreement that sets forth certain agreements with UTC and Carrier regarding the principal actions to be taken in connection with the Separation, including identifying the assets transferred, the liabilities assumed and the contracts transferred to each of UTC, Carrier and Otis as part of the Separation.

Under the TSA, which is substantially completed as of December 31, 2021, RTX provided the Company certain services and we provided certain services to RTX. The EMA allocates among Otis, UTC and Carrier the liabilities and responsibilities relating to employment matters, employee compensation and benefit plans, benefit programs and other related matters.

We entered into the TMA with our former parent UTC and Carrier that governs the parties' respective rights, responsibilities and obligations with respect to tax matters (including responsibility for taxes, entitlement to refunds, allocation of tax attributes, preparation of tax returns, control of tax contests and other tax matters). Subject to certain exceptions set forth in the TMA, Otis generally is responsible for federal, state and foreign taxes imposed on a separate return basis on Otis (or any of its subsidiaries) with respect to taxable periods (or portions thereof) that ended on or prior to the date of the Distribution. The TMA provides special rules that allocate responsibility for tax liabilities arising from a failure of the Separation transactions to qualify for tax-free treatment based on the reasons for such failure. The TMA also imposes restrictions on Otis during the two-year period following the Distribution that are intended to prevent certain transactions from failing to qualify as transactions that are generally tax-free.

Net Transfers from (to) UTC and Separation Transactions. In connection with the Separation, certain assets and liabilities were contributed to the Company by our former parent, UTC, leading up to and at the time of the Separation. During 2020 prior to the Separation, net liabilities of \$43 million were contributed to the Company by our former parent, UTC, primarily consisting of deferred tax assets and liabilities and fixed assets. Prior to the Separation, these non-cash contributions were recorded as Net transfers (to) from UTC on the Consolidated Statements of Changes in Equity through UTC Net Investment.

Upon Separation, the following were recorded as Net transfers (to) from UTC and Separation-related transactions on the Consolidated Statements of Changes in Equity through UTC Net Investment:

<i>(dollars in millions)</i>	
Cash and cash equivalents	\$ 220
Taxes and other	187
Total	\$ 407

Prior to the Separation, our former parent, UTC, paid Otis Cash and cash equivalents of \$190 million in connection with the Separation Agreement, and \$30 million as settlement of related party receivables due from UTC to Otis as a result of a cash overdraft as of March 31, 2020.

Additionally, the TCJA imposed a non-recurring toll charge, paid in installments over an 8-year period on deemed repatriated earnings of foreign subsidiaries as of December 31, 2017. Under the terms of the TMA, Otis will indemnify RTX for a percentage of the toll charge installment payments due after April 3, 2020. As a result, a portion of Otis' balance of Future income tax obligations corresponding to the toll charge was reclassified as a contractual indemnity obligation within Other long-term liabilities on the Consolidated Balance Sheets. The TMA also provides for RTX to indemnify Otis for certain foreign tax obligations as a result of Otis' inclusion in certain foreign consolidated tax returns prior to the Separation. As a result, Otis reflected this contractual indemnification asset within Other current assets and the related tax obligations within Accrued liabilities on the Consolidated Balance Sheets. As a result of the Separation and the provisions of the TMA, Otis' total net tax-related liabilities on April 3, 2020 were reduced by \$191 million, comprising the following impacts to the Consolidated Balance Sheets:

<i>(dollars in millions)</i>		Increase (Decrease)
Assets		
Other current assets	\$	167
Total Current Assets		167
Future income tax benefits		(4)
Total Assets	\$	163
Liabilities and (Deficit) Equity		
Accrued liabilities	\$	110
Total Current Liabilities		110
Future income tax obligations		(377)
Other long-term liabilities		239
Total Liabilities		(28)
Total Shareholders' (Deficit) Equity		191
Total (Deficit) Equity		191
Total Liabilities and (Deficit) Equity	\$	163

There were also \$4 million of Other long-term liabilities recorded upon Separation on the Consolidated Balance Sheet.

In addition to Income taxes paid, net of (refunds) on the Consolidated Statements of Cash Flows, as a result of the TMA, the Company made payments of \$56 million and \$86 million in 2021 and 2020, respectively, for foreign tax obligations that were reimbursed by RTX.

Shared Costs. The Consolidated Financial Statements have been prepared on a standalone basis for the periods prior to the Separation on April 3, 2020, and for those periods are derived from the consolidated financial statements and accounting records of our former parent, UTC. Prior to the Separation, the Company had been managed and operated in the normal course of business with other affiliates of UTC, and UTC incurred corporate costs such as treasury, tax, accounting, human resources, audit, legal, purchasing, information technology and other such services. The costs associated with these services generally included all payroll and benefit costs, as well as overhead costs related to certain functions. All such amounts have been

deemed to have been incurred and settled by the Company in the period in which the costs were recorded.

Accordingly, prior to the Separation, shared costs of \$16 million and \$80 million were allocated to the Company for 2020 and 2019, respectively, primarily reflected in Selling, general and administrative expense on the Consolidated Statements of Operations. There were no allocated centralized costs for the periods after the Separation.

Separation Costs. We have incurred non-recurring Separation costs as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Separation costs	\$ 27	\$ 119	\$ 43

Separation-related costs prior to the Separation primarily consisted of employee-related costs, costs to establish certain standalone functions and information technology systems, professional services fees, costs to exit from certain services previously provided under the TSA and other transaction-related costs to transition to being a standalone public company. Costs after the Separation primarily consist of costs to exit from certain services previously provided under the TSA and other transaction-related costs to transition to being a standalone public company. Separation costs of \$16 million, \$106 million and \$43 million, in 2021, 2020 and 2019, respectively, are recorded in Selling, general and administrative expense on the Consolidated Statements of Operations. Additional Separation-related items, which are recorded in Other income (expense), net, include adjustments to indemnification assets due from RTX related to the finalization of tax settlements in accordance with the TMA and other Separation-related costs.

Separation costs in 2021, 2020 and 2019 are partially offset by income tax benefits of \$15 million, \$20 million and \$6 million, respectively.

Cash Management and Financing. Prior to the Separation, the Company participated in UTC's centralized cash management and financing programs. Disbursements were made through centralized accounts payable systems which were operated by our former parent, UTC. Cash receipts were transferred to centralized accounts, which were also maintained by UTC. As cash was received and disbursed by UTC, it was accounted for by the Company through UTC Net Investment. All short and long-term debt was financed by UTC prior to the issuance of the notes and the term loan in connection with the Separation, and the financing decisions for wholly and majority owned subsidiaries were determined by UTC. The cash reflected on the Consolidated Statements of Cash Flows as of December 31, 2019 represents cash on hand at certain foreign entities that did not participate in the centralized cash management program and were specifically identifiable to the Company.

Long-Term Debt, Accounts Receivable and Accounts Payable. Certain related party transactions between the Company and our former parent, UTC, have been included within UTC Net Investment on the Consolidated Balance Sheets in the historical periods presented prior to the Separation. The UTC Net Investment includes related party receivables due from UTC and its affiliates of \$7.7 billion as of December 31, 2019. The UTC Net Investment includes related party payables due to UTC and its affiliates of \$750 million as of December 31, 2019, which primarily related to centralized cash management and financing programs. The UTC Net Investment includes related party debt due to UTC and its affiliates of \$100 million as of December 31, 2019. The interest income and interest expense related to the activity with UTC that was included in Otis' results is presented on a net basis in the Consolidated Statements of Operations as this is settled in cash. Interest income and interest expense on the activity with our former parent UTC in 2019 was \$23 million and \$18 million, respectively. There was no interest income or interest expense activity with our former parent, UTC, in 2021 or 2020. The total effect of the settlement of these related party transactions is reflected as a financing activity on the Consolidated Statements of Cash Flows for the historical periods presented.

Note 6: Accounts Receivable, Net

Accounts receivable, net consisted of the following as of December 31:

<i>(dollars in millions)</i>	2021	2020
Trade receivables	\$ 3,117	\$ 2,987
Unbilled receivables	109	104
Customer financing notes receivable	93	130
Miscellaneous receivables	88	88
	<u>3,407</u>	<u>3,309</u>
Less: allowance for expected credit losses	175	161
Balance	<u>\$ 3,232</u>	<u>\$ 3,148</u>

Credit Losses. We are exposed to credit losses primarily through our net sales of products and services to our customers which are recorded as Accounts Receivable, net on the Consolidated Balance Sheets. We evaluate each customer's ability to pay through assessing customer creditworthiness, historical experience and current economic conditions through a reasonable forecast period. Factors considered in our evaluation of assessing collectability and risk include: underlying value of any collateral or security interests, significant past due balances, historical losses and existing economic conditions including country and political risk. There can be no assurance that actual results will not differ from estimates or that consideration of these factors in the future will not result in an increase or decrease to the allowance for credit losses. We may require collateral or prepayment to mitigate credit risk.

We estimate expected credit losses of financial assets with similar risk characteristics. We determine an asset is impaired when our assessment identifies there is a risk that we will be unable to collect amounts due according to the contractual terms of the agreement. We monitor our ongoing credit exposure through reviews of customer balances against contract terms and due dates, current economic conditions and dispute resolution. Estimated credit losses are written off in the period in which the financial asset is no longer collectible.

The changes in allowance for credit losses related to Accounts receivable, net for the years ended December 31, 2021 and 2020 are as follows:

<i>(dollars in millions)</i>	2021	2020
Balance as of January 1	\$ 161	\$ 83
Impact of credit standard adoption	—	28
Provision for expected credit losses	37	40
Write-offs charged against the allowance for expected credit losses	(15)	(20)
Foreign exchange and other	(8)	30
Balance as of December 31	<u>\$ 175</u>	<u>\$ 161</u>

During 2020, there was approximately \$26 million of previously reserved balances reclassified to allowance for credit losses. As a result, there was no impact to the Consolidated Statements of Operations for 2020.

Note 7: Inventories, Net

<i>(dollars in millions)</i>	2021	2020
Raw materials and work-in-process	\$ 140	\$ 113
Finished goods	482	546
Total	<u>\$ 622</u>	<u>\$ 659</u>

Raw materials and work-in-process and Finished goods are net of valuation reserves of \$99 million and \$112 million as of December 31, 2021 and 2020, respectively.

Note 8: Fixed Assets

<i>(dollars in millions)</i>	Estimated Useful Lives	2021	2020
Land		\$ 43	\$ 48
Buildings and improvements	20 - 40 Years	596	616
Machinery and equipment	3 - 12 Years	1,166	1,175
Assets under construction		125	132
		1,930	1,971
Less: Accumulated depreciation		(1,156)	(1,197)
		\$ 774	\$ 774

Depreciation expense was \$116 million, \$100 million and \$85 million in 2021, 2020 and 2019, respectively.

In 2020, as a result of reviewing our technology strategies following the Separation, the Company recorded a pre-tax loss for the write-off of Assets under construction of approximately \$71 million within Other income (expense), net in the Consolidated Statements of Operations.

Fixed assets acquired during the year that are accrued within Accounts payable at year end is considered to be a non-cash investing activity and is excluded from cash used for capital expenditures in the Consolidated Statements of Cash Flows. Capital expenditures of \$2 million, \$15 million and \$8 million were accrued within Accounts payable in the Consolidated Balance Sheets as of December 31, 2021, 2020 and 2019, respectively.

Note 9: Business Acquisitions, Goodwill and Intangible Assets

Business Acquisitions. Our investments in businesses and intangible assets, net of cash acquired, totaled \$80 million, \$55 million (including debt assumed) and \$47 million in 2021, 2020 and 2019, respectively. The acquisitions and investments consisted of a number of acquisitions primarily in our Service segment. Transaction costs incurred were not considered significant.

In 2019, the Company recorded a pre-tax loss on the sale of a business of \$19 million within Other income (expense), net on the Consolidated Statement of Operations. There were no significant disposals of businesses for the years ended December 31, 2021 or 2020.

Goodwill. Changes in our Goodwill balances in 2021 were as follows:

<i>(dollars in millions)</i>	Balance as of January 1, 2021	Goodwill Resulting From Business Combinations	Foreign Currency Translation and Other	Balance as of December 31, 2021
New Equipment	\$ 357	\$ —	\$ (21)	\$ 336
Service	1,416	2	(87)	1,331
Total	\$ 1,773	\$ 2	\$ (108)	\$ 1,667

Changes in our Goodwill balances in 2020 were as follows:

<i>(dollars in millions)</i>	Balance as of January 1, 2020	Goodwill Resulting From Business Combinations	Foreign Currency Translation and Other	Balance as of December 31, 2020
New Equipment	\$ 337	\$ —	\$ 20	\$ 357
Service	1,310	30	76	1,416
Total	\$ 1,647	\$ 30	\$ 96	\$ 1,773

Intangible Assets. Identifiable intangible assets are comprised of the following:

(dollars in millions)	2021		2020	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized:				
Purchased service portfolios	\$ 2,025	\$ (1,638)	\$ 2,123	\$ (1,661)
Patents, trademarks/trade names	21	(17)	22	(16)
Customer relationships and other	64	(43)	54	(45)
	2,110	(1,698)	2,199	(1,722)
Unamortized:				
Trademarks and other	7	—	7	—
Total	\$ 2,117	\$ (1,698)	\$ 2,206	\$ (1,722)

Fully amortized service portfolios of \$117 million were written off during 2020.

Amortization of intangible assets was \$87 million, \$91 million and \$95 million in 2021, 2020 and 2019, respectively. Excluding the impact of currency translation adjustments, there were no other significant changes in our Intangible Assets during 2021, 2020 and 2019.

The estimated future amortization of intangible assets is as follows:

(dollars in millions)	2022	2023	2024	2025	2026
Future amortization	\$ 81	\$ 69	\$ 61	\$ 54	\$ 40

Note 10: Borrowings and Lines of Credit

(dollars in millions)	2021	2020
Commercial paper	\$ —	\$ 664
Other borrowings	24	37
Total short-term borrowings	\$ 24	\$ 701

Commercial Paper. As of December 31, 2021, we had an aggregate \$1.5 billion unsecured, unsubordinated commercial paper programs in place, and no borrowings outstanding under such programs. We use our commercial paper borrowings for general corporate purposes including to finance acquisitions, pay dividends and for debt refinancing. The need for commercial paper borrowings may arise if the use of domestic cash for general corporate purposes exceeds the sum of domestic cash generation and foreign cash repatriated to the U.S.

In September 2020, we issued €420 million of Euro denominated commercial paper. The Euro denominated commercial paper, while outstanding, qualified as a net investment hedge against our investments in European businesses. During 2021, we fully repaid the Euro denominated commercial paper and there is no longer a related net investment hedge as of December 31, 2021. Refer to Note 18, "Financial Instruments" for further details on net investment hedges.

We also issued \$150 million of U.S. Dollar commercial paper in November 2020, which was fully repaid during 2021. The commercial paper issued in 2020 was used to pay down the term loan described further below under "Long-term debt".

Long-term debt. As of December 31, 2021, we have a credit agreement, as amended, with various banks providing for a \$1.5 billion unsecured, unsubordinated 5-year revolving credit facility, effective as of April 3, 2020, with an interest rate of LIBOR plus 125 basis points and a commitment fee rate of 12.5 basis points. As of December 31, 2021, there were no borrowings under the revolving credit facility. The undrawn portion of the revolving credit facility serves as a backstop for the issuance of commercial paper.

On February 10, 2020, we entered into a term loan credit agreement, as amended, providing for a \$1.0 billion unsecured, unsubordinated 3-year term loan credit facility (the "term loan"). The Company drew on the full amount of the term loan on March 27, 2020 and then prepaid the full amount during 2020, resulting in the termination of the term loan credit agreement. Additionally, on February 27, 2020, we issued \$5.3 billion unsecured, unsubordinated notes. The net proceeds of the term loan and the notes of approximately \$6.3 billion were distributed to our former parent, UTC, prior to the Separation.

On March 11, 2021, we issued ¥21.5 billion Japanese Yen denominated (\$199 million), unsecured, unsubordinated 5-year notes due March 2026 (the "Yen Notes"). The net proceeds of the Yen Notes were used to repay a portion of our outstanding Euro denominated commercial paper. The Yen Notes qualify as a net investment hedge against our investments in Japanese businesses. As of December 31, 2021, the net investment hedge is deemed to be effective. Refer to Note 18, "Financial Instruments" for further details on net investment hedges.

On September 22, 2021, we entered into a €1.65 billion bridge loan credit agreement (the "Bridge Credit Facility") and related guarantees in connection with the Tender Offer, which was intended to be drawn only to the extent we did not obtain permanent debt financing prior to the settlement date of the Tender Offer. On November 12, 2021, we issued €1.6 billion Euro denominated (\$1.8 billion), unsecured, unsubordinated notes (the "Euro Notes"). The net proceeds of the Euro Notes will be used to fund the Tender Offer. Upon issuing the Euro Notes, the Bridge Credit Facility and related guarantees were terminated.

The revolving credit agreement and indentures contain affirmative and negative covenants customary for financings of these types that, among other things, limit the Company's and its subsidiaries' ability to incur additional liens, to make certain fundamental changes and to enter into sale and leaseback transactions. In addition, the revolving credit agreement requires that we maintain a maximum consolidated leverage ratio, as defined in the agreement. The revolving credit agreement and indentures also contain events of default customary for financings of these types. The Company is in compliance with all covenants in the revolving credit agreement and the indentures governing all notes as of December 31, 2021.

Long-term debt consisted of the following as of December 31:

<i>(dollars in millions)</i>	2021	2020
LIBOR plus 45 bps floating rate notes due 2023 ^{1,2}	\$ 500	\$ 500
0.000% notes due 2023 (€500 million principal value) ²	565	—
2.056% notes due 2025 ²	1,300	1,300
0.37% notes due 2026 (¥21.5 billion principal value) ²	189	—
0.318% notes due 2026 (€600 million principal value) ²	677	—
2.293% notes due 2027 ²	500	500
2.565% notes due 2030 ²	1,500	1,500
0.934% notes due 2031 (€500 million principal value) ²	565	—
3.112% notes due 2040 ²	750	750
3.362% notes due 2050 ²	750	750
Other (including finance leases)	4	5
Total principal long-term debt	\$ 7,300	\$ 5,305
Other (premiums, discounts and debt issuance costs)	(51)	(43)
Total long-term debt	7,249	5,262
Less: current portion	—	—
Long-term debt, net of current portion	\$ 7,249	\$ 5,262

¹ The three-month LIBOR rate as of December 31, 2021 was approximately 0.21%.

² We may redeem these notes at our option pursuant to certain terms.

Debt issuance costs are presented as a reduction of debt on the Consolidated Balance Sheets and are amortized as a component of interest expense over the term of the related debt using the effective interest method. The Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019 reflects the following:

<i>(dollars in millions)</i>	2021	2020	2019
Debt issuance costs amortization	\$ 6	\$ 5	\$ —
Total interest expense on debt (including debt issuance costs amortization)	136	124	—

The unamortized debt issuance costs as of December 31, 2021 and 2020 were \$51 million and \$43 million, respectively. In addition to interest on debt, Interest expense (income), net on the Consolidated Statements of Operations in 2021 includes the write-off of \$11 million in financing costs associated with the Bridge Credit Facility and related guarantees that were terminated.

The average maturity of our long-term debt as of December 31, 2021 is approximately 8.9 years. The average interest expense rate on our borrowings as of December 31, 2021 and 2020 was as follows:

	December 31,	
	2021	2020
Short-term borrowings	— %	(0.2)%
Total long-term debt	1.9 %	2.4 %

The average interest expense rate on our borrowings for the years ended December 31, 2021 and 2020 was as follows:

	2021	2020
Short-term borrowings	(0.3) %	(0.2)%
Total long-term debt	2.3 %	2.3 %

The schedule of principal payments required on long-term debt for the next five years and thereafter is:

<i>(dollars in millions)</i>	Principal Payments
2022	\$ —
2023	1,066
2024	1
2025	1,301
2026	867
Thereafter	4,065
Total	\$ 7,300

Note 11: Accrued Liabilities

<i>(dollars in millions)</i>	2021	2020
Accrued salaries, wages and employee benefits	\$ 603	\$ 556
Accrued interest	221	223
Operating lease liabilities	181	167
Accrued income taxes payable	142	182
VAT and other non-income tax payables	97	102
Other liabilities	749	747
Total	\$ 1,993	\$ 1,977

Accrued interest primarily consists of interest accrued for uncertain tax positions and the German tax litigation as described in Note 22, "Contingent Liabilities", as well as \$46 million and \$45 million of interest accrued for borrowings as of December 31, 2021 and 2020, respectively, as described in Note 10, "Borrowings and Lines of Credit".

Note 12: Other Long-term Liabilities

<i>(dollars in millions)</i>	2021	2020
Contractual indemnity obligation	\$ 220	\$ 239
General, product and auto liability	154	152
Employee benefits	105	113
Other liabilities	127	130
Total	<u>\$ 606</u>	<u>\$ 634</u>

The Contractual indemnity obligation consists of a payable to RTX, resulting from the TMA. See Note 5, "Related Parties" for further details.

Note 13: Employee Benefit Plans

The Company sponsors numerous single-employer domestic and international employee benefit plans and, prior to the Separation, certain of our employees participated in employee benefit plans ("Shared Plans") sponsored by our former parent, UTC, that included participants of the other UTC businesses. We have accounted for our participation in the Shared Plans prior to the Separation as multiemployer benefit plans, as discussed below.

Employee Savings Plans. We sponsor various employee savings plans. Prior to the Separation, our former parent, UTC, also sponsored and contributed to defined contribution employee savings plans in which certain Otis employees participated. Our contributions to employer-sponsored defined contribution plans were \$62 million, \$54 million and \$41 million for 2021, 2020, and 2019, respectively.

Pension Plans. We sponsor both funded and unfunded domestic and international defined benefit pension plans that cover a large number of our employees. While we sponsor domestic pension plans that provide retirement benefits to certain employees, they are not a material component of the projected benefit obligation. Our plans use a December 31 measurement date consistent with our fiscal year.

<i>(dollars in millions)</i>	2021	2020
Change in benefit obligation:		
Beginning balance	\$ 1,225	\$ 1,092
Service cost	43	40
Interest cost	13	16
Actuarial (gain) loss	(50)	40
Benefits paid	(24)	(28)
Net settlement, curtailment and special termination benefits	(31)	(26)
Other	(50)	91
Ending balance	<u>\$ 1,126</u>	<u>\$ 1,225</u>
Change in plan assets:		
Beginning balance	\$ 703	\$ 622
Actual return on plan assets	43	24
Employer contributions	37	64
Benefits paid	(24)	(28)
Settlements	(31)	(26)
Other	(38)	47
Ending balance	<u>\$ 690</u>	<u>\$ 703</u>
Funded status:		
Fair value of plan assets	\$ 690	\$ 703
Benefit obligations	(1,126)	(1,225)
Funded status of plan	<u>\$ (436)</u>	<u>\$ (522)</u>
Amounts recognized in the Consolidated Balance Sheets consist of:		
Noncurrent assets	\$ 106	\$ 87
Current liability	(23)	(21)
Noncurrent liability	(519)	(588)
Net amount recognized	<u>\$ (436)</u>	<u>\$ (522)</u>
Amounts recognized in Accumulated other comprehensive loss consist of:		
Net actuarial loss	\$ 176	\$ 280
Prior service credit	2	(1)
Net amount recognized	<u>\$ 178</u>	<u>\$ 279</u>

The amounts included in "actuarial (gain) loss" in the above table primarily are due to changes in discount rate assumptions driven by changes in corporate bond yields. The amounts included in "Other" in the above table primarily reflect the impact of foreign exchange translation, primarily for plans in Australia, Canada, Germany, Japan, Spain, South Korea and Switzerland.

In 2021, 2020 and 2019 we made cash contributions to our defined benefit pension plans of \$37 million, \$64 million and \$32 million, respectively.

Information for pension plans with accumulated benefit obligations in excess of plan assets:

<i>(dollars in millions)</i>	2021	2020
Projected benefit obligation	\$ 567	\$ 787
Accumulated benefit obligation	499	685
Fair value of plan assets	49	205

Information for pension plans with projected benefit obligations in excess of plan assets:

<i>(dollars in millions)</i>	2021	2020
Projected benefit obligation	\$ 806	\$ 991
Accumulated benefit obligation	694	846
Fair value of plan assets	263	383

The accumulated benefit obligation for all defined benefit pension plans was \$1.0 billion and \$1.1 billion as of December 31, 2021, and 2020, respectively.

The components of the net periodic pension cost are as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Service cost	\$ 43	\$ 40	\$ 33
Interest cost	13	16	21
Expected return on plan assets	(23)	(25)	(24)
Amortization of prior service credit	—	(1)	(1)
Recognized actuarial net loss	18	16	10
Net settlement, curtailment and special termination benefits loss (gain)	2	5	2
Net periodic pension cost – employer	\$ 53	\$ 51	\$ 41

Other changes in plan assets and benefit obligations recognized in other comprehensive loss are as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Current year actuarial (gain) loss	\$ (70)	\$ 41	\$ 28
Amortization of actuarial loss	(18)	(16)	(10)
Amortization of prior service credit	—	1	1
Net settlement and curtailment (loss) gain	(2)	(5)	(2)
Other	(11)	24	27
Total recognized in other comprehensive (income) loss	\$ (101)	\$ 45	\$ 44
Net recognized in net periodic pension cost and other comprehensive (income) loss	\$ (48)	\$ 96	\$ 85

The amounts included in “Other” in the above table primarily reflect the impact of foreign exchange translation, primarily for plans in Australia, France, Germany, Canada and Switzerland.

Major assumptions used in determining the benefit obligation and net cost for pension plans are presented in the following table as weighted-averages:

	Benefit Obligation		Net Cost		
	2021	2020	2021	2020	2019
Discount rate:					
Projected benefit obligation	1.5 %	1.1 %	1.1 %	1.5 %	2.5 %
Salary scale	3.0 %	3.0 %	3.0 %	3.1 %	3.3 %
Expected return on plan assets	—	—	3.6 %	4.5 %	5.2 %
Interest crediting rate	1.0 %	0.6 %	0.6 %	0.7 %	1.5 %

The weighted-average discount rates used to measure pension benefit obligations and net costs are set by reference to specific analyses using each plan's specific cash flows and are then comparing them to high-quality bond indices for reasonableness.

In determining the expected return on plan assets, we consider the relative weighting of plan assets, the historical performance of total plan assets and individual asset classes, and economic and other indicators of future performance. In addition, we may consult with, and consider the opinions of, financial and other professionals in developing appropriate capital market assumptions. Return projections are also validated using a simulation model that incorporates yield curves, credit spreads and risk premiums to project long-term prospective returns.

The plans' investment management objectives include providing the liquidity and asset levels needed to meet current and future benefit payments, while maintaining a prudent degree of portfolio diversification considering interest rate risk and market volatility. Globally, investment strategies target a mix of approximately 50% of growth-seeking assets and 50% of income-generating and hedging assets using a wide diversification of asset types, fund strategies and investment managers. The growth seeking allocation consists of global public equities in developed and emerging countries, and alternative-asset class strategies. Within the income-generating assets, the fixed income portfolio consists of mainly government and broadly diversified high-quality corporate bonds.

The fair values of pension plan assets as of December 31, 2021 and 2020 by asset category are as follows:

<i>(dollars in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Subject to Leveling	Total
Asset category					
Public equities:					
Global Equity Commingled Funds ⁽¹⁾	\$ 70	\$ 2	\$ —	\$ —	\$ 72
Global Equity Funds at net asset value ⁽⁵⁾	—	—	—	196	196
Fixed income securities:					
Governments	19	—	—	—	19
Corporate Bonds	42	1	—	—	43
Fixed income securities at net asset value ⁽⁵⁾	—	—	—	117	117
Real estate ^{(2) (5)}	11	14	—	11	36
Other ^{(3) (5)}	4	126	—	24	154
Cash and cash equivalents ^{(4) (5)}	4	1	—	44	49
Total	\$ 150	\$ 144	\$ —	\$ 392	686
Other assets and liabilities ⁽⁶⁾					4
Total as of December 31, 2021					\$ 690

<i>(dollars in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Subject to Leveling	Total
Asset category					
Public equities:					
Global Equity Commingled Funds ⁽¹⁾	\$ 52	\$ 39	\$ —	\$ —	\$ 91
Global Equity Funds at net asset value ⁽⁵⁾	—	—	—	154	154
Fixed income securities:					
Governments	20	41	—	—	61
Corporate Bonds	49	4	—	—	53
Fixed income securities at net asset value ⁽⁵⁾	—	—	—	90	90
Real estate ^{(2) (5)}	12	6	—	12	30
Other ^{(3) (5)}	2	129	—	25	156
Cash and cash equivalents ^{(4) (5)}	6	1	—	41	48
Total	\$ 141	\$ 220	\$ —	\$ 322	\$ 683
Other assets and liabilities ⁽⁶⁾					20
Total as of December 31, 2020					\$ 703

⁽¹⁾ Represents investments in mutual funds and investments in commingled funds that invest primarily in common stocks.

⁽²⁾ Represents investments in real estate including commingled funds.

⁽³⁾ Represents insurance contracts and global-balanced-risk commingled funds consisting mainly of equity, bonds and some commodities.

⁽⁴⁾ Represents short-term commercial paper, bonds and other cash or cash-like instruments.

⁽⁵⁾ In accordance with FASB ASU 2015-07, Fair Value Measurement (Topic 820), certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension benefits plan assets.

⁽⁶⁾ Represents trust receivables and payables that are not leveled.

Quoted market prices are used to value investments when available. Investments in securities traded on exchanges, including listed futures and options, are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Fixed income securities are primarily measured using a market approach pricing methodology, where observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings. Over-the-counter securities and government obligations are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes. Temporary cash investments are stated at cost, which approximates fair value.

We expect to make total contributions of approximately \$34 million to our global defined benefit pension plans in 2022, including benefit payments to be paid directly from corporate assets.

Benefit payments, including amounts to be paid from corporate assets, and reflecting expected future service, as appropriate, are expected to be paid as follows: \$60 million in 2022, \$65 million in 2023, \$62 million in 2024, \$66 million in 2025, \$66 million in 2026, and \$339 million from 2027 through 2031.

Postretirement Benefit Plans. We sponsor postretirement benefit plans that provide health benefits to eligible retirees. The postretirement plans are unfunded. The benefit obligation was \$10 million and \$11 million as of December 31, 2021, and 2020, respectively. The net periodic cost was \$1 million for 2021, 2020 and 2019, respectively. Other comprehensive gain of \$1 million was recognized during 2021 and other comprehensive loss of \$2 million was recognized during 2020, related to changes in benefit obligations.

The projected benefit obligation discount rate was 5.0% and 4.3% as of December 31, 2021 and 2020, respectively. The Net Cost discount rate was 4.3%, 4.7% and 5.3% for 2021, 2020 and 2019, respectively.

Benefit payments, including amounts to be paid from corporate assets, and reflecting expected future service, as appropriate, are expected to be paid as follows: \$1 million each year from 2022 through 2026, and \$3 million from 2027 through 2031.

Multiemployer Benefit Plans. We contribute to various domestic and international multiemployer defined benefit pension plans. The risks of participating in these multiemployer plans are different from single-employer plans in that assets contributed are pooled and may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Lastly, if we choose to stop participating in some of our multiemployer plans, we may be required to pay those plans a withdrawal liability based on the underfunded status of the plan.

Our participation in these plans for the annual periods ended December 31 is outlined in the table below. Unless otherwise noted, the most recent Pension Protection Act (“PPA”) zone status available in 2021 and 2020 is for the plan’s year-end at June 30, 2020 and June 30, 2019, respectively. The zone status is based on information that we received from the plan and is certified by the plan’s actuary. Our significant plan is in the green zone which represents a plan that is at least 80% funded and does not require a financial improvement plan (“FIP”) or a rehabilitation plan (“RP”). An extended amortization provision of ten years was utilized to recognize investment gains or losses for our significant plan through June 30, 2019.

<i>(dollars in millions)</i>		PPA Zone Status		FIP/RP Status	Contributions			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Pension Fund	EIN/Pension Plan Number	2021	2020	Pending/Implemented	2021	2020	2019		
National Elevator Industry Pension Plan	23-2694291	Green	Green	No	\$ 128	\$ 131	\$ 127	No	7/8/2022
Other funds					8	7	9		
					<u>\$ 136</u>	<u>\$ 138</u>	<u>\$ 136</u>		

For the plan years ended June 30, 2020 and 2019, respectively, we were listed in the National Elevator Industry Pension Plan’s Forms 5500 as providing more than 5% of the total contributions for the plan. At the date these financial statements were

issued, the Form 5500 was not available for the plan year ending June 30, 2021.

In addition, we participate in multiemployer arrangements that provide postretirement benefits other than pensions, with the National Elevator Industry Health Benefit Plan being the most significant. These arrangements generally provide medical and life benefits for eligible active employees and retirees and their dependents. Contributions to multiemployer plans that provide postretirement benefits other than pensions were \$20 million, \$20 million and \$21 million for 2021, 2020 and 2019, respectively.

UTC Sponsored Defined Benefit Plans. Defined benefit pension and postretirement benefit plans were sponsored by our former parent, UTC, and have been accounted for as multi-employer plans in these Consolidated Financial Statements, in accordance with FASB ASC Topic 715-30: *Defined Benefit Plans – Pension* and FASB ASC Topic 715-60: *Defined Benefit Plans – Other Postretirement*. The Company's participation in the defined pension and postretirement benefit plans sponsored by our former parent, UTC, concluded upon the completion of the Separation. The amounts for pension and postretirement expenses for Service cost and Non-service pension benefit were \$1 million and \$5 million, respectively, in 2020, and \$15 million and \$42 million, respectively, in 2019.

Stock-based Compensation. In connection with the Separation, the Company adopted the 2020 Long-Term Incentive Plan (the "Plan"). The Plan became effective on April 3, 2020. A total of 45 million shares of common stock are authorized under the Plan. The Plan provides for the grant of various types of awards including restricted share unit awards, stock appreciation rights, stock options, and performance-based awards. Under the Plan, the exercise price of awards, if any, is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock appreciation rights and stock options have a term of ten years and a three-year vesting period, subject to limited exceptions. In the event of retirement, annual stock appreciation rights, stock options, and restricted share units held for more than one year may become vested and exercisable (if applicable), subject to certain terms and conditions. Awards with performance-based vesting generally have a minimum three-year vesting period and vest based on actual performance against pre-established metrics. In the event of retirement, performance-based awards held for more than one year remain eligible to vest based on actual performance relative to target metrics. All other restricted awards generally have a three-year vesting period. We currently intend to issue new shares for share option exercises and conversions under our equity compensation arrangements, and will continue to evaluate this policy in connection with our share repurchase program. As of December 31, 2021, approximately 26 million shares remain available for awards under the 2020 Plan.

In connection with the Separation, and in accordance with the EMA, the Company's employees with outstanding former UTC stock-based awards received replacement stock-based awards under the Plan at Separation. The value of the replaced stock-based awards was designed to preserve the aggregate intrinsic value of the award immediately after the Separation when compared to the aggregate intrinsic value of the award immediately prior to Separation. The incremental expense incurred by the Company was not material.

Prior to the Separation, certain of the Company's employees participated in stock-based compensation plans sponsored by our former parent, UTC. The UTC stock-based compensation plans included various types of market and performance-based incentive awards, including stock options, stock appreciation rights, restricted stock units, and performance-based share units. All awards granted under the plans were based on UTC common shares, and only the activity attributable to Otis employees from these awards, as converted at the Separation, is reflected in the accompanying Consolidated Financial Statements for the years ended December 31, 2021 and 2020.

Stock-based Compensation Expense

We measure the cost of all share-based payments, including stock options, at fair value on the grant date and recognize this cost in the Consolidated Statements of Operations. A forfeiture rate assumption is applied on grant date to adjust the expense recognition for awards that are not expected to vest.

Stock-based compensation expense and the resulting tax benefits were as follows:

(dollars in millions)	Year Ended		
	2021	2020	2019
Stock-based compensation expense (Share-based)	\$ 65	\$ 63	\$ 37
Stock-based compensation expense (Cash-based)	2	(4)	10
Total gross stock-based compensation expense	67	59	47
Less: future tax benefit	8	7	5
Stock-based compensation expense, net of tax	\$ 59	\$ 52	\$ 42

For periods prior to the Separation, stock-based compensation expense includes expense attributable to Otis, and the fair value assumptions are based on the awards and terms previously granted under the UTC incentive compensation plan to Otis employees. Accordingly, the amounts presented for the years ended December 31, 2020 and 2019 are not necessarily indicative of future awards and do not necessarily reflect the results that Otis would have experienced as an independent publicly-traded company.

For the years ended December 31, 2021, 2020 and 2019, the amount of cash received from the exercise of stock options was \$4 million, \$3 million and \$10 million, respectively, with an associated tax benefit realized of \$4 million, \$2 million and \$6 million, respectively. In addition, for the years ended December 31, 2021, 2020 and 2019, the associated tax benefit realized from the vesting of performance share units and other restricted awards was \$4 million, \$1 million and \$4 million, respectively. The 2021 and 2020 amounts were computed using current U.S. federal and state tax rates.

As of December 31, 2021, there was approximately \$57 million of total unrecognized compensation cost related to non-vested equity awards granted under the Plan. This cost is expected to be recognized ratably over a weighted-average period of 2.0 years.

A summary of the transactions under Otis' plans for the year ended December 31, 2021 follows:

(shares in thousands)	Stock Appreciation Rights		Restricted Share Units		Performance Share Units		Stock Options	
	Shares	Average Price*	Shares	Average Price**	Shares	Average Price**	Shares	Average Price*
Outstanding at:								
December 31, 2020	12,177	\$ 60.63	1,710	\$ 63.94	—	\$ —	454	\$ 55.31
Granted ⁽¹⁾	1,344	64.81	483	68.67	334	67.58	19	71.93
Exercised / Earned ⁽¹⁾	(2,269)	51.67	(458)	68.31	—	—	(96)	46.41
Cancelled	(537)	66.72	(83)	67.60	(4)	67.71	(1)	80.97
December 31, 2021	10,715	\$ 62.74	1,652	\$ 63.91	330	\$ 67.58	376	\$ 58.31

* Weighted-average grant price

** Weighted-average grant fair value

⁽¹⁾ Includes annual retainer awards issued to the Board of Directors

The weighted-average grant date fair value of stock options and stock appreciation rights granted by Otis and our former parent, UTC, during 2021, 2020 and 2019 was \$14.83, \$10.38 and \$20.92, respectively. The weighted-average grant date fair value of performance share units, which vest upon achieving certain performance metrics, and other restricted stock awards granted by Otis and UTC during 2021, 2020 and 2019 was \$68.22, \$54.29 and \$109.17, respectively. The total intrinsic value (which is the amount by which the stock price exceeded the exercise price on the date of exercise) of stock options and stock appreciation rights exercised during 2021, 2020 and 2019 was \$74 million, \$13 million and \$53 million, respectively. The total fair value (which is the stock price at vesting) of performance share units and other restricted awards vested was \$32 million, \$10 million and \$33 million during the years ended December 31, 2021, 2020 and 2019, respectively.

The following table summarizes information about equity awards outstanding that are vested and expected to vest and equity awards outstanding that are exercisable as of December 31, 2021:

(shares in thousands; aggregate intrinsic value in millions)	Equity Awards Vested and Expected to Vest				Equity Awards That Are Exercisable			
	Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**	Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**
Stock Options/Stock Appreciation Rights	11,027	\$ 62.53	\$ 271	5.4 years	6,846	\$ 57.62	\$ 202	3.9 years
Performance Share Units/Restricted Stock	1,921	—	\$ 167	1.4 years				

* Weighted-average grant price per share

** Weighted-average contractual remaining term in years

The fair value of each option award is estimated on the date of grant using a binomial lattice model. The following table indicates the assumptions used in estimating fair value for the years ended December 31, 2021, 2020 and 2019. For periods prior to the Separation, these assumptions represent those utilized by our former parent, UTC, and are not necessarily indicative of assumptions that would be used by Otis as a standalone company. Lattice-based option models incorporate ranges of assumptions for inputs; those ranges are as follows:

	2021	2020	2019
Expected volatility	26.9%	25.5%	18.8% - 19.7%
Weighted-average volatility	26.9%	25.5%	19.5%
Expected term (in years)	6.3	6.8	6.5 - 6.6
Expected dividend yield	1.3%	1.8%	2.4%
Risk-free rate	0.7%	0.5%	2.3% - 2.7%

Due to the lack of trading history of Otis' stock at the time of valuation efforts, the expected volatility for Otis was calculated based on the average of the volatility of the peer group within the industry. UTC's historical data for Otis employees was used to estimate equity award exercise and employee termination behavior within the valuation model. The expected term represents an estimate of the period of time equity awards are expected to remain outstanding. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.

The Company uses a Monte Carlo simulation approach based on a three-year measurement period to determine fair value of performance share units. This approach includes the use of assumptions regarding the future performance of the Company's stock and those of a peer group. Those assumptions include expected volatility, risk-free interest rates, correlations and dividend yield.

Note 14: Stock

Preferred Stock. There are 125 million shares of \$0.01 par value authorized Preferred Stock, of which none were issued or outstanding as of December 31, 2021 or 2020.

Common Stock. There are 2 billion shares of \$0.01 par value Common Stock authorized. As of December 31, 2021, 434.7 million shares of Common Stock were issued, which includes 9.7 million shares of treasury stock. As of December 31, 2020, 433.4 million shares of Common Stock were issued and outstanding.

Share Repurchase Program. As of December 31, 2021, the Company was authorized by the Board of Directors to purchase up to \$1 billion of Common Stock under a share repurchase program, of which \$725 million had been utilized. During 2021, the Company repurchased 9.7 million shares of Common Stock for approximately \$725 million. The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result of the increased debt incurred to fund the Tender Offer, we have temporarily suspended our share repurchases as we focus on deleveraging.

Note 15: Accumulated Other Comprehensive Income (Loss)

A summary of the changes in each component of Accumulated other comprehensive income (loss), net of tax for the years ended December 31, 2021, 2020 and 2019 is provided below:

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2018	\$ (573)	\$ (135)	\$ —	\$ (708)
Other comprehensive income (loss) before reclassifications, net	(15)	(50)	(3)	(68)
Amounts reclassified, pre-tax	—	9	—	9
Tax expense (benefit) reclassified	—	9	—	9
Balance as of December 31, 2019	\$ (588)	\$ (167)	\$ (3)	\$ (758)
Other comprehensive income (loss) before reclassifications, net	(28)	(47)	10	(65)
Amounts reclassified, pre-tax	—	15	(3)	12
Tax expense (benefit) reclassified	—	(4)	—	(4)
Balance as of December 31, 2020	\$ (616)	\$ (203)	\$ 4	\$ (815)
Other comprehensive income (loss) before reclassifications, net	(26)	62	(1)	35
Amounts reclassified, pre-tax	—	18	4	22
Tax expense (benefit) reclassified	—	(5)	—	(5)
Balance as of December 31, 2021	\$ (642)	\$ (128)	\$ 7	\$ (763)

Amounts reclassified that relate to defined benefit pension and postretirement plans include amortization of prior service costs and actuarial net losses recognized during each period presented. These costs are recorded as components of net periodic pension cost for each period presented. See Note 13, "Employee Benefit Plans" for additional information.

Note 16: Income Taxes

Income Before Income Taxes. The sources of income from operations before income taxes are:

<i>(dollars in millions)</i>	2021	2020	2019
United States	\$ 420	\$ 105	\$ 470
Foreign	1,541	1,406	1,391
	\$ 1,961	\$ 1,511	\$ 1,861

Following enactment of the TCJA, and as part of the historical UTC assertion, the Company determined that it no longer intends to reinvest certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. As such, in 2018 Otis recorded the international taxes associated with the future remittance of these earnings. As part of the Separation process, the Company re-assessed this position as a standalone company. The Company no longer intends to reinvest certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. The international taxes recorded relative to this assertion differ from those recorded in 2018. As a result of the change in assertion and changes in planned debt repayments and in estimates related to Otis' pre-Separation tax attributes, the Company recognized two benefits: one of \$10 million during the year ended December 31, 2020, and one of \$16 million during the year ended December 31, 2021. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, Otis will continue to permanently reinvest these earnings. As of December 31, 2021, such undistributed earnings were approximately \$5.1 billion, excluding other comprehensive income amounts. It is not practicable to estimate the amount of tax that might be payable on the remaining amounts.

Provision for Income Taxes. The income tax expense (benefit) for the years ended December 31, 2021, 2020 and 2019 consisted of the following components:

<i>(dollars in millions)</i>	2021	2020	2019
Current:			
United States:			
Federal	\$ 77	\$ 42	\$ 103
State	32	26	38
Foreign	524	438	461
	633	506	602
Future:			
United States:			
Federal	(13)	8	11
State	(6)	(8)	—
Foreign	(73)	(51)	(19)
	(92)	(51)	(8)
Income tax expense	\$ 541	\$ 455	\$ 594
Attributable to items (charged) credited to (deficit) equity	\$ (25)	\$ (6)	\$ (14)

Reconciliation of Effective Income Tax Rate. Differences between effective income tax rates and the statutory U.S. federal income tax rate are as follows:

	2021	2020	2019
Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes	0.8 %	0.9 %	1.7 %
Tax on international activities	4.7 %	4.4 %	6.5 %
U.S. tax effect of foreign earnings	0.5 %	3.4 %	2.9 %
Other	0.6 %	0.4 %	(0.2)%
Effective income tax rate	27.6 %	30.1 %	31.9 %

The 2021, 2020, and 2019 effective tax rates are higher than the statutory U.S. rate primarily due to higher international tax rates as compared to the lower U.S. federal statutory rate and foreign earnings subject to U.S. tax under the provisions of the TCJA.

The 2021 effective tax rate is lower than the 2020 effective tax rate primarily due to a \$16 million tax benefit related to the repatriation of foreign earnings as a result of changes to planned debt repayments and in estimates related to Otis' pre-Separation tax attributes and a decrease of \$16 million in U.S. tax related to base erosion and anti-abuse tax in 2021. In addition, the lower effective tax rate is due to the absence of the tax cost resulting from Separation-related expenses and fixed asset impairment in 2020, and the net impact of income tax settlements related to the Separation, as discussed in Note 5, "Related Parties".

The 2020 effective tax rate is lower than the 2019 effective tax rate primarily due to a \$10 million tax benefit related to our change in assertion of no longer intending to reinvest certain undistributed earnings of our international subsidiaries made during 2020 as compared to the liability previously recorded by UTC, a decrease as a result of tax regulations related to the TCJA that were enacted during 2020, as well as a recognition of a Separation-related foreign tax loss, all partially offset by incremental withholding taxes in 2020.

Deferred Tax Assets and Liabilities. Future income taxes represent the tax effects of transactions which are reported in different periods for tax and financial reporting purposes. These amounts consist of the tax effects of temporary differences between the tax and financial reporting balance sheets and tax carryforwards. Future income tax benefits and payables within the same tax paying component of a particular jurisdiction are offset for presentation in the Consolidated Balance Sheets.

The tax effects of temporary differences and tax carryforwards which gave rise to future income tax benefits and payables as of December 31, 2021 and 2020 are as follows:

<i>(dollars in millions)</i>	2021	2020
Future income tax benefits:		
Insurance and employee benefits	\$ 185	\$ 201
Other asset basis differences	143	149
Other liability basis differences	320	299
Tax loss carryforwards	200	197
Tax credit carryforwards	46	38
Valuation allowances	(247)	(242)
	<u>\$ 647</u>	<u>\$ 642</u>
Future income taxes payable:		
Intangible assets	\$ 168	\$ 182
Other assets basis differences	284	335
	<u>\$ 452</u>	<u>\$ 517</u>

Valuation allowances have been established primarily for tax credit carryforwards, tax loss carryforwards, and certain foreign temporary differences to reduce the future income tax benefits to expected realizable amounts.

Tax Credit and Loss Carryforwards. As of December 31, 2021, tax credit carryforwards, principally state and foreign, and tax loss carryforwards, principally state and foreign, were as follows:

<i>(dollars in millions)</i>	Tax Credit Carryforwards	Tax Loss Carryforwards
Expiration period:		
2022-2026	\$ 1	\$ 53
2027-2031	14	20
2032-2041	1	71
Indefinite	30	668
	<u>\$ 46</u>	<u>\$ 812</u>

Unrecognized Tax Benefits. As of December 31, 2021, the Company had gross tax-effected unrecognized tax benefits of \$392 million, all of which, if recognized, would impact the effective tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits and interest expense related to unrecognized tax benefits for the years ended December 31, 2021, 2020 and 2019 is as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Balance at January 1	\$ 397	\$ 379	\$ 380
Additions for tax positions related to the current year	23	16	18
Additions for tax positions of prior years	1	41	15
Reductions for tax positions of prior years	(22)	(31)	(15)
Settlements	(7)	(8)	(19)
Balance at December 31	<u>\$ 392</u>	<u>\$ 397</u>	<u>\$ 379</u>
Gross interest expense related to unrecognized tax benefits	\$ 2	\$ 10	\$ 8
Total accrued interest balance at December 31	<u>\$ 152</u>	<u>\$ 153</u>	<u>\$ 141</u>

Otis conducts business globally and, as a result, Otis or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions.

In the ordinary course of business, Otis could be subject to examination by taxing authorities throughout the world, including such major jurisdictions as Austria, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Japan, Mexico, Netherlands, Portugal, Russia, South Korea, Spain, Switzerland, the United Kingdom and the U.S. With few exceptions, Otis is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2010.

A subsidiary of Otis engaged in litigation in Belgium received a favorable appellate court decision in 2018. The Belgian Tax Authorities appealed the decision to the Court of Cassation (the equivalent of Supreme Court in Belgium). On December 4, 2020, the Court of Cassation overturned the decision of the appellate court and remanded the case to the appellate court for reconsideration. It is not known how much time will elapse prior to the issuance of the appellate court's decision. The associated tax and interest have been fully reserved.

In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting date. It is reasonably possible that a range of a \$20 million increase to a \$360 million reduction of unrecognized tax benefits and a range of a \$5 million increase to a \$150 million reduction in associated interest may occur within the next 12 months as a result of additional worldwide uncertain tax positions, the closure of tax statutes, or the revaluation of current uncertain tax positions arising from the issuance of legislation, regulatory or other guidance or developments in examinations, in appeals or in the courts.

See Note 22, "Contingent Liabilities" for discussion regarding uncertain tax positions, included in the above range, related to pending litigation with respect to certain deductions claimed in Germany.

Note 17: Restructuring Costs

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions, and to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations.

During the years ended December 31, 2021, 2020 and 2019, we recorded pre-tax restructuring costs totaling \$56 million, \$77 million and \$54 million, respectively, for new and ongoing restructuring actions. We recorded restructuring charges in our operating segments as follows:

<i>(dollars in millions)</i>	2021	2020	2019
New Equipment	\$ 23	\$ 30	\$ 19
Service	33	47	35
Total	<u>\$ 56</u>	<u>\$ 77</u>	<u>\$ 54</u>

Restructuring charges incurred in the years ended December 31, 2021, 2020 and 2019 primarily relate to actions initiated during 2021, 2020 and 2019, and were recorded as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Cost of products and services sold	\$ 22	\$ 22	\$ 19
Selling, general and administrative	34	55	35
Total	<u>\$ 56</u>	<u>\$ 77</u>	<u>\$ 54</u>

Restructuring Actions. During 2021, we recorded restructuring costs of \$41 million for restructuring actions initiated in 2021, consisting of \$13 million in Cost of products and services sold and \$28 million in Selling, general and administrative expenses. During 2021, we recorded restructuring costs totaling \$13 million for restructuring actions initiated in 2020, consisting of \$9 million in Cost of products and services sold and \$4 million in Selling, general and administrative expenses. During 2021, we also recorded restructuring costs totaling \$2 million for restructuring actions initiated in 2019 and prior.

We are targeting to complete in 2022 the majority of remaining restructuring actions initiated in 2021 and 2020.

The following table summarizes the accrual balance and utilization for the 2021 and 2020 restructuring actions, which are primarily for severance costs:

<i>(dollars in millions)</i>	2021 Actions	2020 Actions
Restructuring accruals as of December 31, 2020	\$ —	\$ 42
Restructuring costs	41	13
Utilization, foreign exchange and other costs	(19)	(30)
Balance as of December 31, 2021	\$ 22	\$ 25

The following table summarizes expected, incurred and remaining costs for the 2021 and 2020 restructuring actions by segment:

<i>(dollars in millions)</i>	Expected Costs	Cost Incurred During 2020	Costs Incurred During 2021	Remaining Costs as of December 31, 2021
New Equipment	\$ 15	\$ —	\$ (14)	\$ 1
Service	33	—	(27)	6
Total 2021 Actions	\$ 48	\$ —	\$ (41)	\$ 7
New Equipment	\$ 36	\$ (29)	\$ (7)	\$ —
Service	48	(42)	(6)	—
Total 2020 Actions	\$ 84	\$ (71)	\$ (13)	\$ —

Note 18: Financial Instruments

We enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments under ASC 820, *Fair Value Measurement*. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, commodity prices and foreign exchange rates. These fluctuations can increase the costs of financing, investing in and operating the business. We may use derivative instruments, including swaps, forward contracts and options, to manage certain foreign currency, commodity price and interest rate exposures.

The average of the notional amount of foreign exchange contracts hedging foreign currency transactions was \$3.3 billion and \$3.0 billion as of December 31, 2021 and 2020, respectively. The average of the notional amount of contracts hedging commodity purchases was \$16 million and \$0 million as of December 31, 2021 and 2020, respectively

The following table summarizes the fair value and presentation on the Consolidated Balance Sheets for derivative instruments as of December 31:

<i>(dollars in millions)</i>	Balance Sheet Classification	2021	2020
Derivatives designated as Cash flow hedging instruments:			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 7	\$ 9
Foreign exchange contracts	Other assets	1	4
	Total asset derivatives	<u>\$ 8</u>	<u>\$ 13</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (3)	\$ (7)
Foreign exchange contracts	Other long-term liabilities	—	(4)
	Total liability derivatives	<u>\$ (3)</u>	<u>\$ (11)</u>
Derivatives not designated as Cash flow hedging instruments:			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 23	\$ 23
Foreign exchange contracts	Other assets	5	10
	Total asset derivatives	<u>\$ 28</u>	<u>\$ 33</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (11)	\$ (24)
Foreign exchange contracts	Other long-term liabilities	(2)	(8)
	Total liability derivatives	<u>\$ (13)</u>	<u>\$ (32)</u>

Derivatives designated as Cash flow hedging instruments

The amount of gain or (loss) attributable to foreign exchange contract activity reclassified from Accumulated other comprehensive income (loss) was immaterial for the years ended December 31, 2021, 2020 and 2019, respectively.

The effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) as of December 31, 2021 and 2020 are presented in the table below.

<i>(dollars in millions)</i>	December 31,	
	2021	2020
Gain (loss) recorded in Accumulated other comprehensive income (loss)	\$ 7	\$ 4

The Company utilizes the critical terms match method in assessing firm commitment derivatives for hedge effectiveness. Accordingly, the hedged items and derivatives designated as hedging instruments are highly effective.

Assuming current market conditions continue, a pre-tax gain of \$4 million is expected to be reclassified from Accumulated other comprehensive income (loss) into Cost of product sold to reflect the fixed prices obtained from foreign exchange hedging within the next 12 months. All derivative contracts accounted for as cash flow hedges as of December 31, 2021 will mature by December 2024.

Net Investment Hedges

We have foreign-denominated long-term debt balances that qualify as net investment hedges. Changes in the value of these net investment hedges due to foreign currency gains or losses are deferred as foreign currency translation adjustments in Other comprehensive income (loss) on the Consolidated Statements of Comprehensive Income, and will remain in Accumulated other comprehensive income (loss) until the hedged investment is sold or substantially liquidated. We evaluate the effectiveness of the net investment hedges each quarter.

In September 2020, we issued €420 million of Euro denominated commercial paper. The Euro denominated commercial paper while outstanding qualified as a net investment hedge against our investments in European businesses and was deemed to be effective as of December 31, 2020. During 2021, we fully repaid the Euro denominated commercial paper and there is no longer a net investment hedge as of December 31, 2021. During 2021 and 2020, we recognized \$16 million of gains and \$18 million of losses, respectively, associated with this net investment hedge in Other comprehensive income (loss).

We have ¥21.5 billion of Japanese Yen denominated long-term debt, which qualifies as a net investment hedge against our investments in Japanese businesses. As of December 31, 2021, the net investment hedge is deemed to be effective. During 2021, we recognized \$10 million of gains associated with this net investment hedge in Other comprehensive income (loss).

Derivatives not designated as Cash flow hedging instruments

The net effect of derivatives not designated as Cash flow hedging instruments within Other income (expense) net, on the Consolidated Statements of Operations was as follows:

(dollars in millions)	Year Ended December 31,		
	2021	2020	2019
Foreign exchange contracts	\$ 9	\$ (4)	\$ (9)

Note 19: Fair Value Measurements

In accordance with the provisions of ASC 820: *Fair Value Measurements*, the following tables provide the valuation hierarchy classification of assets and liabilities that are carried at fair value and measured on a recurring and non-recurring basis in our Consolidated Balance Sheets as of December 31, 2021 and 2020:

(dollars in millions)	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Equity securities	\$ 25	\$ 25	\$ —	\$ —
Derivative assets	36	—	36	—
Derivative liabilities	(16)	—	(16)	—

(dollars in millions)	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Equity securities	\$ 59	\$ 59	\$ —	\$ —
Derivative assets	46	—	46	—
Derivative liabilities	(43)	—	(43)	—

Valuation Techniques. Our equity securities include equity investments that are traded in active markets, either domestically or internationally, and are measured at fair value using closing stock prices from active markets. The fair value gains or losses related to our equity securities are recorded through net income. Our derivative assets and liabilities include foreign exchange and commodity contracts that are measured at fair value using internal models based on observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks.

As of December 31, 2021, there has not been any significant impact to the fair value of our derivative liabilities due to our own credit risk. Similarly, there has not been any significant adverse impact to our derivative assets based on our evaluation of our counterparties' credit risks.

The fair values of the current portion of the Company's financial instruments not carried at fair value approximated their carrying values because of the short-term nature of the current portion. The fair value of receivables, including customer financing notes receivable, net, that were issued long-term are based on the discounted values of their related cash flows at interest rates reflecting the attributes of the counterparties, including geographic location. Customer-specific risk, including credit risk, is already considered in the carrying value of those receivables. Our long-term debt, as described in Note 10, "Borrowings and Lines of Credit", are measured at fair value using closing bond prices from active markets.

The following table provides carrying amounts and fair values of financial instruments that are not carried at fair value in our Consolidated Balance Sheets as of December 31, 2021 and 2020:

(dollars in millions)	December 31, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term receivables, net	\$ 65	\$ 63	\$ 65	\$ 62
Customer financing notes receivable, net	77	76	128	126
Short-term borrowings	(24)	(24)	(701)	(701)
Long-term debt (excluding leases and other)	(7,296)	(7,420)	(5,300)	(5,717)
Long-term liabilities (including current portion)	(253)	(240)	(263)	(234)

Long-term liabilities (including current portion) as of December 31, 2021 includes \$239 million of payables to RTX for reimbursement of tax payments that RTX is responsible to pay after the Separation as a result of the TMA.

The following tables provide the valuation hierarchy classification of assets and liabilities that are not carried at fair value in the Consolidated Balance Sheets as of December 31, 2021 and 2020:

(dollars in millions)	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 63	\$ —	\$ 63	\$ —
Customer financing notes receivable, net	76	—	76	—
Short-term borrowings	(24)	—	(24)	—
Long-term debt (excluding leases and other)	(7,420)	—	(7,420)	—
Long-term liabilities (including current portion)	(240)	—	(240)	—

(dollars in millions)	December 31, 2020			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 62	\$ —	\$ 62	\$ —
Customer financing notes receivable, net	126	—	126	—
Short-term borrowings	(701)	—	(701)	—
Long-term debt (excluding leases and other)	\$ (5,717)	—	(5,717)	—
Long-term liabilities (including current portion)	(234)	—	(234)	—

Note 20: Guarantees

The Company provides service and warranty on its products beyond normal service and warranty policies. The changes in the carrying amount of service and product guarantees for the years ended December 31, 2021 and 2020 are as follows:

<i>(dollars in millions)</i>	2021	2020
Balance as of January 1	\$ 25	\$ 27
Warranties	3	12
Settlements made	(9)	(14)
Other	1	—
Balance as of December 31	<u>\$ 20</u>	<u>\$ 25</u>

The Company provides certain financial guarantees to third parties. As of December 31, 2021, Otis has stand-by letters of credit with maximum potential payment totaling \$154 million. We accrue costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts, and where no amount within a range of estimates is more likely, the minimum is accrued. In accordance with the FASB ASC Topic 460: *Guarantees*, we record these liabilities at fair value. As of December 31, 2021, Otis has determined there are no estimated costs probable under these guarantees.

In connection with the Tender Offer, the Company entered into certain arrangements whereby third party banks agreed to provide financial guarantees to the CNMV in an amount equal to the original total price of the Tender Offer of €1.63 billion, as required by the Spanish takeover code. On November 12, 2021, the financial guarantees to the CNMV were terminated upon deposit into escrow of an amount equal to the total price of the Tender Offer. See Note 10, "Borrowings and Lines of Credit" for additional discussion of the Euro Notes issued to fund the Tender Offer.

Note 21: Leases

ASU 2016-02, *Leases (Topic 842)* and its related amendments (collectively, "Lease Accounting Standard") establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the Consolidated Balance Sheets for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition on the Consolidated Statements of Operations.

We enter into lease agreements for the use of real estate space, vehicles and certain other equipment under operating and finance leases. We determine if an arrangement contains a lease at inception. Operating leases are included in Operating lease ROU assets, Accrued liabilities, and Operating lease liabilities in our Consolidated Balance Sheets. Finance leases are not considered significant to our Consolidated Balance Sheets or Consolidated Statements of Operations. We apply the practical expedient for short-term leases, whereby a lease ROU asset and liability is not recognized and the expense is recognized in a straight-line basis over the lease term.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments, and use the implicit rate when readily determinable. We determine our incremental borrowing rate through market sources including relevant industry rates. Our lease ROU assets also include any lease pre-payments and exclude lease incentives. Certain of our leases include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease. We exclude variable payments from lease ROU assets and lease liabilities, to the extent not considered fixed, and instead, expense variable payments as incurred. Variable lease expense and lease expense for short duration contracts is not a material component of lease expense. Our leases generally have remaining lease terms of 1 to 20 years, some of which include options to extend leases. The majority of our leases with options to extend are up to five years with the ability to terminate the lease within one year. The exercise of lease renewal options is at our sole discretion and our lease ROU assets and liabilities reflect only the options we are reasonably certain that we will exercise. Lease expense is recognized on a straight-line basis over the lease term.

Operating lease expense for the years ended December 31, 2021, 2020 and 2019 as \$147 million, \$148 million and \$152 million, respectively. The Company made immaterial adjustments to the prior year footnote disclosure of operating lease expense in 2020 and 2019, which did not impact the amounts recorded in the Consolidated Statements of Operations for the years ended December 31, 2020 and 2019.

Supplemental cash flow information related to operating leases for the years ended December 31, 2021, 2020 and 2019 were as follows:

<i>(dollars in millions)</i>	2021	2020	2019
Cash paid for amounts included in the measurement of operating lease liabilities:			
Operating cash outflows from operating leases	\$ (154)	\$ (162)	\$ (134)
Non-cash operating lease activity:			
ROU assets obtained in exchange for operating lease liabilities	135	126	157

Operating lease ROU assets and liabilities are reflected on our Consolidated Balance Sheets as follows:

<i>(dollars in millions)</i>	December 31,	
	2021	2020
Operating lease ROU assets	\$ 526	\$ 542
Accrued liabilities	\$ 181	\$ 167
Operating lease liabilities	336	367
Total operating lease liabilities	\$ 517	\$ 534

Supplemental information related to operating leases was as follows:

	December 31,	
	2021	2020
Weighted Average Remaining Lease Term (in years)	4.4	5.0
Weighted Average Discount Rate	2.6 %	2.9 %

Undiscounted maturities of operating lease liabilities, including options to extend lease terms that are reasonably certain of being exercised, as of December 31, 2021 are as follows:

<i>(dollars in millions)</i>	Total
2022	\$ 171
2023	136
2024	102
2025	52
2026	32
Thereafter	52
Total undiscounted lease payments	545
Less: imputed interest	(28)
Total discounted lease payments	\$ 517

Note 22: Contingent Liabilities

Except as otherwise noted, while we are unable to predict the final outcome, based on information currently available, we do not believe that resolution of any of the following matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition. In addition to the specific amounts noted below, where we have recorded loss contingency accruals for other matters described below, the amounts in aggregate are not material. Legal costs generally are expensed when incurred.

Environmental. As previously disclosed, the Company's operations are subject to environmental regulation by authorities with jurisdiction over its operations. The Company has accrued for the costs of environmental remediation activities, including, but not limited to, investigatory, remediation, operating and maintenance costs and performance guarantees, and periodically reassesses these amounts. Management believes that the likelihood of incurring losses materially in excess of amounts accrued is remote. The outstanding liability for environmental obligations was \$12 million as of December 31, 2021 and December 31, 2020, and is principally included in Other long-term liabilities on the Consolidated Balance Sheets.

Legal Proceedings.

German Tax Litigation

As previously disclosed, we have been involved in administrative review proceedings with the German Tax Office, which concern approximately €215 million (approximately \$243 million as of December 31, 2021) of tax benefits that we have claimed related to a 1998 reorganization of the corporate structure of our operations in Germany. Upon audit, these tax benefits were disallowed by the German Tax Office. We estimate interest associated with the aforementioned tax benefits is an additional approximately €118 million (approximately \$134 million as of December 31, 2021).

On August 3, 2012, a suit was filed in the local German Tax Court (Berlin-Brandenburg). In 2015, our former parent UTC made tax and interest payments to German tax authorities of €275 million (approximately \$300 million) in order to avoid additional interest accruals pending final resolution of this matter. In March 2016, the local German Tax Court dismissed the suit, and we appealed this decision to the German Federal Tax Court. Following a hearing on July 24, 2018, the German Federal Tax Court remanded the matter to the local German Tax Court for further proceedings. On December 7, 2020, the local Tax Court ruled against the Company. We have filed an appeal with the Federal Tax Court and expect a decision on our appeal in the first quarter of 2022. There is no assurance, however, that the German Federal Tax Court will agree to hear the appeal or, if it does, rule in the Company's favor, and the decision of the German Tax Office ultimately could be sustained.

Pursuant to the TMA, the Company retains the liability associated with the remaining interest, and has recorded an interest accrual of €45 million (approximately \$50 million as of December 31, 2021), net of payments and other deductions, included within Accrued liabilities on the Consolidated Balance Sheets as of December 31, 2021. In the event that RTX and the Company prevail in this matter, any recoveries would be allocated between RTX and the Company pursuant to the terms of the TMA.

Asbestos Matters

As previously disclosed, we have been named as defendants in lawsuits alleging personal injury as a result of exposure to asbestos. While we have never manufactured any asbestos-containing component parts, and no longer incorporate asbestos in any current products, certain of our historical products have contained components manufactured by third parties incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or were covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos related claims were not material individually or in the aggregate as of, and for the years ended, December 31, 2021 and December 31, 2020.

The estimated range of total liabilities to resolve all pending and unasserted potential future asbestos claims through 2059 is \$22 million to \$45 million as of December 31, 2021, and \$23 million to \$45 million as of December 31, 2020. Because no amount within the range of estimates is more likely to occur than any other, we recorded the minimum amount of \$22 million and \$23 million as of December 31, 2021 and 2020, respectively, which is principally recorded in Other long-term liabilities on our Consolidated Balance Sheets. Amounts are on a pre-tax basis, not discounted, and excludes the Company's legal fees to defend the asbestos claims (which will continue to be expensed as they are incurred). In addition, the Company has an insurance recovery receivable for probable asbestos related recoveries of approximately \$5 million, which is principally recorded in Other assets on our Consolidated Balance Sheets as of December 31, 2021 and December 31, 2020.

Putative Class Action Lawsuit

On August 12, 2020, a putative class action lawsuit, (Geraud Darnis et al. v. Raytheon Technologies Corporation et al.), was filed in the United States District Court for the District of Connecticut against Otis, Raytheon Technologies Corporation ("RTX"), Carrier, each of their directors, and various incentive and deferred compensation plans. On September 13, 2021, plaintiffs filed an amended complaint against the three company defendants only. The named plaintiffs are former employees of UTC and its current and former subsidiaries, including Otis and Carrier. They seek to recover monetary damages, as well as related declaratory and equitable relief, based on claimed decreases in the value of long-term incentive awards and deferred compensation under nonqualified deferred compensation plans allegedly caused by the formula used to calculate the adjustments to such awards and deferred compensation from RTX, Carrier, and Otis following the spin-offs of Carrier and Otis and the subsequent combination of UTC and Raytheon Company. Otis believes that the claims against the Company are without merit. At this time, Otis is unable to predict the outcome, or reasonably estimate the possible loss or range of loss, if any, which could result from this action.

Other. As previously disclosed, we have commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising out of the normal course of business. We accrue contingencies based on a range of possible outcomes. If no amount within this range is a better estimate than any other, we accrue the minimum amount. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, we expect that the outcome of such claims, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows or results of operations.

As previously disclosed, in certain European countries, claims for overcharges on elevators and escalators related to civil cartel cases have been made, which we have accrued for based on our evaluation of the claims. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, historical settlement experience of these cases have not been material to the business, financial condition, cash flows or results of operations, however the future outcome of these cases cannot be determined.

As previously disclosed, in the ordinary course of business, the Company is also routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and its subsidiaries and could result in fines, penalties, compensatory or treble damages or non-monetary relief. We do not believe that these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

Note 23: Segment Financial Data

Our operations are classified into two operating segments: New Equipment and Service. Through the New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators as well as escalators and moving walkways to customers in the residential and commercial building and infrastructure projects. The Service segment provides maintenance and repair services for both our products and those of other manufacturers, and provides modernization services to upgrade elevators and escalators. The operating segments are generally based on the management structure of the Company, how management allocates resources, assesses performance and makes strategic and operational decisions.

Segment Information. Segment information for the years ended December 31 are as follows:

(dollars in millions)	Net Sales			Operating Profit		
	2021	2020	2019	2021	2020	2019
New Equipment	\$ 6,428	\$ 5,371	\$ 5,648	\$ 459	\$ 318	\$ 393
Service	7,870	7,385	7,470	1,762	1,611	1,603
Total segments	14,298	12,756	13,118	2,221	1,929	1,996
General corporate expenses and other ⁽¹⁾	—	—	—	(113)	(290)	(182)
Total	\$ 14,298	\$ 12,756	\$ 13,118	\$ 2,108	\$ 1,639	\$ 1,814

⁽¹⁾ The decrease in General corporate expenses and other during 2021 compared to 2020 is primarily driven by fixed asset impairment charges of \$71 million and associated license costs of \$14 million in 2020, as well as lower non-recurring Separation-related and shared costs of \$106 million in 2021 compared with 2020.

Total assets are not presented for each segment as they are not presented to, or reviewed by, the Chief Operating Decision Maker.

Geographic External Sales. Geographic Net sales are attributed to the geographic regions based on their location of origin. With the exception of the U.S. and China, there were no individually significant countries with sales exceeding 10% of Net sales during the years ended December 31, 2021, 2020 and 2019.

(dollars in millions)	External Net Sales			Long Lived Assets		
	2021	2020	2019	2021	2020	2019
United States Operations	\$ 3,700	\$ 3,462	\$ 3,594	\$ 336	\$ 309	\$ 295
International Operations						
China	2,877	2,135	2,113	111	113	105
Other	7,721	7,159	7,411	327	352	321
Total	\$ 14,298	\$ 12,756	\$ 13,118	\$ 774	\$ 774	\$ 721

Segment Net sales disaggregated by product and service type for the years ended December 31, 2021, 2020 and 2019 are as follows:

(dollars in millions)	2021	2020	2019
Disaggregated Net sales by type			
New Equipment	\$ 6,428	\$ 5,371	\$ 5,648
Maintenance and Repair	6,472	6,047	6,120
Modernization	1,398	1,338	1,350
Total Service	7,870	7,385	7,470
Total	\$ 14,298	\$ 12,756	\$ 13,118

Major Customers. There were no customers that individually accounted for 10% or more of the Company's consolidated Net sales for the years ended December 31, 2021, 2020 and 2019.

Note 24: Subsequent Events

On January 14, 2022, the Company redeemed its \$500 million floating rate notes due in 2023, at par, using cash on hand and commercial paper borrowings. See Note 10, "Borrowings and Lines of Credit" for details of the long-term debt.

OTIS WORLDWIDE CORPORATION
SCHEDULE II - Valuation and Qualifying Accounts
Three years ended December 31, 2021
(Dollars in millions)

Allowance for Doubtful Accounts and Expected Credit Losses:

Balance, December 31, 2018	\$	84
Provision charged to income		26
Doubtful accounts written off		(19)
Other		(8)
Balance, December 31, 2019		83
Impact of credit standard adoption		28
Provision for expected credit losses		40
Write-offs charged against the allowance for expected credit losses		(20)
Other		30
Balance, December 31, 2020		161
Provision for expected credit losses		37
Write-offs charged against the allowance for expected credit losses		(15)
Other		(8)
Balance, December 31, 2021	\$	175

Future Income Tax Benefits - Valuation Allowance

Balance, December 31, 2018	\$	29
Additions charged to income tax expense		28
Reductions credited to income tax expense		—
Other adjustments		(2)
Balance, December 31, 2019		55
Additions charged to income tax expense		63
Reductions credited to income tax expense		(13)
Other adjustments		137
Balance, December 31, 2020		242
Additions charged to income tax expense		30
Reductions credited to income tax expense		(10)
Other adjustments		(15)
Balance, December 31, 2021	\$	247

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(e) under the Exchange Act, we carried out an evaluation under the supervision and with the participation of our management, including the President and Chief Executive Officer ("CEO"), the Executive Vice President and Chief Financial Officer ("CFO") and the Vice President and Chief Accounting Officer ("CAO"), of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our CEO, our CFO and our CAO have concluded that, as of December 31, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO, our CFO and our CAO, as appropriate, to allow timely decisions regarding required disclosure.

Management Report on Internal Control over Financial Reporting

The information required by Item 9A relating to Management's Annual Report on Internal Control Over Financial Reporting and Attestation Report of the Registered Public Accounting Firm is found in Item 8. Financial Statements and Supplementary Data of this Form 10-K and incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2021, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 with respect to directors, the Audit Committee of the Board of Directors and audit committee financial experts is incorporated herein by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Corporate governance" (under the subheadings "Proposal 1: Election of directors", "Our Board leadership structure", "Board committees" and "Our board nominees").

Information about our Executive Officers

The following persons are executive officers of Otis Worldwide Corporation:

Name	Position	Other Business Experience Since 1/1/2017	Age as of 2/4/2022
Bernardo Calleja Fernandez	President, Otis EMEA (since November 2020)	President of Otis South Europe & Africa, Otis; President, Otis South Europe & Turkey, Otis	59
James F. Cramer	President, Otis Americas (since June 2020)	Regional Vice President, U.S. Western Region, Otis	57
Rahul Ghai	Executive Vice President and Chief Financial Officer (since April 2020)	Vice President and Chief Financial Officer, Otis; Senior Vice President and Chief Financial Officer, Harris Corporation	50
Nora E. LaFreniere	Executive Vice President and General Counsel (since July 2021)	Executive Vice President, Chief General Counsel and Corporate Secretary, Vice President, General Counsel, Otis	50
Abbe Luersman	Executive Vice President and Chief People Officer (since July 2021)	Chief Human Resource Officer, Ahold Delhaize	54
Judith F. Marks	Chair, President and Chief Executive Officer (since February 2022)	President and Chief Executive Officer; President, Otis; Chief Executive Officer, Siemens USA and Dresser-Rand (a Siemens company); Executive Vice President, New Equipment Solutions, Dresser-Rand	58
Stephane de Montlivault	President, Otis Asia Pacific (since April 2020)	President, Otis Asia Pacific; President, Otis Northeast Asia, Otis President, Northeast Asia and President of Nippon Otis Elevator Company	62
Michael P. Ryan	Vice President and Chief Accounting Officer (since April 2020)	Vice President and Assistant Controller, UTC; and Executive Director, Corporate Accounting and Controls, UTC	52
Peiming Zheng (Perry)	President, Otis China and Chief Customer Product Officer (since December 2021)	President, Otis China; President, Business & Industrial Systems China, Otis	54

All of the officers serve at the pleasure of the Board of Directors of Otis Worldwide Corporation.

Information concerning Section 16(a) compliance is incorporated herein by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Other important information" under the subheading "Delinquent section 16(a) reports." We have adopted a code of ethics, the Otis Absolutes, that applies to all our directors, officers, employees and representatives. This code is publicly available on our website at <http://www.otis.com/How-We-Work/Ethics-And-Compliance/Pages/Default.aspx>. Amendments to the code of ethics and any grant of a waiver from a provision of the code requiring disclosure under applicable SEC rules will be disclosed on our website. Our Corporate Governance Guidelines and the charters of our Board of Directors' Audit Committee, Compensation Committee and Nominations and Governance Committee are available on our website at <http://www.otis.com/Who-We-Are/Corporate-Governance/Pages/default.aspx>. These materials may also be requested in print free of charge by writing to our Investor Relations Department at Otis Worldwide Corporation, One Carrier Place, Investor Relations, Farmington, CT 06032.

Item 11. Executive Compensation

The information required by Item 11 is incorporated herein by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Executive compensation", "Compensation of directors" and "Report of the compensation committee".

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information relating to security ownership of certain beneficial owners and management is incorporated herein by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Other important information" under the subheading "Stock ownership" ("Beneficial stock ownership of directors and executive officers" and "Certain beneficial owners").

Equity Compensation Plan Information

The following table provides information as of December 31, 2021 concerning Common Stock issuable under Otis' equity compensation plans.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by shareholders	5,221,275 ⁽¹⁾	\$52.97	25,645,407 ⁽²⁾
Equity compensation plans not approved by shareholders	-	-	-

⁽¹⁾ Consists of the following issuable shares of Common Stock awarded under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan ("LTIP"): (i) shares of Common Stock issuable upon the exercise of outstanding non-qualified stock options; (ii) shares of Common Stock issuable upon the exercise of outstanding Stock Appreciation Rights ("SARs"); (iii) shares of Common Stock issuable pursuant to outstanding restricted stock unit and performance share unit awards, assuming performance at the target level (up to an additional 330,204 shares of Common Stock could be issued if performance goals are achieved above target); and (iv) shares of Common Stock issuable upon the settlement of outstanding deferred stock units and restricted stock units under the Otis Worldwide Corporation Board of Directors Stock Unit Plan. Under the LTIP, each SAR is exercisable for a number of shares of Common Stock having a value equal to the increase in the market price of a share of such stock from the date the SAR was granted. For purposes of determining the total number of shares to be issued in respect of outstanding SARs, we have used the New York Stock Exchange ("NYSE") closing price for a share of Common Stock on December 31, 2021 of \$87.07. The weighted-average exercise price shown in the column above takes into account only the shares identified in clauses (i) and (ii).

⁽²⁾ Represents the maximum number of shares of Common Stock available to be awarded under the LTIP as of December 31, 2021. Performance share units, deferred stock units and restricted stock units ("Full Share Awards") will result in a reduction in the number of shares of Common Stock available for delivery under the LTIP in an amount equal to twice the number of shares to which the award corresponds under the terms of the LTIP. Stock options and SARs do not constitute Full Share Awards and will result in a reduction in the number of shares of Common Stock available for delivery under the 2020 LTIP on a one-for-one basis.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated herein by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Corporate governance" under the subheading "Our board nominees" (including under the subheading "Director independence") and "Other important information" (under the subheading "Transactions with related persons").

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareholders titled "Proposal 3: Appoint an independent auditor for 2022", including the information provided in that section with regard to "Audit Fees", "Audit-Related Fees", "Tax Fees" and "All Other Fees".

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Form 10-K:

- (1) Financial Statements. The financial statements are set forth in Item 8. "Financial Statements and Supplementary Data" in this Form 10-K.
- (2) Financial Statement Schedules. The following financial statement schedule is set forth in Item 8. "Financial Statements and Supplementary Data" in this Form 10-K. All other schedules have been omitted because they are not required, are not applicable or the required information is shown in the financial statements or the notes thereto.
 - Schedule II — Valuation and Qualifying Accounts
- (3) Exhibits. The following list of exhibits includes exhibits submitted with this Form 10-K as filed with the SEC and those incorporated by reference to other filings.

Exhibit	Description
	paration and Distribution Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation, incorporated by reference to Exhibit 2.1 of the Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
	ended and Restated Certificate of Incorporation of Otis Worldwide Corporation, incorporated by reference to Exhibit 3.1(b) of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
	ended and Restated Bylaws of Otis Worldwide Corporation, incorporated by reference to Exhibit 3.2 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
	enture, dated February 27, 2020, between Otis Worldwide Corporation and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.1 to Otis' Amendment No. 1 to Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on March 11, 2020.
	pplemental Indenture No. 1, dated February 27, 2020, between Otis Worldwide Corporation and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.2 to Otis' Amendment No. 1 to Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on March 11, 2020.
	pplemental Indenture No. 2, dated as of March 11, 2021, between Otis Worldwide Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 to Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on March 11, 2021.
	enture, dated as of November 12, 2021, among Otis Worldwide Corporation, Highland Holdings S.à r.l. and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 to Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on November 12, 2021.
	pplemental Indenture No. 1, dated as of November 12, 2021, among Otis Worldwide Corporation, Highland Holdings S.à r.l. and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.2 of Otis' Current Report on 8-K (Commission file number 001-39221) filed with the SEC on November 12, 2021).
	scription of Securities*
	ansition Services Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation, incorporated by reference to Exhibit 10.1 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
	x Matters Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation incorporated by reference to Exhibit 10.2 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.

Exhibit	Description
Employee Matters Agreement	dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation incorporated by reference to Exhibit 10.3 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Intellectual Property Agreement	dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation, incorporated by reference to Exhibit 10.4 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.5 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Otis Worldwide Corporation Change in Control Severance Plan	incorporated by reference to Exhibit 10.6 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Otis Worldwide Corporation Executive Annual Bonus Plan	incorporated by reference to Exhibit 10.7 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020;
Amendment No. 1 to Otis Worldwide Corporation Executive Annual Bonus Plan	incorporated by reference to Exhibit 10.3 to Otis' Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (Commission file number 001-39221) filed with the SEC on July 28, 2021.
Otis Worldwide Corporation Pension Preservation Plan	incorporated by reference to Exhibit 10.8 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Otis Worldwide Corporation Retirement Plan for Third Country National Employees	incorporated by reference to Exhibit 10.9 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Otis Worldwide Corporation Board of Directors Deferred Stock Unit Plan	incorporated by reference to Exhibit 10.10 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020;
Otis Worldwide Corporation Board of Directors Deferred Stock Unit Plan (Amended and Restated effective as of February 4, 2021)	incorporated by reference to Exhibit 10.4 to Otis' Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (Commission file number 001-39221) filed with the SEC on July 28, 2021.
Amended Sub-Plan for Restricted Stock Units Granted Under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.11 of Otis' Current Report on Form 8-K (Commission file number 001-39221) filed with the SEC on April 3, 2020.
Schedule of Terms for Restricted Stock Unit Awards granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.8 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020.
Schedule of Terms for Restricted Stock Unit Awards (Off-Cycle) granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.9 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020.
Schedule of Terms for Stock Appreciation Right Awards granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.10 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020.
Schedule of Terms for Stock Appreciation Right Awards (Off-Cycle) granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.11 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020.
Schedule of Terms for Performance Share Unit Awards granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan	incorporated by reference to Exhibit 10.12 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020.
Otis Worldwide Corporation Deferred Compensation Plan	incorporated by reference to Exhibit 10.14 to Otis' Registration Statement on Form 10 (Commission file number 001-39221) filed with the SEC on February 7, 2020;
Amendment No. 1 to the Otis Worldwide Corporation Deferred Compensation Plan.*	

Exhibit Description

[is Worldwide Corporation Amended and Restated Savings Restoration Plan, incorporated by reference to Exhibit 10.15 to Otis' Amendment No. 1 to Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on March 11, 2020;](#)

[Amendment No. 1 to Otis Worldwide Corporation Amended and Restated Savings Restoration Plan, incorporated by reference to Exhibit 10.1 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021;](#)

[Amendment No. 2 to the Otis Worldwide Corporation Amended and Restated Savings Restoration Plan.*](#)

[is Worldwide Corporation Company Automatic Contribution Excess Plan, incorporated by reference to Exhibit 10.16 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020;](#)

[Amendment No. 1 to the Otis Worldwide Corporation Company Automatic Contribution Excess Plan.*](#)

[is Worldwide Corporation LTIP Performance Share Unit Deferral Plan, incorporated by reference to Exhibit 10.17 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020;](#)

[Amendment No. 1 to the Otis Worldwide Corporation LTIP Performance Share Unit Deferral Plan.*](#)

[Otis United Technologies Corporation Executive Leadership Group Agreements, incorporated by reference to Exhibit 10.19 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020.](#)

[Otis Schedule of Terms for United Technologies Corporation Executive Leadership Group Restricted Stock Unit Retention Awards, incorporated by reference to Exhibit 10.20 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020.](#)

[Offer Letter with Rahul Ghai, dated June 27, 2019, incorporated by reference to Exhibit 10.24 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020.](#)

[Letter of Assignment with Stephane de Montlivault, dated December 18, 2019, incorporated by reference to Exhibit 10.25 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020;](#)

[Letter of Assignment Extension with Stephane de Montlivault dated October 1, 2021.*](#)

[Letter of Appointment/Employment with Stephane de Montlivault, dated December 18, 2019, incorporated by reference to Exhibit 10.26 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020.](#)

[Letter Agreement with Judith F. Marks regarding LTIP award amendment, dated February 3, 2020, incorporated by reference to Exhibit 10.29 to Otis' Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on February 7, 2020.](#)

[Summary of Compensation and Benefits for Non-Employee Directors.*](#)

[is Worldwide Corporation Executive Leadership Group Severance Plan, incorporated by reference to Exhibit 10.1 of Otis' Current Report on Form 8-K \(Commission file number 001-39221\) filed with the SEC on September 18, 2020.](#)

[Letter of Assignment for Peiming \(Perry\) Zheng, effective January 1, 2021, incorporated by reference to Exhibit 10.33 of Otis' Annual Report on Form 10-K for the year ended December 31, 2020 \(Commission file number 001-39221\) filed with the SEC on February 5, 2021.](#)

[Employment Contract \(Foreign National or Hong Kong, Macao or Taiwan Resident\) for Peiming \(Perry\) Zheng, effective January 1, 2021, incorporated by reference to Exhibit 10.34 of Otis' Annual Report on Form 10-K for the year ended December 31, 2020 \(Commission file number 001-39221\) filed with the SEC on February 5, 2021.](#)

Exhibit Description

[volving Credit Agreement, dated February 10, 2020, among Otis Worldwide Corporation, the subsidiary borrowers party thereto, the lenders and other parties party thereto and JPMorgan Chase Bank, N.A., incorporated by reference to Exhibit 10.30 to Otis' Amendment No. 1 to Registration Statement on Form 10 \(Commission file number 001-39221\) filed with the SEC on March 11, 2020;](#)

[st Amendment dated as of September 4, 2020, to Revolving Credit Agreement, dated February 10, 2020, among Otis Worldwide Corporation, the subsidiary borrowers party thereto, the lenders and other parties party thereto and JPMorgan Chase Bank, N.A., incorporated by reference to Exhibit 10.1 to Otis' Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 \(Commission file number 001-39221\) filed with the SEC on October 28, 2020;](#)

[sension of Rights Agreement to the Revolving Credit Agreement, incorporated by reference to Exhibit 10.4 to Otis' Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 \(Commission file number 001-39221\) filed with the SEC on October 26, 2021.](#)

[ployment Contract between Otis Elevator Worldwide SRL and Bernardo Calleja Fernández, dated January 29, 2021, incorporated by reference to Exhibit 10.2 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021;](#)

[mination of Employment Contract between Otis Elevator Worldwide SRL and Bernardo Calleja Fernández, dated November 14, 2021.*](#)

[vice Agreement between Zardoya Otis S.A and Bernardo Calleja Fernández, dated January 26, 2021, incorporated by reference to Exhibit 10.3 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021;](#)

[endment Agreement to the Service Agreement between Zardoya Otis S.A and Bernardo Calleja Fernández, dated February 23, 2021, incorporated by reference to Exhibit 10.4 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021;](#)

[tter of Amendment to Service Agreement between Zardoya Otis S.A and Bernardo Calleja Fernández, dated May 19, 2021, incorporated by reference to Exhibit 10.2 to Otis' Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 \(Commission file number 001-39221\) filed with the SEC on July 28, 2021;](#)

[ployment Contract between Otis International Sàrl and Bernardo Calleja Fernández, effective November 15, 2021.*](#)

[chedule of Terms for Restricted Stock Unit Awards \(February 5, 2021\) granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.5 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021.](#)

[chedule of Terms for Stock Appreciation Right Awards \(February 5, 2021\) granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.6 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021.](#)

[chedule of Terms for Performance Share Unit Awards \(February 5, 2021\) granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.7 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021.](#)

[rm of Executive Award Statement under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.8 to Otis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 \(Commission file number 001-39221\) filed with the SEC on April 28, 2021.](#)

[MV Guarantees Issuance Agreement, dated 22 September 2021, among Opal Spanish Holdings, S.A.U., Morgan Stanley Bank AG, as CNMV guarantee provider, Morgan Stanley Bank Senior Funding, Inc., as administrative agent, and the other financial institutions from time to time party thereto, incorporated by reference to Exhibit 10.1 of Otis' Current Report on Form 8-K \(Commission file number 001-39221\) filed with the SEC on September 23, 2021.](#)

[mpany Guarantee Agreement, dated September 22, 2021, between Otis Worldwide Corporation and Morgan Stanley Senior Funding, Inc., as administrative agent, incorporated by reference to Exhibit 10.2 of Otis' Current Report on Form 8-K \(Commission file number 001-39221\) filed with the SEC on September 23, 2021.](#)

Exhibit Description

[Edge Loan Credit Agreement, dated September 22, 2021, among Opal Spanish Holdings, S.A.U., Otis Worldwide Corporation, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, incorporated by reference to Exhibit 10.3 of Otis' Current Report on Form 8-K \(Commission file number 001-39221\) filed with the SEC on September 23, 2021.](#)

[Letter between Otis Worldwide Corporation and Abbe L. Luersman, dated March 27, 2021, incorporated by reference to Exhibit 10.5 to Otis' Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 \(Commission file number 001-39221\) filed with the SEC on October 26, 2021.](#)

the Otis Absolutes. The Otis Absolutes may be accessed via Otis' website at <https://www.otisinvestors.com/static-files/d4712262-a281-4b8b-8430-a35803762de3>

[Subsidiaries of the Registrant.*](#)

[Consent of PricewaterhouseCoopers LLP.*](#)

[Signers of Attorney of Jeffrey H. Black, Kathy Hopinkah Hannan, Shailesh G. Jejurikar, Christopher J. Kearney, Judith F. Marks, Harold W. McGraw III, Margaret M.V. Preston, Shelley Stewart, Jr. and John H. Walker.*](#)

[Exhibit 13a-14\(a\)/15d-14\(a\) Certification.*](#)

[Exhibit 13a-14\(a\)/15d-14\(a\) Certification.*](#)

[Exhibit 13a-14\(a\)/15d-14\(a\) Certification.*](#)

[Section 1350 Certifications.*](#)

3RL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*

3RL Taxonomy Extension Schema Document.*

3RL Taxonomy Extension Calculation Linkbase Document.*

3RL Taxonomy Extension Definition Linkbase Document.*

3RL Taxonomy Extension Label Linkbase Document.*

3RL Taxonomy Extension Presentation Linkbase Document.*

Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

Notes to Exhibits List:

* Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Operations for the three years ended December 31, 2021, (ii) Consolidated Statements of Comprehensive Income for the three years ended December 31, 2021, (iii) Consolidated Balance Sheets as of December 31, 2021 and 2020, (iv) Consolidated Statements of Cash Flows for the three years ended December 31, 2021, (v) Consolidated Statements of Changes in Equity for the three years ended December 31, 2021, (vi) Notes to Consolidated Financial Statements, and (vii) Financial Schedule of Valuation and Qualifying Accounts.

Item 16. Form 10-K Summary

Not applicable.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OTIS WORLDWIDE CORPORATION
(Registrant)

Dated: February 4, 2022

by: /s/ RAHUL GHAI
Rahul Ghai
Executive Vice President and Chief Financial Officer
(on behalf of the Registrant and as the Registrant's Principal Financial Officer)

Dated: February 4, 2022

by: /s/ MICHAEL P. RYAN
Michael P. Ryan
Vice President and Chief Accounting Officer
(on behalf of the Registrant and as the Registrant's Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JUDITH F. MARKS</u> Judith F. Marks	Director, Chair, President and Chief Executive Officer	February 4, 2022
<u>/s/ RAHUL GHAI</u> Rahul Ghai	Executive Vice President and Chief Financial Officer	February 4, 2022
<u>/s/ MICHAEL P. RYAN</u> Michael P. Ryan	Vice President and Chief Accounting Officer	February 4, 2022
<u>/s/ JEFFREY H. BLACK*</u> Jeffrey H. Black	Director	
<u>/s/ KATHY HOPINKAH HANNAN*</u> Kathy Hopinkah Hannan	Director	
<u>/s/ SHAILESH G. JEJURIKAR*</u> Shailesh G. Jejuri	Director	
<u>/s/ CHRISTOPHER J. KEARNEY*</u> Christopher J. Kearney	Director	
<u>/s/ HAROLD W. MCGRAW III*</u> Harold W. McGraw III	Director	
<u>/s/ MARGARET M.V. PRESTON*</u> Margaret M.V. Preston	Director	
<u>/s/ SHELLEY STEWART, JR.*</u> Shelley Stewart, Jr.	Director	
<u>/s/ JOHN H. WALKER*</u> John H. Walker	Director	

*By: /s/ NORA E. LAFRENIERE
Executive Vice President and General Counsel, as Attorney-in-fact

Date: February 4, 2022

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of the Annual Report on Form 10-K of which this exhibit is a part, Otis Worldwide Corporation (the "Company," "Otis," "we," "us," and "our") has four classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value \$0.01 per share; (2) our 0.000% Notes due 2023 (the "2023 Notes"); (3) our 0.318% Notes due 2026 (the "2026 Notes") and (4) our 0.934% Notes due 2031 (the "2031 Notes", and together with the 2023 Notes and the 2026 Notes, the "Notes").

Common Stock

The following briefly summarizes certain terms of Otis' common stock. This summary does not describe every aspect of our common stock and is subject, and is qualified in its entirety by reference, to all the provisions of our amended and restated certificate of incorporation and our amended and restated bylaws.

Otis' common stock is listed on the New York Stock Exchange under the symbol "OTIS."

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders.

Holders of common stock are entitled to share equally in the dividends, if any, that may be declared by Otis' board of directors out of funds that are legally available to pay dividends, but only after payment of any dividends required to be paid on outstanding preferred stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of Otis, the holders of common stock will be entitled to share ratably in all assets of Otis remaining after we pay:

- all of our debts and other liabilities and
- any amounts we may owe to the holders of our preferred stock.

Holders of common stock do not have any preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any series of preferred stock that we may designate and issue.

Delaware law and our amended and restated bylaws permit us to issue uncertificated shares of common stock.

The rights, preferences and privileges of common shareholders may be affected by the rights, preferences and privileges granted to holders of preferred stock. The Otis board of directors has the authority, without further action by the shareholders, to issue shares of preferred stock in one or more series, and to fix the rights, preferences and privileges (including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences) of each series, which may be greater than the rights of the common stock. It is not possible to state the actual effect of the issuance of any additional series of preferred stock upon the rights of common shareholders until the board of directors determines the specific rights of the holders of that series. However, the effects might include, among other things (1) restricting dividends on the common stock, (2) diluting the voting power of the common stock, (3) impairing the liquidation rights of the common stock or (4) delaying or preventing a change in control of Otis without further action by the shareholders.

At each annual meeting of shareholders, the entire Otis board of directors is elected for a term of one year. Otis' amended and restated bylaws provide that the board of directors may, from time to time, designate the number of directors; however, the number may not be less than five nor more than fourteen. Vacancies on the board (except in an instance where a director is removed by holders of common stock and the resulting vacancy is filled by holders of common stock) may be filled by a vote of the majority of the directors then in office, even if less than a quorum.

Otis' amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election of directors, other than nominations made by or at the direction of Otis' board of directors. Eligible shareholders will be permitted to include their own director nominees in Otis' proxy materials under the circumstances set forth in the amended and restated bylaws. Generally, a stockholder or a group of up to 20 shareholders, who has maintained continuous qualifying ownership of at least 3% of Otis' outstanding common stock for at least three years, will be permitted to include director nominees constituting up to 20% of the board of directors in the proxy materials for an annual meeting of shareholders if such stockholder or group of shareholders complies with the other requirements set forth in the proxy access provision.

Otis' amended and restated bylaws include an exclusive forum provision. This provision provides that, unless Otis consents in writing to the selection of an alternative forum, the sole and exclusive forum for various types of suits will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Such suits include (1) any derivative action or proceeding brought on behalf of Otis, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of Otis to the company or to Otis' shareholders, (3) any action asserting a claim against Otis or any director or officer or other employee of Otis arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL") or Otis' amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action asserting a claim against Otis or any director or officer or other employee of Otis governed by the internal affairs doctrine or (5) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. Under Otis' amended and restated bylaws, to the fullest extent permitted by law, this exclusive forum provision applies to state and federal law claims, including claims under the federal securities laws, including the Exchange Act, although Otis shareholders will not be deemed to have waived Otis' compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims subject to exclusive federal jurisdiction, a court could find the exclusive forum provision contained in Otis' amended and restated bylaws to be inapplicable or unenforceable.

Otis' amended and restated certificate of incorporation and amended and restated bylaws provide that any action permitted to be taken at an annual or special meeting of shareholders may be effected by the written consent of shareholders if shareholders representing 25 percent of the outstanding voting power of Otis capital stock have requested a record date for such action and certain other conditions are satisfied in accordance with Otis' amended and restated certificate of incorporation and amended and restated bylaws.

Otis' amended and restated certificate of incorporation and amended and restated bylaws provide that special meetings of shareholders may be called only by the board of directors, the chairman of the board of directors, or the Chief Executive Officer. The Secretary may also call a special meeting of shareholders in response to a written request of a stockholder or a group of shareholders who has maintained continuous qualifying ownership of at least 15% of Otis'

outstanding common stock for at least one year, subject to the provisions and conditions set forth in Otis' amended and restated certificate of incorporation and amended and restated bylaws.

Under Delaware law, the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage.

Certain of the provisions of Otis' amended and restated certificate of incorporation and amended and restated bylaws discussed above and below could discourage a proxy contest or the acquisition of control of a substantial block of our stock. These provisions could also have the effect of discouraging a third party from making a tender offer or otherwise attempting to obtain control of Otis, even though an attempt to obtain control of Otis might be beneficial to Otis and its shareholders.

Otis' amended and restated certificate of incorporation includes provisions eliminating the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Delaware law. The amended and restated bylaws include provisions indemnifying our directors and officers to the fullest extent permitted by Delaware law, including under circumstances in which indemnification is otherwise discretionary. The amended and restated bylaws additionally include provisions permitting the Chief Executive Officer or the General Counsel and the Chief Financial Officer acting together to reimburse the expenses of our current and former employees, agents and fiduciaries in advance of the final disposition of any such proceeding.

Section 203 of the DGCL, under certain circumstances, may make it more difficult for a person who is an "Interested Stockholder," as defined in Section 203, to effect various business combinations with a corporation for a three-year period. Under Delaware law, a corporation's certificate of incorporation or bylaws may exclude a corporation from the restrictions imposed by Section 203. However, Otis' amended and restated certificate of incorporation and amended and restated bylaws do not exclude us from these restrictions, and these restrictions apply to us.

Description of Debt Securities

The Notes were issued under that certain Indenture, dated November 12, 2021, among Highland Holdings S.à r.l., as issuer (“Issuer”), Otis, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented by that certain Supplemental Indenture No. 1, dated November 12, 2021 (the Indenture, as so supplemented, the “Indenture”). The following summary of certain provisions of the Indenture and the Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Indenture and the Notes. In this “Description of Debt Securities” section, when we refer to the “Issuer,” “Highland,” “we,” “our,” or “us,” we refer to Highland Holdings S.à r.l. and any successor obligor and not to Otis or any of its other subsidiaries. In this “Description of Debt Securities” section, when we refer to “Otis,” we refer to Otis Worldwide Corporation and any successor obligor and not to any subsidiaries of Otis.

The Indenture was filed with the SEC on November 12, 2021. The Indenture is qualified under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and you should refer to the Trust Indenture Act for provisions that apply to the Notes and the Parent Guarantees.

General

On November 12, 2021, we issued €500,000,000 in aggregate principal amount of the 2023 Notes. The 2023 Notes mature on November 12, 2023, and bear interest at a rate of 0.000% per annum.

On November 12, 2021, we issued €600,000,000 in aggregate principal amount of the 2026 Notes. The 2026 Notes mature on December 15, 2026, and bear interest at a rate of 0.318% per annum.

On November 12, 2021, we issued €500,000,000 in aggregate principal amount of the 2031 Notes. The 2031 Notes mature on December 15, 2031, and bear interest at a rate of 0.934% per annum.

Each of the 2023 Notes, the 2026 Notes and the 2031 Notes constitute separate series under the Indenture.

The Notes were issued in fully registered form, without coupons, in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof. Each series of Notes was issued in the form of one or more Global Notes (as defined in “Book-Entry, Delivery and Form”) registered in the name of a nominee of, and deposited with, a common depository for Clearstream and Euroclear. See “Book-Entry, Delivery and Form.”

The Notes are not subject to any sinking fund or mandatory redemption provisions.

The place of payment for the Notes is the office of the Paying Agent maintained for that purpose in the City of London, initially the corporate trust office of the Paying Agent, located at One Canada Square, London, E14 5AL, United Kingdom. The place where notices and demands to or upon the Issuer or Otis in respect of the Notes and the Indenture may be served is the principal corporate trust office of the Trustee in the City of Pittsburgh, Pennsylvania. All notices and communications to be given to the holders and all payments to be made to holders under the Notes will be given or made only to the registered holders (which will be Euroclear, Clearstream or a nominee, in the case of a Global Note).

Otis and Highland may at any time and from time to time purchase Notes in the open market, by tender offer, through privately negotiated transactions or otherwise.

Issuance in Euro

Payments of principal, interest and Additional Amounts, if any, in respect of the Notes or the Parent Guarantees, as applicable, are payable in euro. If the euro is unavailable to the Issuer or Otis due to the imposition of exchange controls or other circumstances beyond the Issuer's or Otis' control, then all payments in respect of the Notes or the Parent Guarantees, as applicable, will be made in U.S. dollars until the euro is again available to the Issuer or Otis or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the then-most recent U.S. dollar/euro exchange rate published in the *Wall Street Journal* on or prior to the second Business Day prior to the relevant payment date or, in the event the *Wall Street Journal* has not published such exchange rate, the rate will be determined by Otis in its sole discretion on the basis of the most recently available market exchange rate for euro. Any payment in respect of the Notes so made in U.S. dollars will not constitute an event of default under the Notes or the Indenture. Neither the Trustee nor the Paying Agent will have any responsibility for any calculation or conversion in connection with the foregoing.

Investors will be subject to foreign exchange risks as to payments of principal, interest and Additional Amounts, if any, that may have important economic and tax consequences to them.

Interest on the Notes

The Notes bear interest at the applicable annual rate described above under the heading “-General” and accrue interest from the date of original issuance or from the most recent date to which interest has been paid or duly provided for.

Interest will be payable on the Notes annually in arrears on the dates set forth in this paragraph and on the Maturity of such series, to the persons in whose names such Notes are registered on the relevant Record Date; provided that interest payable at the Maturity will be payable to the persons to whom the principal of such Notes is payable. Interest on the 2023 Notes is payable on November 12 of each year, beginning November 12, 2022. Interest on the 2026 Notes is payable on December 15 of each year, beginning December 15, 2022. Interest on the 2031 Notes is payable on December 15 of each year, beginning December 15, 2022. If the date on which a payment of interest or principal on the Notes is scheduled to be paid is not a Business Day, then the interest or principal payable on that date will be paid on the next succeeding Business Day, and no further interest will accrue as a result of such delay. Interest on the Notes shall be computed on the basis of the actual number of days in the period for which interest is being calculated, and including the last date on which interest was paid or duly provided for in the notes (or from the issue date, if no interest has been paid on the Notes), but excluding the next following interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA), as defined in the rulebook of the International Capital Markets Association. The amount of interest payable for any period shorter than a full monthly period will be computed on the basis of the actual number of calendar days elapsed in such a period.

Guarantee

Otis fully and unconditionally guarantees to each holder of the Notes and to the Trustee the full and punctual payment when due, whether at stated maturity, by acceleration, by redemption or otherwise, of all obligations of Highland under the Indenture and the Notes, whether for payment of principal of, or interest on or premium, if any, on, the Notes and all other monetary obligations of Highland under the Indenture and the Notes (Otis' guarantee of each such series, a “Parent Guarantee” and, collectively, the “Parent Guarantees”). The Notes are not guaranteed by any of Otis' or the Issuer's subsidiaries. The Parent Guarantees are set forth in the Indenture.

Otis' guarantee of the Notes of any series shall be automatically released and discharged upon (a) the exercise by the Issuer of its legal defeasance option or (b) the discharge of the Issuer's obligations under the Indenture in accordance with the terms of the Indenture.

Ranking

The Notes are our unsecured and unsubordinated obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness, liabilities and other obligations and senior in right of payment to all of our future indebtedness that is subordinated to the Notes. The Notes will be effectively subordinated in right of payment to any of our future secured indebtedness to the extent of the value of the assets securing such indebtedness, and are structurally subordinated in right of payment to any existing and future indebtedness, liabilities and other obligations of our subsidiaries.

The Parent Guarantees are Otis' unsecured and unsubordinated obligations and rank equally in right of payment with all of Otis' existing and future unsecured and unsubordinated indebtedness, liabilities and other obligations and senior in right of payment to all of Otis' future indebtedness that is subordinated to the Parent Guarantees. The Parent Guarantees are and will be effectively subordinated in right of payment to any of Otis' existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, and are and will be structurally subordinated in right of payment to any existing and future indebtedness, liabilities and other obligations of Otis' subsidiaries (other than, by virtue of the Issuer's obligations as issuer of the Notes, the Issuer).

Optional Redemption

At any time, and from time to time, prior to the Par Call Date, in respect of each series of Notes, we may redeem Notes of such series, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed, and
- the sum of the Remaining Scheduled Payments of the Notes to be redeemed from the redemption date to the Par Call Date of such series of Notes discounted to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate plus the number of basis points set forth below under the heading "Make-Whole Basis Points" across from the name of such series of Notes,

plus, in each case, accrued and unpaid interest, if any, on the principal amount of the Notes being redeemed to, but excluding, the redemption date.

Series of Notes	Make-Whole Basis Points
2023 Notes	+10
2026 Notes	+15
2031 Notes	+20

At any time on or after the Par Call Date in respect of a series of Notes, we may redeem the Notes of such series, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, on the principal amount of the Notes being redeemed to, but excluding, the redemption date (each such redemption, a "Par Call").

For purposes of this Description of Debt Securities, “Par Call Date” in respect of a series of Notes shall mean the date set forth below under the heading “Par Call Date” across from the name of such series of Notes.

Series of Notes

Par Call Date

2023 Notes	October 12, 2023 (1 month prior to the stated maturity of such Notes)
2026 Notes	September 15, 2026 (3 months prior to the stated maturity of such Notes)
2031 Notes	September 15, 2031 (3 months prior to the stated maturity of such Notes)

Notice of redemption shall be mailed or otherwise delivered in accordance with the applicable procedures of the depository not less than 10 days nor more than 60 days prior to the redemption date to each registered holder of the Notes to be redeemed.

If the redemption date is on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to holders whose Notes are subject to redemption by the Issuer.

Any notice of redemption of any series of Notes may, at the Issuer’s discretion, be subject to one or more conditions precedent with respect to completion of a corporate transaction (including, but not limited to, any merger, acquisition, disposition, asset sale or corporate restructuring or reorganization) or financing (including, but not limited to, any incurrence of indebtedness (or entering into a commitment with respect thereto), sale and leaseback transaction, issuance of securities, equity offering or contribution, liability management transaction or other capital raise) and may be given prior to the completion thereof. If a redemption is subject to satisfaction of one or more conditions precedent, the notice shall describe each condition, and the notice may be rescinded in the event that any or all of the conditions shall not have been satisfied by the redemption date. Any notice of redemption may provide that payment of the redemption price and the Issuer’s obligations with respect to the redemption may be performed by another person.

Unless we default in payment of the redemption price, interest will cease to accrue on the Notes or portion of the Notes called for redemption on and after the redemption date.

Additional Amounts

All payments of principal and interest in respect of the Notes by us or, in the case of the Parent Guarantee, Otis, or by a paying agent on our or Otis’ behalf, will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other similar governmental charges (collectively, “Taxes”) imposed or levied by Luxembourg, the United States or any other jurisdiction in which we or Otis may be organized, engaged in business for tax purposes or resident for tax purposes, or any political subdivision or taxing authority thereof or therein (a “Taxing Jurisdiction”), unless such deduction or withholding is required by law or the official interpretation or administration thereof.

In the event such deduction or withholding for Taxes is so required, subject to the exceptions and limitations described below, we will pay such additional amounts (“Additional Amounts”) on the Notes as may be necessary to ensure that the net amount received by any holder, after withholding or deduction for such Taxes, will be equal to the amount such person would have received in the absence of such deduction or withholding.

However, no Additional Amounts shall be payable with respect to any Taxes if such Taxes are imposed, withheld, deducted or levied for reasons unrelated to the holder’s or beneficial owner’s ownership or disposition of Notes, nor shall Additional Amounts be payable for or on account of:

- (a) any Taxes which would not have been so imposed, withheld, deducted or levied but for:

- (i) the existence of any present or former connection between the holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the relevant Taxing Jurisdiction, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the relevant Taxing Jurisdiction, being or having been engaged in a trade or business in the relevant Taxing Jurisdiction, being or having been present in the relevant Taxing Jurisdiction, or having or having had a permanent establishment in the relevant Taxing Jurisdiction;
 - (ii) the failure of the holder or beneficial owner to comply with any applicable certification, information, documentation or other reporting requirement, if compliance is required under the tax laws and regulations of the relevant Taxing Jurisdiction or any taxing authority thereof or therein or by an applicable income tax treaty to which the relevant Taxing Jurisdiction is a party as a precondition to exemption from such Taxes; or
 - (iii) the holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax-exempt organization with respect to the United States, or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- (b) any Taxes which would not have been imposed, withheld, deducted or levied but for the failure of the holder or beneficial owner to meet the requirements (including the certification requirements) of Section 871(h) or Section 881(c)(3)(C) of the Internal Revenue Code of 1986, as amended (the "Code");
 - (c) any Taxes which would not have been imposed, withheld, deducted or levied but for the presentation by the holder or beneficial owner of such Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for and notice is given to holders, whichever occurs later;
 - (d) any estate, inheritance, gift, sales, excise, transfer, capital gains, personal property, wealth or similar Taxes;
 - (e) any Taxes which are payable other than by withholding or deducting from a payment of principal of or interest on such Note;

- (f) any Taxes which are imposed, withheld, deducted or levied with respect to, or payable by, a holder that is not the beneficial owner of the Note, or a portion of the Note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an Additional Amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;
- (g) any Taxes required to be withheld or deducted by any paying agent from any payment if such payment can be made without such withholding or deduction by at least one other paying agent;
- (h) any Taxes imposed, withheld, deducted or levied under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof (“FATCA”), any agreement (including any intergovernmental agreement) entered into in connection therewith or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA;
- (i) any Taxes that would not have been imposed, withheld, deducted or levied but for a change in any law, treaty, regulation, or administrative or judicial interpretation that becomes effective after the applicable payment becomes due or is duly provided for, whichever occurs later; or
- (j) a Tax deduction on account of Tax imposed by Luxembourg if on the date on which the payment falls due such Tax deduction is required in respect of the Luxembourg law of 23 December 2005, as amended, introducing in Luxembourg a 20% withholding tax as regards Luxembourg resident individuals; or
- (k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

Any Additional Amounts paid on the Notes and the Parent Guarantees will be paid in euro, subject to the provisions described under “-Issuance in Euro.”

For purposes of this section, the acquisition, ownership, enforcement, or holding of or the receipt of any payment with respect to a Note or a Parent Guarantee, as applicable, will not constitute a connection (a) between the holder or beneficial owner and the relevant Taxing Jurisdiction or (b) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and a Taxing Jurisdiction. As used under this heading “Additional Amounts” and under the heading “Redemption for Tax Reasons,” the term “United States” means the United States of America, any state thereof and the District of Columbia.

Any reference in this Description of Debt Securities, in the prospectus supplement and the accompanying prospectus, in the Indenture or in the Notes to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

Except as specifically provided in the Notes, neither we nor Otis will be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority.

Redemption for Tax Reasons

We may redeem any series of Notes at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, together with any accrued and unpaid interest on the Notes to be redeemed to, but excluding, the redemption date, at any time, if:

- (a) we or Otis have or will become obliged to pay Additional Amounts with respect to the Notes of such series as a result of any change in, or amendment to, the laws, regulations, treaties, or rulings of a Taxing Jurisdiction affecting taxation, or any change in, or amendment to, the official application, official interpretation, administration or enforcement of such laws, regulations, treaties or rulings (including a holding by a court of competent jurisdiction in a Taxing Jurisdiction), which change or amendment is enacted, adopted, announced or becomes effective on or after November 4, 2021; or
- (b) on or after November 4, 2021, any action is taken by a taxing authority of, or any action has been brought in a court of competent jurisdiction in, a Taxing Jurisdiction or any taxing authority thereof or therein, including any of those actions specified in clause (a) above, whether or not such action was taken or brought with respect to us or Otis or there is any change, amendment, clarification, application or interpretation of such laws, regulations, treaties or rulings, which in any such case, will result in a material probability that we or Otis will be required to pay Additional Amounts with respect to such Notes (it being understood that such material probability will be deemed to result if the written opinion of independent tax counsel described in clause (b) below to such effect is delivered to the Trustee and the Paying Agent).

Notice of any such redemption will be mailed, or delivered electronically if held by any depositary in accordance with such depositary's customary procedures, at least 10 days but not more than 60 days before the redemption date to each registered holder of Notes to be redeemed; provided that the notice of redemption shall not be given earlier than 90 days before the earliest date on which we would be obligated to pay such Additional Amounts if a payment in respect of the Notes to be redeemed was then due. Any notice of redemption may provide that payment of the redemption price and the Issuer's obligations with respect to the redemption may be performed by another person.

Prior to the mailing or delivery of any notice of redemption pursuant to this section “-Redemption for Tax Reasons,” we will deliver to the Trustee and the Paying Agent:

- (a) a certificate signed by one of our officers stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to so redeem have occurred; and
- (b) a written opinion of independent tax counsel of nationally recognized standing to the effect that we or Otis have or will become obligated to pay such Additional Amounts as a result of a change or amendment described in clause (a) above or that there is a material probability that we or Otis will be required to pay Additional Amounts as a result of an action, change, amendment, clarification, application or interpretation described in clause (b) above, as the case may be.

Such notice, once delivered by us, will be irrevocable.

Offer to Purchase Upon Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event with respect to a series of Notes, unless we have exercised our right to redeem the Notes of such series by giving irrevocable notice on or prior to the 30th day after the Change of Control Triggering Event in accordance with the Indenture, each holder of the Notes of such series will have the right to require us to purchase all or a portion of such holder's Notes of such series pursuant to the offer described

below (the “Change of Control Offer”), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, thereon to, but excluding, the Change of Control Payment Date (as defined below) (the “Change of Control Payment”). If the Change of Control Payment Date is (a) on a day that is not a Business Day, the related payment of the Change of Control Payment will be made on the next Business Day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next Business Day and/or (b) on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to holders whose Notes are subject to purchase by the Issuer.

Within 30 days following the date upon which the Change of Control Triggering Event occurs or, at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to mail or otherwise deliver in accordance with the applicable procedures of Clearstream and Euroclear a notice to each holder of Notes of the applicable series, which notice will govern the terms of the Change of Control Offer. Such notice will state the purchase date, which must be no earlier than 15 days nor later than 60 days from the date such notice is mailed or otherwise delivered in accordance with the applicable procedures of Clearstream and Euroclear (or, in the case of a notice mailed or otherwise delivered in accordance with the applicable procedures of Clearstream and Euroclear prior to the date of consummation of a Change of Control, no earlier than 15 days nor later than 60 days from the date of the Change of Control Triggering Event), other than as may be required by law (the “Change of Control Payment Date”). The notice, if mailed or otherwise delivered in accordance with the applicable procedures of Clearstream and Euroclear prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, we will, to the extent lawful:

- accept or cause a third party to accept for payment all the Notes of the applicable series properly tendered pursuant to the Change of Control Offer;
- deposit or cause a third party to deposit with the applicable paying agent an amount equal to the Change of Control Payment in respect of all the Notes of the applicable series properly tendered; and
- deliver or cause to be delivered to the Trustee the Notes of the applicable series properly accepted together with an officer’s certificate stating the aggregate principal amount of the Notes being purchased.

We will not be required to make a Change of Control Offer with respect to the Notes of the applicable series if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and such third party purchases all the Notes of the applicable series properly tendered and not withdrawn under its offer. In addition, we will not purchase any Notes of the applicable series if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than an Event of Default in the payment of the Change of Control Payment on the Change of Control Payment Date.

In connection with any Change of Control Offer for any series, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in the Change of Control Offer and the Issuer, or any third party making

the Change of Control Offer in lieu of the Issuer as described above, purchases all of those Notes validly tendered and not withdrawn by the holders, the Issuer or such third party will have the right, upon not less than 15 but not more than 60 days' notice mailed or otherwise delivered in accordance with the applicable procedures of Clearstream and Euroclear by the Issuer to each holder of such Notes (provided, that the notice is given not more than 30 days following the purchase date in respect of such Change of Control Offer), to redeem all the Notes of such series that remain outstanding following such purchase at a price in cash equal to 101% of the outstanding principal amount of the Notes plus accrued and unpaid interest, if any, to, but excluding, the applicable purchase date (it being agreed that if the purchase date is (a) on a day that is not a Business Day, the related payment will be made on the next Business Day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next Business Day and/or (b) on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to holders whose Notes are subject to purchase by the Issuer).

We must comply in all material respects with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the Notes of the applicable series as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the Notes of the applicable series, we will be required to comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Indenture with respect to the Notes of such series by virtue of any such conflict.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the assets of Otis and its subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law. Accordingly, the applicability of the requirement that we offer to purchase the Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Otis and its subsidiaries taken as a whole to another "person" (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) may be uncertain.

Additional Notes

We may from time to time, without notice to or the consent of the holders of any series of Notes, create and issue further notes of any such series ranking equally with the Notes of such series (and being treated as a single class with the Notes of such series already outstanding) in all respects and having the same terms as the Notes of such series already outstanding except for issue date, issue price and, under some circumstances, the first Interest Payment Date thereof or the date from which interest first accrues thereon. If any additional notes of such series are not fungible with the initial Notes for U.S. federal income tax purposes, then those additional notes will have a separate CUSIP/Common Code/ISIN number. The Notes of each series and any additional notes of such series will be treated as a single series for all purposes under the Indenture, including, without limitation, waivers, amendments and redemptions.

Limitation Upon Liens

Otis will not itself, and will not permit any Wholly-Owned Domestic Manufacturing Subsidiary to, create, incur, issue or assume any Debt secured by a Lien on any Principal Property owned by Otis or any Wholly-Owned Domestic Manufacturing Subsidiary, and Otis will not itself, and will not permit any subsidiary to, create, incur, issue or assume any Debt secured by any Lien on any equity interests or Debt of any Wholly-Owned Domestic Manufacturing Subsidiary, without in any such case effectively providing that, the Notes (together with, if Otis shall so determine, any

other Debt of Otis then existing or thereafter created that is not subordinate in right of payment to the Notes) will be secured equally and ratably with (or prior to) such secured Debt, so long as such secured Debt shall be so secured, unless, after giving effect thereto, the aggregate principal amount of all such secured Debt then outstanding plus Attributable Debt of Otis and its Wholly-Owned Domestic Manufacturing Subsidiaries in respect of sale and leaseback transactions involving Principal Properties entered into after the date of the issuance of the Notes (other than such sale and leaseback transactions as are permitted by the Indenture) would not exceed an amount equal to 10% of Consolidated Net Total Assets of Otis; provided that nothing contained in this covenant will prevent, restrict or apply to, and there will be excluded from secured Debt in any computation under this covenant, Debt secured by:

- (a) Liens on any property or assets of Otis or any subsidiary (including equity interests or Debt owned by Otis or any subsidiary of Otis) existing as of the date of the issuance of the Notes;
- (b) Liens on any property or assets of, or on any equity interests or Debt of, any person existing at the time such person becomes a Wholly-Owned Domestic Manufacturing Subsidiary, or arising thereafter (i) otherwise than in connection with the borrowing of money arranged thereafter and (ii) pursuant to contractual commitments entered into prior to and not in contemplation of such person's becoming a Wholly-Owned Domestic Manufacturing Subsidiary;
- (c) Liens on any property or assets or equity interests or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or securing the payment of all or any part of the purchase price or construction cost thereof or securing any Debt incurred prior to, at the time of or within 120 days after, the acquisition of such property or assets or equity interests or Debt or the completion of any such construction, whichever is later, for the purpose of financing all or any part of the purchase price or construction cost thereof (provided that such Liens are limited to such equity interests or Debt or such other property or assets, improvements thereon and the land upon which such property, assets and improvements are located and any other property or assets not then constituting a Principal Property);
- (d) Liens on any property or assets to secure all or any part of the cost of development, operation, construction, alteration, repair or improvement of all or any part of such property or assets, or to secure Debt incurred prior to, at the time of or within 120 days after, the completion of such development, operation, construction, alteration, repair or improvement, whichever is later, for the purpose of financing all or any part of such cost (provided that such Liens are limited to such property or assets, improvements thereon and the land upon which such property, assets and improvements are located and any other property or assets not then constituting a Principal Property);
- (e) Liens which secure Debt owing by a subsidiary to Otis or to a Wholly-Owned Domestic Manufacturing Subsidiary;

- (f) Liens arising from the assignment of moneys due and to become due under contracts between Otis or any subsidiary of Otis and the United States, any State, Commonwealth, Territory or possession thereof or any agency, department, instrumentality or political subdivision of any thereof; or Liens in favor of the United States, any State, Commonwealth, Territory or possession thereof or any agency, department, instrumentality or political subdivision of any thereof, pursuant to the provisions of any contract not directly or indirectly in connection with securing Debt;
- (g) any materialmen's, carriers', mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith by appropriate proceedings; any deposit or pledge as security for the performance of any bid, tender, contract, lease, or undertaking not directly or indirectly in connection with the securing of Debt; any deposit or pledge with any governmental agency required or permitted to qualify Otis or any subsidiary of Otis to conduct business, to maintain self-insurance or to obtain the benefits of any law pertaining to workmen's compensation, unemployment insurance, old age pensions, social security or similar matters, or to obtain any stay or discharge in any legal or administrative proceedings; deposits or pledges to obtain the release of materialmen's, carriers', mechanics', workmen's, repairmen's Liens or the release of property in the possession of a common carrier; any security interest created in connection with the sale, discount or guarantee of notes, chattel mortgages, leases, accounts receivable, trade acceptances or other paper, or contingent repurchase obligations, arising out of sales of merchandise in the ordinary course of business; Liens for Taxes levied or imposed upon Otis or any Wholly-Owned Domestic Manufacturing Subsidiary or upon the income, profits or property of Otis or any Wholly-Owned Domestic Manufacturing Subsidiary or Liens on any Principal Property of Otis or any Wholly-Owned Domestic Manufacturing Subsidiary arising from claims from labor, materials or supplies; provided that either such Tax is not overdue or that the amount, applicability or validity of such Tax or claim is being contested in good faith by appropriate proceedings; or other deposits or pledges similar to those referred to in this clause (g);
- (h) Liens arising by reason of any judgment, decree or order of any court, so long as any appropriate legal proceedings which may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or so long as the period within which such proceedings may be initiated shall not have expired; any deposit or pledge with any surety company or clerk of any court, or in escrow, as collateral in connection with, or in lieu of, any bond on appeal from any judgment or decree against Otis or any subsidiary of Otis, or in connection with other proceedings or actions at law or in equity by or against Otis or any subsidiary of Otis; and
- (i) any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any of the Liens referred to in clauses (a) through (h) above or the Debt secured thereby; provided that (i) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets or equity interests or Debt that secured the Lien extended, renewed, substituted or replaced (plus improvements on such property, and plus any other property or assets not then constituting a Principal Property) and (ii) in the case of clauses (a) through (c) above, the Debt secured by such Lien at such time is not increased.

For the purposes of this covenant and the covenant described under the caption “-Limitations upon Sales and Leasebacks,” the giving of a guarantee which is secured by a Lien on a Principal Property, and the creation of a Lien on a Principal Property or equity interests or Debt to secure Debt which existed prior to the creation of such Lien, will be deemed to involve the creation of Debt in an amount equal to the principal amount guaranteed or secured by the Lien; however, the

amount of Debt secured by Liens on Principal Properties and equity interests and Debt will be computed without cumulating the underlying indebtedness with any guarantee thereof or Lien securing the same.

For purposes of this covenant and the covenant described under the caption “-Limitations upon Sales and Leasebacks,” the following will not be deemed to be Liens securing Debt, and, accordingly, nothing contained in this covenant and the covenant described under the caption “-Limitations upon Sales and Leasebacks” will prevent, restrict or apply to: (a) any acquisition by Otis or any Wholly-Owned Domestic Manufacturing Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas and/or any other mineral and/or the process thereof, (b) any conveyance or assignment under the terms of which Otis or any Wholly-Owned Domestic Manufacturing Subsidiary conveys or assigns to any person or persons an interest in oil, gas and/or any other mineral and/or the proceeds thereof, or (c) any Lien upon any property or assets owned or leased by Otis or any Wholly-Owned Domestic Manufacturing Subsidiary or in which Otis or any Wholly-Owned Domestic Manufacturing Subsidiary owns an interest to secure to the person or persons paying the expenses of developing and/or conducting operations for the recovery, storage, transportation and/or sale of the mineral resources of the said property (or property with which it is utilized) the payment to such person or persons of Otis’ or the Wholly-Owned Domestic Manufacturing Subsidiary’s proportionate part of such development and/or operating expense.

Limitations upon Sales and Leasebacks

Otis will not itself, and will not permit any Wholly-Owned Domestic Manufacturing Subsidiary to, enter into any arrangement on or after the date of the issuance of the Notes with any bank, insurance company or other lender or investor (other than Otis or another Wholly-Owned Domestic Manufacturing Subsidiary) providing for the leasing by Otis or any Wholly-Owned Domestic Manufacturing Subsidiary of any Principal Property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such Principal Property by the lessee will be discontinued), which was or is owned by Otis or a Wholly-Owned Domestic Manufacturing Subsidiary and which has been or is to be sold or transferred, more than 365 days after the completion of construction and commencement of full operation thereof by Otis or such Wholly-Owned Domestic Manufacturing Subsidiary, to such bank, insurance company, lender or investor or to any person to whom funds have been or are to be advanced by such bank, insurance company, lender or investor on the security of such Principal Property (herein referred to as a “sale and leaseback transaction”) unless, either:

- (a) the Attributable Debt of Otis and its Wholly-Owned Domestic Manufacturing Subsidiaries in respect of such sale and leaseback transaction and all other sale and leaseback transactions entered into after the date of the issuance of the Notes (other than such sale and leaseback transactions as are permitted by the provisions described in the following paragraph), plus the aggregate principal amount of Debt secured by Liens on Principal Properties then outstanding (excluding any such Debt secured by Liens covered by the provisions described in clauses (a) through (i) of the first paragraph of the covenant described under the caption “-Limitation upon Liens”) without equally and ratably securing the Notes, would not exceed 10% of Consolidated Net Total Assets, or

- (b) Otis, within 365 days after the sale or transfer, applies or causes a Wholly-Owned Domestic Manufacturing Subsidiary to apply an amount equal to the greater of the net proceeds of such sale or transfer or fair market value of the Principal Property so sold and leased back at the time of entering into such sale and leaseback transaction (in either case as determined by any two of the following: the Chairman, Chief Executive Officer, Chief Financial Officer, the President, any Vice President, the Treasurer and the Controller of Otis) to the retirement of securities of any series outstanding under the Indenture or other indebtedness of Otis (other than indebtedness subordinated in right of payment to the Notes) or indebtedness of a Wholly-Owned Domestic Manufacturing Subsidiary, for money borrowed, having a stated maturity more than 12 months from the date of such application or which is extendible at the option of the obligor thereon to a date more than 12 months from the date of such application (and, unless otherwise expressly provided with respect to any one or more series of securities outstanding under the Indenture, any redemption of securities pursuant to this provision shall not be deemed to constitute a refunding operation or anticipated refunding operation for the purposes of any provision limiting Otis' right to redeem securities of any one or more such series when such redemption involves a refunding operation or anticipated refunding operation); provided that the amount to be so applied will be reduced by (i) the principal amount of securities outstanding under the Indenture delivered within 120 days after such sale or transfer to the Trustee for retirement and cancellation, and (ii) the principal amount of any such indebtedness of Otis or a Wholly-Owned Domestic Manufacturing Subsidiary, other than such securities, voluntarily retired by Otis or a Wholly-Owned Domestic Manufacturing Subsidiary within 120 days after such sale or transfer. Notwithstanding the foregoing, no retirement referred to in this clause (b) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision.

Notwithstanding the foregoing, where Otis or any Wholly-Owned Domestic Manufacturing Subsidiary is the lessee in any sale and leaseback transaction, Attributable Debt will not include any Debt resulting from the guarantee by Otis or any other Wholly-Owned Domestic Manufacturing Subsidiary of the lessee's obligation thereunder.

Existence

Subject to the covenant described under the caption "-Consolidation, Merger and Sale of Assets," each of the Issuer and Otis will do or cause to be done all things necessary to preserve and keep in full force and effect its legal existence.

Reports by Otis

Otis shall file with the Trustee, within 15 days after Otis is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which Otis is required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended. Otis will be deemed to have complied with the obligations described in the immediately previous sentence to the extent that the information, documents and reports are filed with the Commission via EDGAR (or any successor electronic delivery procedure) and posted on the Otis' website or otherwise publicly available.

Delivery of the reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt shall not constitute constructive or actual knowledge or notice of any information contained therein or determinable from information contained therein, including Otis' compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on officer's certificates of Otis).

During any time period in which the Trust Indenture Act does not apply to the Indenture or the Notes, for so long as any such Notes remain outstanding, Otis will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the “Securities Act”).

Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with or merge into any other person or convey, transfer or lease all or substantially all of its properties and assets to any person, unless:

- (a) the person formed by the consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer, or which leases, all or substantially all of the properties and assets of the Issuer is a person organized and existing under the laws of Luxembourg, the United States, any State thereof or the District of Columbia, or any country which is, on the issue date of the Notes, a member state of the European Union, and expressly assumes, by an indenture supplemental to the Indenture, executed and delivered to the Trustee, the Issuer’s obligation for the due and punctual payment of the principal of (and premium, if any) and interest on all the Notes and the performance of every covenant of the Indenture on the part of the Issuer to be performed or observed;
- (b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (c) the Issuer has delivered to the Trustee an officer’s certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with the covenant described in this section.

Otis will not consolidate with or merge into any other person or convey, transfer or lease all or substantially all of its properties and assets to any person, unless:

- (a) the person formed by the consolidation or into which Otis is merged or the person which acquires by conveyance or transfer, or which leases, all or substantially all of the properties and assets of Otis is a person organized and existing under the laws of the United States, any State thereof or the District of Columbia and expressly assumes, by an indenture supplemental to the Indenture, executed and delivered to the Trustee, Otis’ obligation under the Parent Guarantee and the performance of every covenant of the Indenture on the part of Otis to be performed or observed;
- (b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (c) Otis has delivered to the Trustee an officer’s certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with the covenant described in this section.

The covenant described in this section will only apply to a merger or consolidation in which the Issuer or Otis, as applicable, is not the surviving person and to conveyances, leases and transfers by the Issuer or Otis, as applicable, as transferor or lessor.

Upon any consolidation by the Issuer or Otis with or merger by the Issuer or Otis into any other person or any conveyance, transfer or lease of all or substantially all of the properties and assets of the Issuer or Otis in accordance with the covenant described in this section, the successor person formed by the consolidation or into which the Issuer or Otis is merged or to which the conveyance, transfer or lease is made will succeed to, and be substituted for, and may exercise every right and power of, the Issuer or Otis, as applicable, under the Indenture with the same

effect as if the successor person had been named as the issuer or guarantor, as applicable, in the Indenture. In the event of any such conveyance or transfer, the Issuer or Otis, except in the case of a lease, will be discharged of all obligations and covenants under the Indenture and the Notes. In case of any such consolidation, merger, conveyance, transfer or lease, certain changes in phraseology and form may be made in the Notes thereafter to be issued as may be appropriate.

Events of Default

When we use the term “Event of Default” with respect to Notes of any series, we mean:

- (a) default in the payment of any interest upon the Notes of such series when it becomes due and payable, and continuance of the default for a period of 30 days;
- (b) default in the payment of the principal of (or premium, if any, on) any Note of such series at its Maturity;
- (c) default in the performance, or breach, of any covenant or warranty of the Issuer or Otis in the Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this section specifically dealt with or which has been expressly included in the Indenture for the benefit of one or more series of securities other than the Notes), and continuance of that default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Issuer and Otis by the Trustee or to the Issuer, Otis and the Trustee by the holders of at least 25% in principal amount of all affected securities of any series issued under the Indenture then outstanding (taking such action as one class) (including any affected Notes), a written notice specifying the default or breach and requiring it to be remedied and stating that the notice is a “Notice of Default” under the Indenture;
- (d) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Issuer or Otis a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer or Otis under any applicable federal or state bankruptcy, insolvency, reorganization or similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or Otis or of all or substantially all of their property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;
- (e) the institution by the Issuer or Otis of proceedings to be adjudicated a bankrupt or insolvent, or the consent by either of them to the institution of bankruptcy or insolvency proceedings against either of them, or the filing by either of them of a petition or answer or consent seeking reorganization or relief under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or the consent by either of them to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or Otis or all or substantially all of their respective properties, or the making by either of them of an assignment for the benefit of creditors, or the admission by either of them in writing of their respective inability to pay their respective debts generally as they become due; or

- (f) other than by reason of release of the Guarantor in accordance with the terms of the Indenture, the Parent Guarantee being held in any judicial proceeding to be unenforceable or invalid or ceasing for any reason to be in full force and effect, in each case, relating to the Notes of any series, or Otis denying or disaffirming in writing its obligation under the Parent Guarantee relating to the Notes of any series, and such Parent Guarantee not being issued or returned to full force and effect within, or the denial or disaffirmation not being rescinded, by the date that is 10 days after receipt of a specified written notice to Otis from the Trustee or a holder of Notes of the relevant series.

An Event of Default with respect to the Notes of a particular series may not constitute an Event of Default with respect to the Notes of any other series.

If an Event of Default described above in clause (a), (b) or (f) of the definition of “Event of Default” occurs with respect to the Notes of any series at the time outstanding and is continuing, then in every such case the Trustee or the holders of not less than 25% in principal amount of the outstanding Notes of such series may declare the principal amount of all of the Notes of such series to be due and payable immediately, by a notice in writing to the Issuer and Otis (and to the Trustee if given by the holders), and upon such declaration the principal amount of all of the Notes of such series will become immediately due and payable.

If an Event of Default described above in clause (c) of the definition of “Event of Default” occurs and is continuing, then in every such case the Trustee or the holders of not less than 25% in principal amount of all affected securities of any series issued under the Indenture (including any affected series of the Notes) then outstanding (taking such action as one class) may declare the principal amount of all affected outstanding securities to be due and payable immediately, by a notice in writing to the Issuer and Otis (and to the Trustee if given by the holders), and upon any such declaration the principal amount of all affected outstanding securities will become immediately due and payable.

If an Event of Default described above in clause (d) or (e) of the definition of “Event of Default” occurs, then the outstanding principal amount and any accrued interest upon all the outstanding Notes will automatically, and without any declaration or other action on the part of the Trustee or any holder, become immediately due and payable.

Under certain circumstances, the holders of a majority in aggregate principal amount of the outstanding Notes of a series (or of more than one series of affected securities outstanding (including any affected series of Notes) (acting as one class), as the case may be), by written notice to the Issuer, Otis and the Trustee, may rescind and annul an acceleration and its consequences.

The Issuer covenants that if (a) default is made in the payment of any interest on any Note when such interest becomes due and payable and such default continues for a period of 30 days, or (b) default is made in the payment of the principal of (or premium, if any, on) any Note at the Maturity thereof, the Issuer will, upon demand of the Trustee, pay to it or cause to be paid to it, for the benefit of the holders of such Notes, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest and, to the extent that payment of such interest is legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Notes, and, in addition thereto, such further amount as is sufficient to cover the reasonable costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Issuer or Otis fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums due and unpaid, may prosecute such proceeding to judgment or final decree and may

enforce the same against the Issuer or Otis or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or Otis or any other obligor upon the Notes, wherever situated.

If an Event of Default with respect to the Notes of any series (or of all series issued under the Indenture, as the case may be) occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of Notes of such series (or of all series under the Indenture, as the case may be) by appropriate judicial proceedings as the Trustee deems most effectual to protect and enforce those rights, whether for the specific enforcement of any covenant or agreement in the Indenture or in aid of the exercise of any power granted therein, or to enforce any other proper remedy.

The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during a default to act with the required standard of care, to be indemnified by the holders of Notes before proceeding to exercise any right or power under the Indenture at the request of the holders. Subject to provisions in the Indenture for the indemnification of the Trustee and certain other limitations, (a) with respect to the Notes of any series, the holders of not less than a majority in principal amount of the outstanding Notes of such series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, relating to or arising under clause (a), (b) or (f) of the definition of "Event of Default" and (b) with respect to all securities issued under the Indenture, the holders of not less than a majority in principal amount of all affected outstanding securities of any series issued under the Indenture (including any affected series of the Notes) (taking such action as one class) will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, not relating to or arising under clause (a), (b) or (f) of the definition of "Event of Default."

The Indenture provides that the Trustee may withhold notice to the holders of the Notes of any default (except in payment of principal (or premium, if any) or interest, if any) if the Trustee in good faith considers it in the interest of the holders of the Notes to do so.

The Indenture provides that no holder of any Notes of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, for the appointment of a receiver or trustee or for any other remedy hereunder, unless:

- (a) the holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Notes of such series;
- (b) the holders of not less than 25% in principal amount of the outstanding Notes of such series in the case of any Event of Default described in clause (a), (b) or (f) of the definition of "Event of Default," or, in the case of any Event of Default not described in clause (a), (b) or (f) of the definition of "Event of Default," the holders of not less than 25% in principal amount of all affected outstanding securities of any series issued under the Indenture (including any affected series of the Notes) (making such request as one class), will have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Indenture;
- (c) the holder or holders have offered to the Trustee indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

- (e) no direction inconsistent with the written request has been given to the Trustee during the 60-day period by the holders of not less than a majority in principal amount of the outstanding Notes of such series in the case of any Event of Default described in clause (a), (b) or (f) of the definition of “Event of Default,” or, in the case of any Event of Default not described in clause (a), (b) or (f) of the definition of “Event of Default,” by the holders of not less than a majority in principal amount of all affected outstanding securities of any series issued under the Indenture (including any affected series of the Notes) (making the direction as one class);

it being understood and intended that no one or more of such holders will have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other holders of Notes of the same series, in the case of any Event of Default described in clause (a), (b) or (f) of the definition of “Event of Default,” or of holders of all affected securities of any series issued under the Indenture (including any affected series of the Notes), in the case of any Event of Default not described in clause (a), (b) or (f) of the definition of “Event of Default,” or to obtain or to seek to obtain priority or preference over any other of such holders or to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all holders of the Notes of the same series, in the case of any Event of Default described in clause (a), (b) or (f) of the definition of “Event of Default,” or of holders of all affected securities of any series issued under the Indenture (including any affected series of the Notes), in the case of any Event of Default not described in clause (a), (b) or (f) of the definition of “Event of Default.”

The Indenture contains a covenant under which we are required to furnish to the Trustee an annual statement as to the compliance with all conditions and covenants of the Indenture.

Modification and Waiver

The Indenture provides that, without the consent of the holders of Notes, we, Otis and the Trustee, at any time and from time to time, may enter into one or more supplemental indentures or other instruments, in form reasonably satisfactory to the Trustee, for any of the following purposes:

- (a) to evidence the succession of another person to the Issuer or Otis and provide for the assumption by a successor person of the Issuer’s or Otis’ obligations under the Indenture and the Notes, in each case in compliance with the provisions thereof;
- (b) to add to the covenants of the Issuer or Otis or to surrender any right or power conferred upon the Issuer or Otis in the Indenture;
- (c) to add any additional Events of Default;
- (d) to add to, change or eliminate any of the provisions of the Indenture; provided that any such addition, change or elimination shall (i) neither (A) apply to any securities of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision nor (B) modify the rights of the holder of any such securities with respect to such provision or (ii) become effective only when there are no securities of any series outstanding;
- (e) to secure the Notes pursuant to the requirements of the covenant described under the caption “-Limitation upon Liens” or otherwise;
- (f) to establish the form or terms of the Notes as permitted under the Indenture;

- (g) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee with respect to the Notes of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one Trustee, pursuant to the requirements of the Indenture;
- (h) to cure any ambiguity, to correct or supplement any provision under the Indenture which may be defective or inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising under the Indenture; provided such action will not adversely affect the interests of the holders of the Notes of any particular series in any material respect;
- (i) to supplement any of the provisions of the Indenture to the extent as necessary to permit or facilitate the defeasance and/or discharge of any series of the Notes pursuant to the Indenture; provided that any such action does not adversely affect the interests of the holders of the Notes of such series or any other series of the Notes in any material respect;
- (j) to provide for the guarantee by any person of any outstanding Notes;
- (k) to add to the Indenture such provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which the Indenture is executed or any corresponding provision in any similar federal statute thereafter enacted;
- (l) to conform to any mandatory provisions of law and in particular to comply with the requirements of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act;
- (m) to conform the terms of the Indenture and the Notes to any provision or other description of the Notes, as the case may be, contained in an offering document related thereto;
- (n) to provide for the issuance of any additional Notes under the Indenture;
- (o) to comply with the rules of any applicable securities depositary; or
- (p) to make any change in any series of Notes or to add to the Indenture such provisions that do not adversely affect in any material respect the interests of the holders of such series of Notes.

Other amendments and modifications of the Indenture may be made with the consent of the holders of not less than a majority in principal amount of outstanding securities of all series issued under the Indenture affected by the amendment or modification (including any affected series of the Notes) (voting as one class); provided, no modification or amendment may, without the consent of the holder of each outstanding Note affected thereby:

- (a) change the stated maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to the Indenture or the amount thereof provable in bankruptcy pursuant to the Indenture, or change any Place of Payment where, or the coin, currency, currencies, currency units or composite currency in which, any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption or repayment at the option of the holder, on or after the redemption date or repayment date, as the case may be);
- (b) reduce the percentage in principal amount of the outstanding Notes of any series, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) provided for in the Indenture; or
- (c) modify (i) the requirements of the section of the Indenture described in this paragraph, (ii) provisions with respect to waiving compliance with specified provisions of the Indenture or (iii) provisions with respect to waiving specified defaults, except to increase any applicable percentage or to provide that other specified provisions of this Indenture cannot be modified or waived without the consent of the holder of each outstanding Note affected thereby, provided, that this clause will not be deemed to require the consent of any holder with respect to changes in the references to “the Trustee” and concomitant changes in the foregoing requirements and provisions with respect to waiving compliance with certain provisions of the Indenture, or the deletion of this proviso, in accordance with the requirements of the Indenture.

A supplemental indenture that changes or eliminates any covenant or other provision of the Indenture that has expressly been included solely for the benefit of one or more particular series of Notes, or that modifies the rights of the holders of Notes of such series with respect to such covenant or other provision, will be deemed not to affect the rights under the Indenture of the holders of Notes of any other series.

It will not be necessary for any act of holders described in the foregoing provisions to approve the particular form of any proposed supplemental indenture, but it will be sufficient if the act approves the substance thereof.

Satisfaction and Discharge

The Indenture will upon the Issuer’s request cease to be of further effect with respect to any series of Notes (except as to any surviving rights of registration of transfer or exchange of Notes of such series as expressly provided for in the Indenture) and the Trustee, at the expense of the Issuer, will execute proper instruments acknowledging satisfaction and discharge of the Indenture as to the applicable series of Notes when:

- (a) either:
 - (i) all Notes of the applicable series theretofore authenticated and delivered (other than Notes that have been mutilated, destroyed, lost or stolen and that have been replaced or paid as provided in Indenture and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in the Indenture) have been cancelled or delivered to the Trustee for cancellation; or

- (ii) all Notes of the applicable series not theretofore cancelled or delivered to the Trustee for cancellation:
 - (A) have become due and payable, or
 - (B) will become due and payable at their stated maturity within one year, or
 - (C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer,

and the Issuer, in the case of clauses (ii)(A), (ii)(B) or (ii)(C) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose (x) an amount of cash (in the currency, currencies or currency units in which the applicable Notes are then specified as payable at stated maturity), or (y) Government Obligations applicable to the applicable Notes (determined on the basis of the currency, currencies or currency units in which the applicable Notes are then specified as payable at stated maturity), which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide money in an amount, or (z) a combination thereof, sufficient, in the case of clauses (y) and (z), in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the entire indebtedness on the Notes of the applicable series not theretofore cancelled or delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to, but excluding, the date of the deposit (in the case of Notes that have become due and payable) or to, but excluding, the stated maturity or redemption date, as the case may be; provided that if on the date of the deposit, the interest payable to, but excluding, or any premium payable on, the stated maturity or redemption date cannot be calculated, the amount deposited shall be sufficient to the extent that an amount is deposited with the Trustee equal to the interest payable to, but excluding, or the premium payable on, the stated maturity or the redemption date calculated as of the date of the deposit, with any deficit on the stated maturity or redemption date, as applicable (any such amount, the “Applicable Deficit”), only required to be deposited with the Trustee on or prior to the stated maturity or redemption date, as applicable; provided, further, any Applicable Deficit shall be set forth in an officer’s certificate of the Issuer delivered to the Trustee simultaneously with the deposit of the Applicable Deficit that confirms that the Applicable Deficit shall be applied to the interest or other amounts payable at the stated maturity or on the redemption date, as applicable;

- (b) the Issuer has paid or caused to be paid all other sums payable under the Indenture by the Issuer in respect of the Notes; and
- (c) the Issuer has delivered to the Trustee an officer’s certificate and an opinion of counsel (as specified in the Indenture).

Defeasance and Covenant Defeasance

The Indenture provides that the Issuer may elect either “defeasance” or “covenant defeasance” and Otis may elect “covenant defeasance”, in each case of the Notes of or within a series, as applicable, as described below:

- (a) “defeasance” means that the Issuer may elect to defease and be discharged from any and all obligations with respect to the applicable Notes except for the obligations to register the transfer or exchange of the applicable Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes and any related coupons, to maintain an office or agency in respect of the applicable Notes and to hold moneys for payment in trust; and

- (b) “covenant defeasance” means that the Issuer or Otis may elect to be released from its obligations, as applicable, with respect to the applicable Notes that are described under the captions “-Consolidation, Merger and Sale of Assets,” “-Existence,” “-Limitation upon Liens,” “-Limitations upon Sales and Leasebacks,” as applicable, and any omission to comply with these obligations will not constitute a default or an Event of Default with respect to the Notes.

To elect either defeasance or covenant defeasance under the Indenture, the Issuer must deposit or cause to be deposited with the Trustee, as trust funds in trust, (a) an amount of cash (in such currency, currencies or currency units in which the applicable Notes are then specified as payable at stated maturity), (b) Government Obligations applicable to the applicable Notes (determined on the basis of the currency, currencies or currency units in which the applicable Notes are then specified as payable at stated maturity), which through the payment of principal and interest in respect thereof in accordance with their terms will provide money in an amount, or (c) a combination thereof, sufficient, in the case of clauses (b) and (c), in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of (and premium, if any) and interest on the outstanding applicable Notes on their scheduled due dates.

A trust of this kind may only be established if, among other things, the Issuer has delivered to the applicable trustee an opinion of counsel to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance or covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance or covenant defeasance had not occurred. In the case of defeasance, an opinion of counsel must refer to and be based upon a ruling of the Internal Revenue Service (the “IRS”) or a change in applicable U.S. federal income tax law occurring after the date of the Indenture.

No Personal Liability of Incorporators, Stockholders, Officers, Directors, Managers, Employees or Agents

The Indenture provides that no recourse will be had for the payment of principal, premium, if any, or interest, if any, on any Note, or for any claim based on or in respect of any Note or the Indenture or any supplemental indenture, against any incorporator, stockholder, officer, director, manager, employee or agent, as such, past, present or future, of the Issuer or Otis or of any successor person thereof under any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise. Each holder, by accepting the Notes, waives and releases all such liability.

Concerning Our Relationship with the Trustee, Securities Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A. acts as Trustee, securities registrar and paying agent under the Indenture. The Bank of New York Mellon, London Branch acts as Paying Agent under the Indenture. We maintain customary banking relationships in the ordinary course of business with the Trustee and its affiliates.

Governing Law

The Indenture and the Notes are governed by and construed in accordance with the laws of the State of New York. The provisions of articles 470-1 to 470-19 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the “Luxembourg Companies Act 1915”) are not applicable to the Notes. No holder of any Notes may initiate proceedings against the Issuer based on article 470-21 of the Luxembourg Companies Act 1915.

Book-Entry, Delivery and Form

We issued the Notes in the form of one or more permanent global notes (the “Global Notes”) in definitive, fully registered, book-entry form without coupons. The Global Notes were deposited with a common depositary (and registered in the name of the common depositary or its nominee) for, and in respect of interests held through, Clearstream Banking S.A., which we refer to as “Clearstream,” or Euroclear Bank SA/NV, which we refer to as “Euroclear.” Except as described herein, definitive notes in registered form will not be issued in exchange for beneficial interests in the Global Notes.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to a common depositary for Clearstream and Euroclear or its nominee. None of the Notes may be held through, no trades of the Notes will be settled through, and no payments with respect to the Notes will be made through, The Depository Trust Company (“DTC”) in the United States and no link is expected to be established among DTC and Clearstream or Euroclear in connection with the issuance of the Notes.

Beneficial interests in the Global Notes are represented, and transfers of such beneficial interests will be effected, through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in Clearstream or Euroclear. Those beneficial interests are and will be in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof. Should definitive notes in registered form be issued to individual holders of Notes, a holder of Notes who, as a result of trading or otherwise, holds a principal amount of any series of Notes that is less than the minimum denomination would be required to purchase an additional principal amount of such series of Notes such that its holding of such series of Notes amounts to the minimum specified denomination. Investors may hold interests in the Global Notes through Clearstream or Euroclear either directly if they are participants in such systems or indirectly through organizations that are participants in such systems.

Except as set forth in the Indenture, owners of beneficial interests in the Global Notes are not entitled to have Notes registered in their names, and will not receive or be entitled to receive physical delivery of Notes in definitive form. Except as provided below, beneficial owners will not be considered the owners or holders of the Notes under the Indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder of Notes under the Indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action that a holder is entitled to give or take under the Indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Persons who are not Euroclear or Clearstream participants may beneficially own Notes held by the common depositary for Euroclear and Clearstream only through direct or indirect participants in Euroclear and Clearstream.

Clearstream and Euroclear

We understand that Clearstream is incorporated and existing under the laws of Luxembourg as a professional depositary. Clearstream holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical

movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to supervision by the CSSF. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant either directly or indirectly.

We understand that Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank SA/NV, which we refer to as the “Euroclear Operator,” under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the “Cooperative.” All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

We understand that the Euroclear Operator is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

We have provided the descriptions of the operations and procedures of Clearstream and Euroclear in this Description of Debt Securities solely as a matter of convenience, and we make no representation or warranty of any kind with respect to these operations and procedures. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. None of us, Otis, the underwriters, the Trustee or the Paying Agent takes any responsibility for these operations or procedures, and you are urged to contact Clearstream and Euroclear or their participants directly to discuss these matters.

We, Otis, the Trustee, the Paying Agent and the securities registrar will not have any responsibility or liability for any aspect of the records relating to or payments made on account of Notes by Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the Notes.

So long as the common depository or its nominee is the registered holder of the Global Notes, the common depository or such nominee, as the case may be, will be considered the sole owner or holder of Notes represented by such Global Notes for all purposes under the Indenture and the Notes. Payments of principal, interest and Additional Amounts, if any, in respect of the Global

Notes will be made to the common depositary or such nominee, as the case may be, as registered holder thereof.

Distributions of principal, interest and Additional Amounts, if any, with respect to the Global Notes will be credited in euro to the extent received by Euroclear or Clearstream to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Global Notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Initial settlement for the Notes were made in immediately available funds. Secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional euro-denominated bonds in immediately available funds.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through the Clearstream and Euroclear systems on days when those systems are open for business. Those systems may not be open for business on days on which banks, brokers and other institutions are open for business in the United States or London. In addition, because of time-zone differences, there may be problems with completing transactions involving the Clearstream and Euroclear systems on the same Business Day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to make or receive a payment or delivery of the Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether the Clearstream or Euroclear system is used.

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired date.

Secondary market sales of book-entry interests in the Notes held through Clearstream or Euroclear to purchasers of book-entry interests in a Global Note through Clearstream or Euroclear will be conducted in accordance with the normal rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional euro-denominated bonds in same-day funds.

We have obtained the information in this section concerning Clearstream and Euroclear and the book-entry system and procedures from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

In a few special situations described below, the book-entry system for the Notes will terminate and interests in the Global Notes will be exchanged for definitive notes in registered form. You must consult your bank, broker or other financial institution to find out how to have your interests in the Notes transferred to your name, so that you will be a direct holder.

The special situations for termination of the book-entry system for the Notes are:

- the depositary for any of the Notes represented by a registered Global Note notifies us that it is unwilling or unable to continue as depositary or clearing system for the Global Notes, and we are unable to find a qualified replacement for such depositary within 90 days;
- we in our sole discretion determine to allow Global Notes to be exchangeable for definitive notes in registered form; or

- there has occurred and is continuing an event of default with respect to the Notes and the depositary notifies the trustee of its decision to exchange the Global Notes for definitive notes in registered form.

Certain Definitions

For purposes of this “Description of the Notes,” the following definitions are applicable:

“Attributable Debt” means, as to any particular lease under which any person is at the time liable for a term of more than 12 months, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such person under such lease during the remaining term thereof (excluding any subsequent renewal or other extension options held by the lessee), discounted from the respective due dates thereof to such date at the rate of 15% per annum, compounded monthly. The net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales). In the case of any lease which is terminable by the lessee upon the payment of a penalty in an amount which is less than the total discounted net amount of rent required to be paid from the later of the first date upon which such lease may be so terminated or the date of the determination of such net amount of rent, as the case may be, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

“Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions or trust companies in the City of New York or the City of London, or the relevant Place of Payment, are authorized or required by law, regulation or executive order to close, and that is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (the TARGET2 system), or any successor thereto, operates.

“Change of Control” means the occurrence of any of the following after the date of issuance of the Notes:

- (a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Otis and its subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) other than to Otis or one of its subsidiaries, and other than any such transaction or series of related transactions in which the holders of Otis’ Voting Stock outstanding immediately prior thereto hold Voting Stock of the transferee person representing a majority of the voting power of the transferee person’s Voting Stock immediately after giving effect thereto;
- (b) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) (other than Otis or one of its subsidiaries) becomes the “beneficial owner” (as defined in Rule 13d-3 and Rule 13d-5 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of Otis’ Voting Stock representing a majority of the voting power of the Otis’ outstanding Voting Stock;

- (c) Otis consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, Otis, in any such event pursuant to a transaction in which any of Otis' outstanding Voting Stock is converted into or exchanged for cash, securities or other property, other than any such transaction where Otis' Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, Voting Stock representing a majority of the voting power of the Voting Stock of the surviving person (or its parent) immediately after giving effect to such transaction; or
- (d) the adoption by Otis' shareholders of a plan relating to Otis' liquidation or dissolution.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control under clause (b) above if (i) Otis becomes a direct or indirect wholly-owned subsidiary of a holding company or other person and (ii) (A) the direct or indirect holders of the Voting Stock of such holding company or other person immediately following that transaction are substantially the same as the holders of Otis' Voting Stock immediately prior to that transaction or (B) immediately following that transaction, no "person" (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) (other than a holding company or other person satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company or other person.

"Change of Control Triggering Event" means, with respect to the applicable series of Notes, the Notes of such series cease to be rated Investment Grade by each of the Rating Agencies on any date during the period (the "Trigger Period") commencing 60 days prior to the first public announcement by Otis of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings downgrade or withdrawal). However, a Change of Control Triggering Event otherwise arising by virtue of a particular reduction in, or withdrawal of, rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Change of Control Triggering Event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in, or withdrawal of, rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at Otis' request that the reduction or withdrawal was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Change of Control Triggering Event). If a Rating Agency is not providing a rating for the Notes at the commencement of any Trigger Period, the Notes will be deemed to have ceased to be rated "Investment Grade" by such Rating Agency during that Trigger Period.

Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by the Issuer, a German federal government bond whose maturity is closest to the maturity of the Notes to be redeemed,

assuming for such purpose that the Notes to be redeemed matured on the applicable Par Call Date, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German federal government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German federal government bonds selected by the Issuer, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond Rate” means, with respect to any redemption date, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third business day prior to the date of the notice of redemption relating to such redemption date, would be equal to the gross redemption yield on such business day of the Comparable Government Bond (as defined above) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by the Issuer.

“Consolidated Net Total Assets” means the total amount of assets of Otis and its consolidated subsidiaries (less applicable reserves and other properly deductible items) after deducting therefrom all current liabilities (excluding any thereof that are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed), all as set forth on the most recent consolidated balance sheet of Otis and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles (which calculation shall give pro forma effect to any Material Acquisition or Material Disposition consummated by Otis or its consolidated subsidiaries since the date of such balance sheet and on or prior to the date of determination, as if such Material Acquisition or Material Disposition had occurred on the date of such consolidated balance sheet).

“Debt” means notes, bonds, debentures or other similar evidences of indebtedness for borrowed money.

“Government Obligations” means (x) any security that is (i) a direct and unconditional obligation of the European Union, (ii) backed by the European Union’s budgetary and cash resources and by the European Commission’s right to call for additional resources from member states, (iii) a direct obligation of the German government or (iv) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the German government the payment of which is fully and unconditionally guaranteed by the German government or the central bank of the German government, which, in each case of (x)(i), (ii), (iii) or (iv), is not revocable, callable or redeemable at the option of the issuer thereof, and (y) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (x)(i), (ii), (iii) or (iv) above or in any specific principal or interest payments due in respect thereof.

“Industrial Development Bonds” means obligations issued by a State, a Commonwealth, a Territory or a possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, the interest on which is excludable from gross income of the holders thereof pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended (or any similar provision), as in effect at the time of the issuance of such obligations.

“Interest Payment Date,” when used with respect to any Notes, means the date specified in such Notes as the fixed date on which an installment of interest is due and payable.

“Investment Grade” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s) and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us under the circumstances

permitting us to select a replacement rating agency and in the manner for selecting a replacement rating agency, in each case as set forth in the definition of “Rating Agency.”

“Lien” means any pledge, mortgage, lien, encumbrance and security interest.

“Material Acquisition” means any acquisition by Otis or any of its subsidiaries of (a) equity interests in any person if, after giving effect thereto, such person will become a subsidiary of Otis or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any person (in the case of clauses (a) and (b), including as a result of a merger or consolidation); provided that, in the case of clauses (a) and (b), the aggregate consideration therefor exceeds \$50,000,000.

“Material Disposition” means any sale, transfer or other disposition by Otis or any of its subsidiaries of (a) all or substantially all the issued and outstanding equity interests in any person that are owned by Otis or any of its subsidiaries or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any person; provided that, in the case of clauses (a) and (b), such sale, transfer or other disposition yields net proceeds to Otis or any of its subsidiaries in excess of \$50,000,000.

“Maturity” means the date on which the principal (or premium, if any) of such Note or an installment of principal becomes due and payable as provided by the Indenture or the Note, whether at the stated maturity or by declaration of acceleration, call for redemption or otherwise.

“Moody’s” means Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors.

“person” means any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity of whatever nature.

“Place of Payment,” when used with respect to the Notes of or within any series, means the place or places where the principal of (and premium, if any), interest and Additional Amounts owed on such Notes are payable, as contemplated by the Indenture.

“Principal Property” means any manufacturing plant or warehouse, together with the land upon which it is erected and fixtures comprising a part thereof, owned by Otis or any Wholly-Owned Domestic Manufacturing Subsidiary and located in the United States, the gross book value (without deduction of any reserve for depreciation) of which on the date as of which the determination is being made is an amount which exceeds 1% of Consolidated Net Total Assets, other than any such manufacturing plant or warehouse or any portion thereof or any such fixture (together with the land upon which it is erected and fixtures comprising a part thereof) (a) which is financed by Industrial Development Bonds or (b) which, in the opinion of the board of directors of Otis (or any duly authorized committee thereof), is not of material importance to the total business conducted by Otis and its subsidiaries, taken as a whole.

“Rating Agency” means each of Moody’s and S&P; provided that, if either Moody’s or S&P cease to provide rating services to issuers or investors, Otis may appoint another “nationally recognized statistical rating organization,” as defined under Section 3(a) (62) of the Securities Exchange Act of 1934, as amended, as a replacement agency for such Rating Agency; provided that Otis shall give notice of such appointment to the Trustee.

“Record Date” means the close of business on the date that is 15 calendar days prior to the date on which interest is scheduled to be paid, regardless of whether such date is a Business Day; provided that, if any of the Notes are held by a securities depository in book-entry form, the Record Date for those Notes will be the close of business on the Business Day immediately preceding the date on which interest is scheduled to be paid.

“Remaining Scheduled Payments” means, with respect to each Note being redeemed, the remaining scheduled payments of principal and interest (excluding interest accrued to, but excluding, the redemption date) of such Note that would be due after the related redemption date but for the redemption.

“S&P” means S&P Global Ratings, and its successors.

“Voting Stock” of any specified person as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

“Wholly-Owned Domestic Manufacturing Subsidiary” means any subsidiary of which, at the time of determination, all of the outstanding capital stock (other than directors’ qualifying shares) is owned by Otis directly and/or indirectly and which, at the time of determination, is primarily engaged in manufacturing, except a subsidiary that (a) neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States, (b) is engaged primarily in the finance business, including, without limitation thereto, financing the operations of, or the purchase of products that are products of or incorporate products of, Otis and/or its subsidiaries, or (c) is primarily engaged in ownership and development of real estate, construction of buildings, or related activities, or a combination of the foregoing. In the event that there shall at any time be a question as to whether a subsidiary is primarily engaged in manufacturing or is described in the foregoing clause (a), (b) or (c), such matter shall be determined for all purposes of the Indenture by a board resolution.

OTIS WORLDWIDE CORPORATION
DEFERRED COMPENSATION PLAN
Amendment #1

The Otis Worldwide Corporation Deferred Compensation Plan, as of January 1, 2020 (the “Plan”) is hereby amended as follows:

1. Effective January 1, 2021, Article II(b) is hereby amended as follows:

“(b) *Benefit Restoration Contribution* means a contribution by the Corporation to the Participant’s Plan Account to recognize the reduction in the value of employer matching or other contributions under the Qualified Savings Plan, and under the Savings Restoration Plan (provided the Participant has elected to contribute to the Savings Restoration Plan for the applicable Plan year), as a result of the reduction of such Participant’s Compensation as a result of participating in this Plan, assuming that the Participant would have received the maximum employer matching contributions available to the Participant under such other plan. Such Benefit Restoration Contribution shall be adjusted as the Committee deems appropriate to the extent that the Participant did not meet the eligibility criteria for an employer matching or other applicable contribution under the Qualified Savings Plan or the Savings Restoration Plan for the entire Plan year.”

2. Effective January 1, 2020, Article II(t) is hereby amended as follows:

“(t) *Qualified Saving Plan* means the United Technologies Corporation Employee Savings Plan until the Spin-off date and means the Otis Retirement Savings Plan from and after the Spin-off date.”

3. Effective January 1, 2022, Section 3.1 is hereby amended as follows:

“3.1 Eligibility

Each eligible Participant as of the annual enrollment period as specified by the Committee will be eligible to elect to defer Compensation under the Plan in accordance with the terms of the Plan and the rules and procedures established by the Committee.”

4. Effective January 1, 2022, Section 4.3 is hereby amended by adding the following new paragraph after the first paragraph thereof:

“Notwithstanding the preceding paragraph, newly hired executives eligible for participation in the Plan (excluding employees promoted to an eligible executive level) may elect to defer their base salary during the current calendar year by filing an Election Form within thirty (30) calendar days from their hire date and such election shall apply to Compensation for services performed commencing with the first payroll period after the election becomes effective. However, if such individual is not eligible to make this initial deferral election under Treas. Reg. Sec. 1.409A-2(a)(7) (*i.e.*, because he or she was rehired and was eligible to participate in the Plan (other than the accrual of earnings) during the preceding 24-month period, then such

Election Form will be effective as described in this Section 4.3 without regard to the preceding sentence.”

5. Effective January 1, 2020, the last sentence of Section 4.7 is hereby deleted.

6. Effective January 1, 2020, Section 6.1 is hereby amended as follows:

“6.1 Timing of Plan Distributions

Except as provided in Section 4.7 (Change in Distribution Election), Section 6.3 (Separation from Service before Attaining Age Fifty (50)), Section 6.4 (Separation from Service of Specified Employees), and Section 6.5 (Death), the value of a Participant’s Retirement Account will be distributed (or begin to be distributed) to the Participant in April of the calendar year following the calendar year of the Retirement Date. The value of a Participant’s Special Purpose Account will be distributed (or begin to be distributed) to the Participant in April of the year specified in the Participant’s initial election or in any change in election under Section 4.7. This means, for example, that if a deferral election specifies a Deferral Period until 2020, distribution will occur in April 2020.”

7. Effective January 1, 2021, the first sentence of Section 7.1 is hereby amended as follows:

“The Committee may, at any time, amend the Plan in whole or in part, provided that no amendment may decrease the value of any Plan Accounts as of the date of such amendment.”

IN WITNESS WHEREOF, this amendment has been duly executed by the Vice President, Total Rewards of Otis Worldwide Corporation as of the date indicated below.

/s/ Steve Stevenson
Vice President, Total Rewards
Steve Stevenson

Dated: December 23, 2021

OTIS WORLDWIDE CORPORATION
SAVINGS RESTORATION PLAN
Amendment #2

The Otis Worldwide Corporation Savings Restoration Savings Plan, Amended and Restated as of March 11, 2020 (the “Plan”) is hereby amended as follows:

1. Effective March 11, 2020, Article II(z) is hereby amended as follows:

(z) “*Qualified Saving Plan* means the United Technologies Corporation Employee Savings Plan until the Spin-off date and means the Otis Retirement Savings Plan from and after the Spin-off date.”
2. Effective March 11, 2020, the last sentence of Section 4.6 is hereby deleted.
3. Effective December 1, 2021, Section 5.5 is hereby amended as follows:

“A Participant is always 100% vested in his or her Participant Contribution Account. A Participant shall be vested in the value of his or her Otis Contribution Account upon the first to occur of the following: participation in the Plan for two years (including the UTC SRP prior to the Spin-off); completion of two years of Continuous Service (as defined in the Qualified Savings Plan), attainment of age 65; the death or Disability of the Participant while employed by an Otis Company; the layoff of a Participant from an Otis Company due to lack of work; or the Participant’s entrance into United States military service before completing two years of Plan participation.”
4. Effective January 1, 2021, the first sentence of Section 8.1 is hereby amended as follows:

“The Committee may, at any time, amend the Plan in whole or in part, provided that no amendment may decrease the value of any Plan Accounts as of the date of such amendment.”

IN WITNESS WHEREOF, this Amendment #2 has been duly executed by the Vice President, Total Rewards of Otis Worldwide Corporation as of the date indicated below.

/s/ Steve Stevenson
Vice President, Total Rewards
Steve Stevenson

Dated: December 23, 2021

OTIS WORLDWIDE CORPORATION
COMPANY AUTOMATIC CONTRIBUTION EXCESS PLAN
Amendment #1

The Otis Worldwide Corporation Company Automatic Contribution Excess Plan, as of January 1, 2020 (the “Plan”) is hereby amended, effective as of the dates indicated below, as follows:

1. Effective January 1, 2022, Article II(k) is hereby amended as follows:

“(k) *Election Form* means the form or process provided by the Committee to Participants electronically or in paper form for the purpose of changing the method of distribution and/or specifying the percentage allocation among the Investment Funds with respect to a Participant’s Plan Account.”

2. Effective January 1, 2020, Article II(w) is hereby amended as follows:

“(w) *Qualified Saving Plan* means the United Technologies Corporation Employee Savings Plan until the Spin-off date and means the Otis Retirement Savings Plan from and after the Spin-off date.”

3. Effective January 1, 2022, Section 3.2 is hereby amended by deleting the parenthesis (“Initial Enrollment Period”) at the end of its paragraph.

4. Effective January 1, 2022, Section 4.1 is hereby amended as follows:

“4.1 Default Distribution Election.

A Participant’s Plan Account shall be paid in a lump sum at the time provided in Section 7.1, unless such Participant (i) elects to receive his or her Plan Account in two (2) to fifteen (15) annual installments and/or at a time of distribution other than as provided in Section 7.1 in accordance with Section 4.3 (Change in Distribution Election), or (ii) has made such an election prior to January 1, 2022, which is or becomes effective in accordance with its terms and the terms of the Plan as then in effect.”

5. Effective January 1, 2022, Section 4.2 is hereby deleted in its entirety and Sections 4.3, 4.4 and Section 4.5 are renumbered 4.2, 4.3, 4.4, respectively, and any cross-references to these sections are hereby amended accordingly.

6. Effective January 1, 2022, the introductory paragraph of Section 4.3 (Change in Distribution Election) [formerly 4.4] is hereby amended as follows:

“Subject to Section 7.4 (Separation from Service before Attaining Age Fifty (50)), a Participant may make an irrevocable election to change the default lump sum payment distribution to installments and make subsequent changes to the time and form of distribution, including by changing the number of installments, the commencement date, or both, for his or her Plan Account; provided that such change to the time or form of distribution must meet all of the following requirements:”

7. Effective January 1, 2020, the last sentence of Section 4.3 (Change in Distribution Election) [formerly 4.4] is hereby deleted.

8. Effective January 1, 2022, Section 5.1(b) is hereby amended as follows:

“(b) Due to IRS Contribution Limit. A Participant shall be immediately eligible to receive an allocation of Company Automatic Contributions for a Plan Year, if and to the extent, such contributions on behalf of the Participant to the Qualified Savings Plan for the Plan Year are limited by the IRS Contribution Limit, and provided further that the Participant has made the maximum elective deferrals to the Qualified Savings Plan permitted under Section 402(g) of the Code for such year. This contribution shall be a percentage of the Participant’s Eligible Earnings up to the IRS Compensation Limit based on the Participant’s date of hire and age as of December 31 of the Plan Year for which the contribution is credited determined under the Company Automatic Contribution formula applicable to the Participant in the Qualified Savings Plan, with respect to Eligible Earnings paid to the Participant once the IRS Contribution Limit is reached, and will stop once the Participant’s Eligible Earnings equal the IRS Compensation Limit for the Plan Year.”

9. Effective January 1, 2022, Section 5.2. is hereby amended as follows:

“Section 5.2 Company Matching Contribution Eligibility and Amount.

A Participant shall be eligible to receive an allocation of Company Matching Contributions for a Plan Year, if and to the extent, such Participant’s Qualified Savings Plan Contributions for such Plan Year are limited by the IRS Contribution Limit, and provided further that the Participant has made the maximum elective deferrals to the Qualified Savings Plan permitted under Section 402(g) of the Code for such year. The allocation will be made with respect to Eligible Earnings paid to the Participant once the IRS Contribution Limit is reached, and will stop once the Participant’s Eligible Earnings equal the IRS Compensation Limit for the Plan Year. The amount of the Company Matching Contribution shall be calculated in the same manner that Company Matching Contributions would be calculated under the Qualified Savings Plan if the IRS Contribution Limit did not apply and assuming that the Participant would have continued to contribute the amount necessary to receive the maximum match under the Qualified Savings Plan if the Participant were permitted to do so but for the IRS Contribution Limit. In no event shall a Participant be eligible for an allocation of Company Matching Contributions under this Plan with respect to Eligible Excess Compensation, or if such contributions are made under the Qualified Savings Plan or credited under any other Company deferred compensation plan with respect to the same Eligible Earnings.”

10. Effective January 1, 2020, Section 5.3 is hereby amended as follows:

“5.3 Timing of Contribution.

Allocation of Company Automatic Contributions, Benefit Reduction Contributions and Company Matching Contributions shall be made no less frequently than annually with respect to each Plan Year. The Corporation may in its sole discretion credit additional amounts to Participants’ Plan Accounts, may specify vesting requirements applicable to such additional amounts and need not treat Participants uniformly.”

11. Effective December 1, 2021, Section 5.4. is hereby amended as follows:

“5.4 Vesting of Contributions.

A Participant shall be vested in the value of contributions credited to his or her Plan Account upon the first to occur of the following: participation in the Plan (including the UTC CACEP prior to the Spin-off) for two (2) years; completion of two (2) years of “Continuous Service” (as defined in the Qualified Savings Plan); attainment of age sixty-five (65); the death or Disability of the Participant while employed by an Otis Company; the layoff of a Participant from an Otis Company due to lack of work; or the Participant’s entrance into United States military service before completing two (2) years of Plan participation.”

12. Effective January 1, 2022, Section 7.2 is hereby amended as follows:

“7.2 Method of Distribution.

Except as provided in Section 7.4 (Separation from Service before Attaining Age Fifty (50)) or Section 7.6 (Death), a Plan Account will be distributed to the Participant in a single lump-sum payment, or as otherwise provided in a change in distribution election made pursuant to Section 4.3. If a Participant has elected to receive annual installment distributions in accordance with Section 4.3, they shall be payable to the Participant beginning on the payment commencement date and continuing as of each anniversary of the payment commencement date thereafter until all installments have been paid. To determine the amount of each installment, the value of the Participant’s Plan Account on the payment date will be multiplied by a fraction, the numerator of which is one and the denominator of which is the remaining number of scheduled installments.”

13. Effective January 1, 2022, Section 7.4 is hereby amended as follows:

“7.4 Separation from Service before Attaining Age Fifty (50).

If a Participant’s Separation from Service occurs before the Participant attains age fifty (50), the full value of the Participant’s Plan Account will be distributed to the Participant in a lump-sum payment in April of the calendar year following the calendar year of the Participant’s Separation from Service (or, if the Participant is a Specified Employee at the time of his or her Separation from Service, on the date provided in Section 7.5 below, if later) regardless of any election to change the time or form of distribution.”

14. Effective January 1, 2021, the first sentence of Section 8.1 is hereby amended as follows:

“The Committee may, at any time, amend the Plan in whole or in part, provided that no amendment may decrease the value of any Plan Accounts as of the date of such amendment.”

IN WITNESS WHEREOF, this amendment has been duly executed by the Vice President, Total Rewards of Otis Worldwide Corporation as of the date indicated below.

/s/ Steve Stevenson
Vice President, Total Rewards
Steve Stevenson

Dated: December 23, 2021

OTIS WORLDWIDE CORPORATION
LTIP PERFORMANCE SHARE UNIT DEFERRAL PLAN
Amendment #1

The Otis Worldwide Corporation LTIP Performance Share Unit Deferral Plan (the “Plan”) is hereby amended as follows:

1. Effective January 1, 2020, Article II(x) is hereby amended as follows:

“(x) *Qualified Saving Plan* means the United Technologies Corporation Employee Savings Plan until the Spin-off date and means the Otis Retirement Savings Plan from and after the Spin-off date.”
2. Effective January 1, 2020, the last sentence of Section 4.7 is hereby deleted.
3. Effective January 1, 2021, the first sentence of Section 6.1 is hereby amended as follows:

“The Committee may, at any time, amend this Plan in whole or in part; provided that no amendment may decrease the value of any Plan Accounts as of the date of such amendment.”

IN WITNESS WHEREOF, this amendment has been duly executed by the Vice President, Total Rewards of Otis Worldwide Corporation as of the date indicated below.

/s/ Steve Stevenson
Vice President, Total Rewards
Steve Stevenson

Dated: December 23, 2021



Internal Correspondence

1 October 2021

PERSONAL & CONFIDENTIAL

Dear Stephane:

We are pleased to confirm the details of your Local Plus Assignment Extension. We hope this international experience continues to be both professionally and personally rewarding. This Letter of Assignment ("LOA") extension letter details the terms and general conditions applicable to your Assignment Extension, as summarized below:

Destination Country: Singapore
Destination Company: Otis International Asia Pacific Pte. Ltd
LOA Expiration: October 31, 2023

Your Assignment Extension is subject to your obtaining and maintaining any required immigration and/or work permit extensions required by your Destination Country and returning a signed copy of this LOA extension letter to the Company.

The duration of your Assignment Extension remains subject to revision in accordance with business needs and may be ended sooner, at Otis' sole discretion. All other terms and conditions outlined in your LOA dated December 18, 2019 will remain in effect for the period of your Assignment Extension.

Thank you for your ongoing support of our global initiatives.

Sincerely,

/s/ Abbe Luersman October 1, 2021
Abbe Luersman Date
EVP & Chief People Officer

Please indicate your agreement by signing below and returning this Extension Agreement as soon as possible.

I have reviewed the general terms and conditions of my International Assignment Extension outlined above and by signing below, accept these conditions.

/s/ Stephane de Montlivault October 1, 2021
Stephane de Montlivault Date



LETTER OF ASSIGNMENT EXTENSION



COMPENSATION AND BENEFITS FOR NON-EMPLOYEE DIRECTORS

Annual Cash Retainer and Deferred Stock Unit Award:

Non-employee members of the Board of Directors receive annual compensation comprised of a cash retainer and deferred stock units ("DSUs") pursuant to the Board of Directors Deferred Stock Unit Plan (the "Plan"), as amended. The compensation arrangements for non-employee Directors are as follows:

	Total Combined Award (\$)	Annual Cash Retainer (\$)	Annual DSU Award (\$)
Base Compensation	\$310,000	\$124,000	\$186,000

In addition to the Base Compensation, non-employee Directors serving in leadership roles on the Board and/or its committees receive the following additional awards:

	Total Additional Award (\$)	Additional Annual Cash Retainer (\$)	Additional Annual DSUs (\$)
Lead Director	35,000	14,000	21,000
Audit Chair	25,000	10,000	15,000
Audit Members	15,000	6,000	9,000
Compensation Chair	20,000	8,000	12,000
Nominations and Governance Chair	20,000	8,000	12,000

Directors serving in multiple leadership roles will receive the additional awards applicable to each role.

Cash retainers and DSUs will be issued to non-employee Directors annually, effective as of the date of Otis' Annual Meeting of Shareowners (the "Annual Meeting"). A Director may elect to receive additional DSUs in lieu of cash otherwise payable by making a timely election in accordance with the Plan. The total number of DSUs to be credited to a non-employee Director will be determined by dividing the Annual DSU Award (and, if elected by the Director, his or her cash retainer(s)) by the closing price of Otis common stock on the applicable date. Fractional DSUs are credited to the Director's account. All whole or partial DSUs are eligible for dividend equivalents equal to Otis' declared dividend and will be credited to a Director's account as additional DSUs on the date the dividend is paid.

Following retirement or termination from the Board, non-employee Directors receive a lump sum distribution of shares of Otis Common Stock equal to the number of DSUs credited to their account, unless a timely written election was made to receive distributions in 10 or 15 annual installments, in which case DSUs are converted to shares of stock in accordance with the installment schedule. During the installment period, the balance in a Director's account will continue to be held and valued as DSUs. In the event of death, the full value of the account will be distributed to a designated beneficiary, or the Director's estate if no Beneficiary Designation form is on file or the designated beneficiary predeceases the Director.

Board compensation is subject to change at the discretion of the Board's Nominations and Governance Committee. New non-employee Directors joining the Board after the Annual Meeting (or spin-off) and on or before September 30 of a calendar year will receive 100% of the then applicable Annual Retainer and DSU Award for the compensation cycle ending in April of the following year. Those joining after September 30 of a calendar year and prior to the next Annual Meeting will receive 50% of the then applicable Annual Retainer and DSU Award for that compensation cycle.

Stock Ownership Guidelines:

To further encourage the alignment of Board and shareowner interests, the Plan requires that non-employee Directors own shares of Otis Common Stock, DSUs or other share equivalents equal in aggregate value to at least five times the then applicable base Annual Retainer Award within five years of joining the Board.

Matching Gift Program:

Each calendar year, Otis will match, on a \$1-for-\$1 basis, contributions to qualifying arts, cultural, and educational institutions up to the maximum amount permitted under Otis' matching gift program (currently \$25,000 per year).

<u>BEEINDIGING IN ONDERLING AKKOORD EN DADINGSOVEREENKOMST</u>	<u>TERMINATION BY MUTUAL CONSENT AND SETTLEMENT AGREEMENT</u>
<u>TUSSEN:</u>	<u>BETWEEN:</u>
Otis Elevator Worldwide BV, met maatschappelijke zetel te Stationsstraat 34, 1702 Dilbeek, ingeschreven in de Kruispuntbank der Ondernemingen onder het nummer 0652.780.207 die zichzelf hernoemde Otis Elevator SPRL; Vertegenwoordigd door de heer Christophe Greven in zijn hoedanigheid van Gedelegeerd Bestuurder; Hierna « de Vennootschap » genoemd;	Otis Elevator Worldwide BV, whose registered office is at Stationsstraat 34, 1702 Dilbeek and with company number 0652.780.207 which renamed itself as Otis Elevator SPRL; Represented by Mr. Christophe Greven, in his capacity as Managing Director; Hereinafter referred to as “the Company”;
<u>EN:</u>	<u>AND:</u>
De heer Bernardo Calleja Fernández	Mr. Bernardo Calleja Fernández
Hierna « de Werknemer » genoemd;	Hereinafter referred to as “ the Employee ”;
Hierna gezamenlijk « de Partijen » en individueel « de Partij » genoemd;	Hereinafter collectively referred to as “ the Parties ” and individually as “ the Party ”;
VOOREERST WORDT UITEENGEZET WAT VOLGT:	IT IS WITNESSED:
Op 3 november 2020 werd de Werknemer benoemd tot Voorzitter van Otis EMEA en lid van de Executive Leadership Group (hierna "ELG") van Otis Worldwide Corporation, met een E5-niveau. Op 1 februari 2021 heeft de Vennootschap een arbeidsovereenkomst voor onbepaalde duur afgesloten met de Werknemer om de details en voorwaarden van de nieuwe functie van de Werknemer als Voorzitter Otis EMEA vast te leggen. Op 1 februari 2021 heeft deze arbeidsovereenkomst een aanvang genomen. Bij deze wensen de Partijen deze arbeidsovereenkomst in onderling akkoord te beëindigen. De Werknemer zal immers in dienst treden van een andere entiteit van de Otis Groep. De Partijen hebben elkaar ontmoet en hebben zij onderhandelingen gevoerd met het oog op het afsluiten van onderhavige overeenkomst aan de hand waarvan zij de modaliteiten van de beëindiging van hun arbeidsrelaties op definitieve wijze wensen te regelen en ieder geding dat tussen hen bestaat of tussen hen zou kunnen ontstaan beëindigen.	As from 3 November 2020, the Employee was appointed as the President of Otis EMEA, and a member of Otis Worldwide Corporation's Executive Leadership Group (“ELG”), with an E5 level. On 1 February 2021, the Parties entered into an employment contract in order to enumerate the details and conditions of the new function as President of Otis EMEA to be performed by the Employee. The employment contract took effect on 1 February 2021. Hereby, the Parties wish to terminate this employment contract by mutual consent as the Employee will enter the service of another entity of the Otis Group. The Parties have met and entered into discussions with the aim of concluding this termination agreement by mutual consent by which they intend to settle once and for all the terms and conditions of the termination of their employment relationship as well as any dispute which exists, or which could arise in the future.
WORDT HET VOLGENDE OVEREENGEKOMEN :	IT HAS BEEN AGREED UPON AS FOLLOWS:
<u>Artikel 1</u>	<u>Article 1</u>
Na wederzijdse toegevingen sluiten de Partijen een dadingsovereenkomst af in de zin van de artikelen 2044 en volgende van het Burgerlijk Wetboek.	After mutual concessions, the Parties enter into a settlement agreement in the sense of Article 2044 and the following articles of the Civil Code.

<u>Artikel 2</u>	<u>Article 2</u>
De Partijen erkennen dat zij op de hoogte waren van hun rechten. De bepalingen van onderhavige overeenkomst werden dan ook overeengekomen na onderhandelingen tussen de Partijen en geven hun vrije en geïnformeerde toestemming perfect weer.	The Parties recognize that they were aware of their rights at the time of the conclusion of this agreement. The provisions of this agreement have been agreed upon following discussions between the Parties and those provisions fully reflect their free and clear consent.
Elk van de Partijen heeft eveneens over de nodige tijd kunnen beschikken om onderhavige overeenkomst te bestuderen en te onderhandelen, en om alle nodige inlichtingen in te winnen om de draagwijdte van de overeenkomst in te kunnen schatten.	Both of the Parties have been given the necessary time for reflection to examine and negotiate this agreement and they have received the necessary advice in order to understand the scope of this agreement.
De Partijen komen overeen om onderhavige overeenkomst te goeder trouw uit te voeren.	The Parties undertake to execute this agreement in good faith.
<u>Artikel 3</u>	<u>Article 3</u>
De Partijen komen overeen dat de arbeidsovereenkomst van de Werknemer in onderling akkoord eindigt op 14 november 2021, einde van de dag, (" Beëindigingsdatum "), zonder opzeggingstermijn of vergoeding.	The Parties agree that the employment contract of the Employee will be terminated by mutual consent on 14 November 2021, end of the day (" the Termination Date "), without notice period nor indemnity in lieu of notice.
De Werknemer zal zijn gebruikelijke taken blijven uitvoeren tot de Beëindigingsdatum en de arbeidsvoorwaarden, met inbegrip van het loon en voordelen, zullen ongewijzigd blijven tot dan.	The Employee shall continue to perform his usual duties until the Termination Date and the terms and conditions of employment, including pay and benefits, shall remain unchanged until then.
Vanaf de Beëindigingsdatum maakt de Werknemer niet langer deel uit van het personeel van de Vennootschap.	As from the Termination Date, the Employee will no longer be a member of the staff of the Company.
De Partijen erkennen dat zij elkaar met ingang van de Beëindigingsdatum niets meer verschuldigd zijn, met uitzondering van de in artikel 4 voorziene bedragen.	The Parties acknowledge that as of the Termination Date they no longer owe each other anything, with the exception of the sums provided for in Article 4.

<u>Artikel 4</u>	<u>Article 4</u>
Binnen 30 dagen na de Beëindigingsdatum verbindt de Vennootschap zich ertoe de volgende bedragen aan de Werknemer te betalen, voor zover deze inmiddels nog niet werden betaald: – het normale loon van de Werknemer tot op de Beëindigingsdatum. – het vertrekvakantiegeld in overeenstemming met de toepasselijke wettelijke bepalingen; – de pro rata eindejaarspremie in overeenstemming met de toepasselijke bepalingen op sector- en/of ondernemingsniveau; – Alle hiervoor vermelde bedragen zullen betaald worden op het gebruikelijke bankrekeningnummer van de Werknemer dat gekend is door de Vennootschap, na aftrek van de toepasselijke sociale zekerheidsbijdragen en fiscale inhoudingen.	Within 30 days from the Termination Date, the Company undertakes to pay the following amounts to the Employee, insofar as they haven't already been paid: – the normal remuneration of the Employee until the Termination Date; – the departure holiday pay in accordance with applicable legal provisions; – and the pro rata end of year premium, in accordance with the applicable sector-level or enterprise-level provision All the above-mentioned amounts will be transferred to the usual bank account of the Employee on record with the Company, after deduction of the applicable legal withholdings.
<u>Artikel 5</u>	<u>Article 5</u>
De Vennootschap zal alle sociale documenten binnen de wettelijke termijnen overmaken aan de Werknemer (de loonafrekening, het formulier C4, het tewerkstellingsattest, de vakantieattesten, etc.) evenals de fiscale fiche 281.10.	The Company will provide the social documents (the exit account, the C4 form, the employment certificate, the vacation certificates, etc.) as well as tax form 281.10 to the Employee within the legal deadline.
<u>Artikel 6</u>	<u>Article 6</u>
De Partijen komen overeen dat de Vennootschap de reden van verbreking zal opgeven in het formulier C4: Beëindiging in onderling akkoord.	The Parties agree that the Company will specify the following ground(s) for termination on the C4 form: Termination by mutual consent.

Artikel 7	Article 7
Mits uitvoering te goeder trouw van onderhavige overeenkomst: – aanvaarden de Partijen de in onderhavige overeenkomst bedoelde bepalingen als definitieve regeling van elk geschil en elke mogelijke contractuele vordering die zij nog zouden kunnen hebben ten opzichte van elkaar met betrekking tot de arbeidsovereenkomst van de Werknemer en/of de verbreking ervan; – de Partijen zien af van elke rechtsovereenkomst die bestaat of die nog tot stand zal komen met betrekking tot de contractuele relaties die tussen hen bestonden of de beëindiging van deze relaties, met inbegrip van, maar niet beperkt tot, elke vordering tot schadevergoeding of interesten wegens onrechtmatige beëindiging van de arbeidsovereenkomst, opzeggingsvergoeding, uitwinningsvergoeding, bijzondere beschermingsvergoeding, achterstallige lonen, achterstallige bonussen, etc; – de Werknemer ziet ervan af om aan de Vennootschap de concrete motieven van zijn ontslag te vragen in toepassing van de CAO nr. 109 van 12 februari 2014 en om de Vennootschap trachten te veroordelen tot betaling van eender welke schadevergoeding voorzien in deze CAO; – de Partijen zien ervan af om procedures in ten stellen voor een rechtbank met betrekking tot de arbeidsovereenkomst van de Werknemer en/of de verbreking ervan; – de Partijen zien ervan af om zich te beroepen op eender welke juridische of feitelijke onjuistheid of elke eventuele nalatigheid met betrekking tot het bestaan en/of de omvang van hun rechten. Bijgevolg verklaart elke Partij haar rechten volledig te hebben uitgeput ten opzichte van de andere Partij. De verzakingen die geformuleerd werden door de Werknemer gelden niet enkel ten opzichte van de Vennootschap maar ook ten opzichte van elke andere vennootschap of vereniging die behoort tot, verwant is aan of deel uitmaakt van de groep waartoe de Vennootschap behoort.	On the condition of the correct and complete execution of this agreement: – the Parties accept the provisions of this agreement as the final settlement of all claims of a contractual nature or other nature that they could have against each other regarding the employment contract of the Employee and/or the termination thereof; – the Parties renounce all other rights that they have or that may arise in regard to the contractual relations that existed between them or in regard to the termination of those relations, including, but without being limited to, claims for damages and interest for abusive termination of the employment contract, an additional termination indemnity, an indemnity for manifestly unreasonable termination, indemnities regarding special protections against dismissal, salary arrears, bonus arrears, premium etc.; – the Employee shall refrain from requesting that the Company informs him of the specific reasons for his dismissal in application of the collective bargaining agreement No. 109 of 12 February 2014 and from requesting the condemnation of the Company to pay the indemnities foreseen therein; – the Parties waive their right to introduce any future court action regarding the employment contract of the Employee and/or the termination thereof; – the Parties shall refrain from prevailing themselves of any legal or factual error or any omission regarding the existence or the scope of their rights. Consequently, the Parties recognize that they have exhausted their rights and confirm that they have no more claims against one another. The waiver exercised by the Employee is not only valid with regard to the Company but also with regard to all companies or associations owned by, related to or that are a part of the company group that the Company belongs to.

<u>Artikel 8</u>	<u>Article 8</u>
Onderhavige overeenkomst vormt het volledige en definitieve akkoord tussen de Partijen.	This agreement constitutes the final and complete agreement of the Parties.
Onderhavige overeenkomst vernietigt en vervangt ieder ander akkoord en elke andere oude bepaling, van welke aard ook, die schriftelijk of mondeling overeengekomen is tussen de Partijen en die tegenstrijdig is met onderhavige overeenkomst.	This agreement annuls and replaces all previous agreements and stipulations, of whichever nature, that were concluded verbally or in writing between the Parties and that contradict this agreement.
Indien een of meerdere bepalingen of delen van bepalingen van onderhavige overeenkomst geheel of gedeeltelijk ongeldig worden verklaard, heeft dit enkel de ongeldigheid van de desbetreffende bepaling(en) tot gevolg, en niet de ongeldigheid van de volledige overeenkomst.	If one or more clauses or parts of clauses of this agreement are declared partially or totally null, the other provisions will not be affected by the nullity and will consequently retain their validity.
<u>Artikel 9</u>	<u>Article 9</u>
Voor ieder geschil dat voort zou kunnen komen uit onderhavige overeenkomst aanvaarden de Partijen de exclusieve bevoegdheid van de Belgische rechtbanken.	The Parties accept the exclusive jurisdiction of the Belgian tribunals and courts for any disputes originating from this agreement.
<u>Artikel 10</u>	<u>Article 10</u>
Onderhavige overeenkomst werd opgesteld en ondertekend in het Nederlandse. De Vennootschap bevestigt dat de Engelse vertaling uitsluitend uitgevoerd werd ter informatie, terwijl de Nederlandse versie de officiële versie is. In het geval dat er discussies zijn tussen de originele Nederlandse versie en de vrije Engelse vertaling, zal de Nederlandse versie voorrang hebben.	This agreement has been drafted and signed in Dutch. The Company confirms that the English translation is executed for information purposes only whereas the Dutch version remains the original enforceable one. In the event any discrepancies should arise between the original Dutch version and the free English translation, the Dutch version will prevail.
* * *	* * *
Onderhavige overeenkomst kan worden ondertekend in een willekeurig aantal exemplaren en elk exemplaar vertegenwoordigt een volledig ondertekend origineel alsof het door beide partijen ondertekend was. De afgifte van een ondertekend exemplaar van een ondertekeningspagina van deze overeenkomst in elektronisch formaat (bv. pdf) geldt als de afgifte van een met de hand ondertekend exemplaar van onderhavige overeenkomst.	This agreement may be signed in any number of counterparts and each counterpart shall represent a fully executed original as if signed by both parties. Delivery of an executed counterpart of a signature page to this agreement in electronic format (e.g., pdf) shall be effective as delivery of a manually executed counterpart of this agreement.
Voor de Vennootschap: <u>/s/ Christophe Greven</u> Christophe Greven Gedelegeerd Bestuurder	For the Company: <u>/s/ Christophe Greven</u> Christophe Greven Managing Director

Voor de Werknemer*:	The Employee*:
<u>/s/ Bernardo Calleja Fernández</u> Bernardo Calleja Fernández	<u>/s/ Bernardo Calleja Fernández</u> Bernardo Calleja Fernández
<i>*De handtekening van de Werknemer wordt voorafgegaan door de geschreven vermelding « gelezen en goedgekeurd ».</i>	<i>*The signature of the Employee must be preceded by the handwritten note “read and approved”.</i>

EMPLOYMENT CONTRACT

Between

Otis International Sàrl hereafter referred to as Otis International

and

Bernardo Calleja Fernandez hereafter referred to as Employee

GENERAL REMARKS

TITLE:	President, Otis EMEA
GRADE:	Executive Leadership Group (ELG) of Otis Worldwide Corporation
ACTIVITY RATIO:	Full time (100%)
CONTRACT PERIOD:	Open-ended
START DATE:	November 15, 2021
TRANSPORT MODE:	Company vehicle
GROSS ANNUAL BASE SALARY:	540'000 CHF (paid in 13 installments)
BONUS (STI) AT TARGET:	80% of base salary in effect at year end
TRANSITION ALLOWANCE:	360'000 CHF (paid in installments over 3 years)
SCHOOLING ALLOWANCE:	108'000 CHF (paid in installments over 2 years)
TAX PREPARATION ALLOWANCE:	16'200 CHF per year
MEDICAL COVERAGE	1 year of medical
NON-COMPETE CLAUSE PERIOD:	2 years
GEOGRAPHIC REACH OF THE NON-COMPETE CLAUSE:	Worldwide

1.1 FUNCTION

Employee is hired for the aforementioned function. Employee will report to Judy Marks, CEO of Otis Worldwide Corporation (the "Parent"), or any of her successors. Both parties acknowledge that due to Employee's activities, it is impossible to give an exhaustive enumeration of all the tasks which are Employee's responsibility. Consequently, all tasks which are directly or indirectly necessary, or useful for the execution of his function, are part of the activities of Employee. Otis acknowledges that Employee currently serves (and may serve in the future) as a director of other Otis Group entities (i.e., any direct or indirect subsidiary or affiliate of the Parent); unless specifically agreed to the contrary, no additional compensation shall be owed to Employee in this respect.

1.2 CONTRACT PERIOD, TRIAL PERIOD, AND NOTICE PERIOD

The present contract comes into force on the start date indicated above. It is concluded for an open-ended period. Either party may terminate the employment contract per the end of a month, subject to a notice period of 3 months. There is no trial period. If the employment contract is terminated, Employee may be entitled to severance subject to the terms and conditions of the Parent's ELG Severance Plan. Any termination indemnity or severance payment paid by any Otis Group entities to Employee shall reduce his ELG severance amount.

1.3 WORKPLACE

In principle, the workplace is set at Otis EMEA's headquarters (currently in Geneva). However, the employee will be frequently asked to travel as part of his work and will be reimbursed for travel expenses in accordance with

applicable Otis Group policy. Furthermore, in light of the functions of the employee, Otis International reserves the right to temporarily or permanently change his workplace. Any permanent change will only occur if the location of Otis EMEA's headquarters change. If Employee is required to change his workplace, he will be entitled to relocation benefits in accordance with applicable Otis Group Policy for senior executives.

1.4 SALARY

1.4.1 Annual base salary (540'000 CHF)

The gross annual base salary is specified above. This gross annual base salary will be effective on the Start Date. Annual base salary shall be paid in thirteen equal installments and shall be paid monthly. The thirteenth installment shall be paid in December. The gross annual base salary shall be reviewed annually and shall not be decreased, except as part of program that impacts all Otis ELG members in similar fashion (e.g., 10% across-the-board for similarly situated executives). The salary payable to Executive shall be reduced by any salary payable to Employee by any other member of the Otis Group for the same period of service and for purposes of calculating any reduction amounts payable in € or other currency shall be converted into CHF based on the most recent conversion rate published by OANDA.

1.4.2 Short-term incentive plan participation

Employee is eligible to participate in the Parent's Executive Short-Term Incentive Plan (the "STI"), governed by Delaware law, and as amended unilaterally by the Parent from time to time. Employee's target annual STI opportunity is 80% of his gross annual base salary in effect hereunder at the end of each applicable year and shall be calculated by reference to the gross annual base salary payable hereunder without regard to any salary reduction that may be made as a result of the last sentence of Clause 1.4.1. The actual amount of the potential STI payment is based on the rules of the STI.

1.4.3 Long-term incentive plan participation

Employee will be eligible to receive grants of equity awards, as determined annually in the sole discretion of Parent's Compensation Committee under the Parent's 2020 Long-Term Incentive Plan (the "LTI") or any successor plan thereto. The LTI is a global plan governed by Delaware law and obligations and rights described in the LTI and Employee's award agreements are not part of this contract. Otis International is in no way liable for any obligations set under the LTI (except for certain withholding obligations).

1.4.4 Nature of incentives

STI and LTI payments, if any, are optional services whose very principle, amount, and nature are fully discretionary. The nature of these special payments remains unchanged, even if they have been made several times. Employee does not acquire any right to be paid such incentives.

1.4.5 Transition allowance

Employee is eligible for a transition allowance in the maximum amount of 360'000 CHF (total amount for 36 months) to reflect the higher cost of living associated with living in Switzerland over his prior work location. Subject to Employee's continued employment with Otis International, the transition allowance will be paid in 36 monthly installments. The first twelve installment payments will each be 12'500 CHF, the next twelve installment payments will each be 10'000 CHF and the final twelve installment payments will each be 7'500 CHF. Each installment will be made in arrears (e.g., the payment for November 2021 will be made in December, 2021). The amount of the transition allowance is a net amount, i.e., Otis International will bear any social security (employer and employee share) as well as any taxes owed on this amount.

In addition, Employee shall be eligible to receive standard executive relocation benefits to facilitate his move to Switzerland, including, but not limited to, household goods shipment, a home finding trip and a relocation lump sum of 63'000 CHF. Otis International will bear any social security (employer and employee share) as well as any taxes owed on the standard executive relocation benefits.

1.4.6 School fees for child

Subject to Employee's continued employment with Otis International, he will be reimbursed for school and boarding fees for his son for up to two school years. The total cost of such reimbursement shall not exceed a total amount of 110'000 CHF over this two-year period. The reimbursement will be processed upon presentation of receipts. The amount paid for school and boarding fees is a net amount, i.e., Otis International will bear any social security (employer and employee share) as well as any taxes owed on this amount.

1.4.7 Car

Employee will be entitled to the use of a car on the same terms and conditions as is provided to the most senior executives employed by Otis International.

1.4.8 Tax Preparation Services

Otis International will reimburse Employee for tax preparation services in an amount not to exceed 16'200 CHF per year while he remains employed in Switzerland by Otis International. The reimbursement will be processed upon presentation of receipts. The amount paid for the tax preparation services is a net amount, i.e., Otis International will bear any social security (employer and employee share) as well as any taxes owed on this amount.

1.4.9 Medical Coverage

Otis International will provide Employee and his eligible family members with Cigna Global medical and dental coverage for a period of one year at no cost to Employee. Such coverage will commence on a date of the Employee's choosing in 2021. As noted below in Section 2.3, it is Employee's responsibility to secure LAMal.

1.4.10 Salary deductions

Employee's share of mandatory social contributions (AVS/AI/APG/AC), as well as the contributions payable by the Employee to Otis International's pension institution, in accordance with the regulations of the latter ("LPP"), and the Employee's share of premiums for group income protection insurance against loss of earnings in the event of illness shall be deducted from the Employee's gross salary, and as necessary, from other salary payments. Furthermore, if the Employee is subject to income tax withholding, Otis International will also withhold the corresponding amount.

Likewise, contributions that the Employee may owe (e.g., vehicle agreement, expense payments, etc.) may also be directly deducted from the salary, by an offsetting amount.

1.5 WEEKLY WORKING HOURS

As a senior executive, Employee does not have set hours and must work the number of hours required to accomplish his tasks. As the concept of overtime is irrelevant to the supervisory function, and in consideration of the workload related to this function, Employee may not claim any compensation in terms of time or remuneration specifically for overtime. In the event that there may be chronic work overload, it is incumbent upon Employee to inform the Parent's CEO and to specify the reasons for this overload.

1.6 VACATION AND PUBLIC HOLIDAYS

The reference period for calculating vacation entitlement is the calendar year. In the event that the hiring or the end of the employment relationship happens during the course of the year, vacation is calculated in proportion to time. As a senior executive, it is incumbent upon Employee to plan and organize his vacation in consideration of the needs of the Otis International and organize the required temporary replacements. Considering his independence and his position in the hierarchy, Employee may not express demands for potential vacation that is not taken, if this vacation exceeds eight weeks on the date that the employment relationship terminates.

Furthermore, the duration and terms of vacation are set by the regulations of Otis International. The same applies to vacation, public holidays, and other paid absences.

2. SOCIAL INSURANCE

2.1 ACCIDENT INSURANCE

Employee is insured against the risks of occupational and non-occupational accidents, and against occupational disease in compliance with the law on insurance and accidents ("Loi sur l'assurance-accidents", "LAA"). However, non-occupational accidents are only covered for employees whose weekly working hours are greater than or equal to eight hours within the meaning of the "LAA". Furthermore, it is stated that the employer has taken out complementary "LAA" insurance.

In the event of an accident, the right to a salary and other benefits is exclusively determined by the applicable legal provisions (in particular the LAA and its enforcement provisions), the provisions of the complementary LAA insurance contract, and the relevant general and additional terms and conditions. Regarding the scope of the coverage and the benefits provided, solely the aforementioned provisions are deemed authentic. The same applies in the event that the insurance terms are modified, or in the event that the insurance company is changed.

A copy of the complementary "LAA" insurance contract and the general and additional insurance terms and conditions are at the disposal of Employee, upon request.

For all the cases covered by the accident insurance, Otis International is released from all liability, in accordance with Article 324b(1) CO. In other cases, solely Articles 324a(1-3) CO to 324b CO are applicable.

2.2 GROUP INCOME PROTECTION INSURANCE IN THE EVENT OF A NON-OCCUPATIONAL ILLNESS

For its employees, Otis International has taken out group income protection insurance in the event of an illness subject to the insurance contract law ("loi sur le contrat d'assurance" - "LCA"). This insurance covers 80% of the earnings made during a period of 730 days, less a waiting period during which the employer pays the salary.

Regarding the calculation of the insured income, the scope of the coverage, and the benefits provided, solely the insurance contract and the relevant general and special terms and conditions are applicable. The same applies in the event that the insurance terms are modified, or in the event that the insurance company is changed. A copy of the insurance contract and the relevant general and additional insurance terms and conditions shall be submitted to the employee, upon request.

Otis International pays for half of the group income protection insurance premiums, and the employee pays for the other half.

For all the cases that the income protection insurance covers, the employer is released from all other obligations, in accordance with Article 324a(4) CO. In the other cases, Otis International; shall pay Employee his salary in accordance with Articles 324a(1-3) CO and 324b CO.

Otis International may also grant additional benefits, based on the applicable regulations of Otis International, as amended unilaterally from time to time.

2.3 HEALTH INSURANCE

Taking out mandatory health insurance within the meaning of "LAMal" and the payment of the relevant premiums are under the sole responsibility and at the sole expense of Employee.

2.4 PENSION FUND

Employee joins the Pension Fund effective as of the Start Date.

3. DILIGENCE, LOYALTY, AND CONFIDENTIALITY OBLIGATIONS

3.1 EMPLOYEE'S GENERAL DUTIES AND DIRECTIVES

Employee is required to perform his functions in a diligent, conscientious, and faithful manner, conforming to the instructions of Otis International.

To allow the smooth execution of tasks entrusted to the employees of the company, Otis International may draw up instructions on work performance and conduct; it may also give special instructions to Employee. Employee is required to comply with the said lawful directives and instructions.

3.2 OTHER ACTIVITIES

Employee dedicates all of his professional activity to Otis International and other members of the OTIS Group for which he may develop an activity.

During the period of the employment contract, Employee is not authorized to perform another professional or paid activity, unless the Parent's CEO has provided prior written consent. However, it is acknowledged that Employee currently provides services to Zardoya Otis S.A. and may continue to do so. Employee must not perform any activity free of charge or against payment that could damage the interests of the Otis Group, or directly or indirectly compete with it.

3.3 OBLIGATION OF NON-DISCLOSURE

Employee must not use nor reveal information meant to remain confidential that he has learned of during the exercise of his activity for Otis International or any other member of the Otis Group, regardless of how he became aware of the information in question.

In particular, this obligation of non-disclosure concerns trade and business secrets, information related to clients, suppliers and other contract partners of any member of the Otis Group, the information related to employees of any member of the Otis Group (salaries, personal records, etc.), accounting and economic information of any member of the Otis Group, as well as information related to the organization of any such member.

The obligation of non-disclosure continues even after the end of the employment relationship. Employee is wholly responsible for any prejudice due to the violation of his obligation of confidentiality.

4. ENTRUSTED DOCUMENTS AND OBJECTS

4.1 DOCUMENTS

Documents in any form (paper, diskettes, CD-ROMs, DVDs, other physical or digital media, etc.) that Otis International or any member of the Otis Group gives to Employee for him to perform his work remains the exclusive property of the latter. The same applies to documents that Employee himself may have drawn up during the performance of his work.

Employee is prohibited from reproducing the aforementioned documents for personal ends or for third parties, in any way whatsoever. Furthermore, Employee is required to return these to the OTIS company upon the request of the latter, or, at the latest, on the last day that he actually works at the company, without keeping copies of them.

The following is a non-exhaustive list of such documents: accounts, notices, work reports, tables, sketches, drawings, manufacturing and assembly instructions, photographs, price lists, computer programs, regulations, etc.

4.2 ENTRUSTED OBJECTS

Employee commits to using instruments and other objects with care and in accordance with their purpose such as, but not restricted to GSM, tools, measurement instruments, computers, etc. that Otis International entrusts to him to perform his work. Unless Otis International provides prior express consent, Employee is required to use the objects solely and strictly for professional ends, exclusive of any personal use.

The instruments and objects that Employee is entrusted with remain the exclusive property of Otis International. As such, Employee is required to return them upon the request of Otis International, or, at the latest, the last day that Employee actually works at the company.

5. RIGHT TO INVENTIONS AND OTHER IMMATERIAL GOODS

5.1 INVENTIONS AND DESIGNS

The inventions of Employee and the designs that he has created, or the elaboration that he has participated in via the execution of his activity for Otis International or any member of the Otis Group, in accordance with his contractual obligations, belong as of right and exclusively to Otis International or such member of the Otis Group, whether they are protected or not, without any right for Employee to demand special remuneration. Employee is required to immediately inform Otis International of the existence of such an invention or design.

Furthermore, Otis International expressly reserves the right to acquire inventions and designs that Employee has created in the execution of his activity for Otis International, but beyond the completion of his contractual obligations.

In the cases stipulated in the above paragraph, Employee is required to immediately inform Otis International in writing of the existence of the invention or design in writing. Upon receipt of this information, within six months, Otis International must inform Employee in writing of whether it intends to acquire the invention or design. If Otis International exercises its acquisition right, it will make a special equitable payment that is determined in accordance with Article 332 CO.

5.2 SOFTWARE, PLANS, AND DESIGNS

Economic and usage rights for software, plans, and drawings created by Employee in the execution of his activity for Otis International or any member of the Otis Group, and in accordance with his contractual obligations, are automatically transferred to such member, without any right for Employee to demand special remuneration on these grounds. Employee is required to immediately inform Otis International of the existence of any such software, plan, or design.

Furthermore, Otis International expressly reserves the right to require the transfer of economic and user rights for software, plans, and designs created by Employee in the execution of his activity for OTIS International, but that is beyond the performance of his contractual obligations, as well as for the software, plans, and designs created by the employee outside of his activity for Otis International.

In the cases stipulated in the above paragraph, Employee is required to immediately inform Otis International in writing of the creation of the software, plan, or drawing. Upon receipt of this information, within six months, Otis International must inform Employee in writing of whether it intends to acquire economic rights on the software, plan, or drawing. If Otis International exercises its right to obtain the transfer, it will make a special equitable payment that is determined in accordance with the principles of Article 332 CO, which is applied by analogy.

In the event that the software rights are transferred to Otis International, it is expressly authorized to modify and to improve the software. The transfer includes the transfer of the exclusive right to use and sell all of the components created, in their original or derived form, including the rights to transfer them. The same rule applies to plans and drawings.

6. NON-COMPETE CLAUSE AND HIRING BAN

Given that the Otis Group has a worldwide activity field, and important economic, technical and financial interests, and in that in his function Employee will have access to strategic information of a technical, scientific, economic or commercial nature, in the manufacture, installation, service and sales of people-moving products, such as elevators, escalators and moving walkways, Employee commits to not performing similar activities, whether directly or indirectly, on a worldwide basis while employed by Otis International and for 24 months after termination of this contract, either by running his own business, or working or consulting for a competing employer, thereby being able to harm any member of the Otis Group by using, for himself or a competitor, the knowledge of practices specific to any member of the Otis Group that he acquired. So long as this restriction is deemed legally enforceable, and unless Otis International renounces its right to the application of this post-contractual non-compete clause by providing written notice to Employee prior to the end of the employment relationship, Otis International will pay Employee a lump sum payment equal to 50% of the annual base salary Employee would have received over the 24-month restriction period.

Furthermore, for a period of 24 months from the end of the employment relationship, Employee commits to not encourage or attempt to encourage any employees of any member of the Otis Group to terminate their employment relationship in order to directly or indirectly hire them for himself or for a third party. If Otis International renounces its right to the application of the non-compete clause, this shall not release Employee from the obligation under this paragraph.

In the event of an infringement of the post-contractual non-compete clause and hiring ban, a contractual penalty the equivalent of six months of salary in accordance with art. 161 para. 1 Swiss Code of Obligations is agreed upon for each breach. The reference salary is the last gross monthly salary received by Employee for his work for Otis International and includes the variable revenue and potential advantages of special bonuses. The payment of the contractual penalty does not release Employee from the non-compete clause and hiring ban, so that Otis International may require, moreover, the effective termination of the breach and prohibit further infringements of the undertakings in Clause 6. In addition, Employee owes to Otis International full indemnifications for all actual damages for any violation of the undertakings in Clause 6.

The obligations under this contract are in addition to and not in lieu of any rights the Parent may exercise if Employee violates the covenants in the Parent's LTIP and in any underlying equity award agreement.

The obligations under this Clause 6 will not apply if this employment contract is voluntarily terminated by Employee due to Otis International's material breach of this contract so long as Employee notifies Otis International in writing of the specifics of the material breach and provides it with a reasonable opportunity to cure the breach. Further, the obligations under this Clause 6 will also not apply if this employment contract is terminated by written mutual consent of the parties.

7. SAFETY AND PROTECTION OF THE PERSONALITY

7.1 QUALITY (Q) / ENVIRONMENT HEALTH & SAFETY (EH&S) DIRECTIVES

Employee commits to keeping high safety and quality standards. He shall actively participate in identifying any dangerous situation that may compromise the safety and quality conditions and shall immediately inform Otis International of such situations.

He commits to scrupulously comply with all the applicable legal requirements in this area, as well as the directives issued by SUVA. Likewise, at the latest, when he starts work, he commits to read the internal provisions in the management system and to comply with them.

The concept of safety includes the physical and psychological integrity of each employee, of colleagues, of workers of other companies intervening on a site, and users. In particular, each employee commits to automatically inform his employer of any event or situation that may constitute a safety risk.

7.2 PSYCHOLOGICAL AND SEXUAL HARASSMENT

Otis International is committed to protecting the health of its employees. If Employee considers that a colleague or superior has subjected him to psychological pressure or sexual harassment, he is required to immediately inform the human resources or ECO manager, to enable his employer to proceed with the required verifications, and to take protective measures as necessary. Otis International may not be held liable for a case of harassment that it has not been informed of.

As a corollary, Employee commits to behave in a manner that respects the physical and psychological integrity of other employees, and to refrain from behaving or using language that is ill-timed or ambiguous.

8. FINAL PROVISIONS

8.1 COMPANY REGULATIONS, CODE OF ETHICS, AND REGULATIONS

The regulations enacted by Otis International, and particularly the following regulations, are an integral part of the present contract:

- Company regulations for employees;
- Expense payments for administrative staff;
- General terms and conditions for the use of a company vehicle;
- Pension fund regulations;
- Data protection regulations;
- OTIS Absolutes;
- ITC 360;

By signing the present contract, Employee confirms that the aforementioned regulations have been submitted to him, that he has read, understood, and accepted them. In the event of a contradiction between these documents and the present contract, the latter shall prevail.

When he starts working, at the latest, the employee also commits to reading the codes, regulations, norms and directives published on the intranet of Otis International and to comply with them.

Insofar as the aforementioned regulations and documents constitute or include instructions or directives from the employer, they may be modified by Otis International, which shall inform the employee of their new terms. It is incumbent upon the latter to keep himself informed.

8.2 CONTRACT MODIFICATIONS

Any modification to this contract must be in writing to be valid.

8.3 APPLICABLE LAW AND PLACE OF JURISDICTION

The present contract shall be exclusively governed by the material laws of Switzerland.

Place of jurisdiction shall be, at the choice of the claimant, either the place of domicile of the defendant or the place where the Employee habitually performs his work (art. 34 para. 1 of the Swiss Civil Procedure Code).

This contract may be signed in any number of counterparts and each counterpart shall represent a fully executed original as if signed by both parties. Delivery of an executed counterpart of a signature page to this contract in electronic format (e.g., pdf) shall be effective as delivery of a manually executed counterpart of this contract.

Signature of Employee : /s/ Bernardo Calleja Fernandez

OTIS INTERNATIONAL

/s/ Ann Sandra Roger Leal Negre
Ann Sandra Rogers Leal Negre
VP, Human Resources, EMEA

/s/ Eva Grépin
Eva Grépin
Human Resources, Director

OTIS WORLDWIDE CORPORATION
Subsidiary and Affiliate Listing
December 31, 2021

<u>Entity Name</u>	<u>Place of Incorporation</u>
9G Elevator Pte. Ltd.	Singapore
Alder France Holding SAS	France
Alder Holdings SAS	France
Alder Paris Holdings SAS	France
Allyn Holdings, Inc	New Jersey
CEAM Costruzioni Elettromeccaniche Ascensori e Montacarichi Srl	Italy
Chestnut Holdings	France
Cypress Holdings SRL	Italy
Highland Holdings S.a.r.l.	Luxembourg
Juniper Holdings S.a.r.l	Luxembourg
Madison Holdings, B.V.	Netherlands
Nippon Otis Elevator Company	Japan
Opal Spanish Holdings, S.A.	Spain
Otis a.s.	Czech Republic
Otis Canada, Inc.	Canada
Otis Electric Elevator Company Limited	China
Otis Elevator Company	New Jersey
Otis Elevator Company (H.K.) Limited	Hong Kong
Otis Elevator Company (India) Limited	India
Otis Elevator (China) Investment Company Limited	China
Otis Elevator Holdings Limited	United Kingdom
Otis Elevator Korea	Korea, Republic of
Otis Far East Holdings Limited	Hong Kong
Otis Gesellschaft m.b.H.	Austria
Otis Holdings GmbH & Co. OHG	Germany
Otis International Holdings GmbH	Germany
Otis International Asia Pacific Pte. Ltd	Singapore
Otis Investment Limited	England
Otis Limited	United Kingdom
Otis Pacific Holdings, B.V.	Netherlands
Otis S.A.	Switzerland
Otis S.C.S.	France
Otis Serviz, S.r.l.	Italy
Redwood Holding GmbH	Germany
Ridgefield Holdings Corporation	Canada

WORLDWIDE CORPORATION
Subsidiary and Affiliate Listing
December 31, 2021

Entity Name

Sigma Elevator (HK) Limited
Sirius (Korea) Limited
Trenton Luxembourg S.a.r.l.
Trumbull Holdings SCS
Zardoya Otis, S.A.

Place of Incorporation

Hong Kong
Korea
Luxembourg
France
Spain

Other subsidiaries of the Registrant have been omitted from this listing since, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary, as defined by Rule 1-02 of Regulation S-K.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-237550 and 333-240269) and Form S-8 (No. 333-237551) of Otis Worldwide Corporation of our report dated February 4, 2022 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Hartford, Connecticut
February 4, 2022

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the "Corporation"), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ JEFFREY H. BLACK

Jeffrey H. Black

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ KATHY HOPINKAH HANNAN

Kathy Hopinkah Hannan

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022

/s/ SHAILESH G. JEJURIKAR

Shailesh G. Jejuriakar

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ CHRISTOPHER J. KEARNEY

Christopher J. Kearney

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ JUDITH F. MARKS

Judith F. Marks

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ HAROLD W. MCGRAW III

Harold W. McGraw III

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ MARGARET M.V. PRESTON

Margaret M.V. Preston

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022.

/s/ SHELLEY STEWART, JR.

Shelley Stewart, Jr.

OTIS WORLDWIDE CORPORATION
Power of Attorney

The undersigned, as a member of the Board of Directors, or as an officer of OTIS WORLDWIDE CORPORATION, a Delaware corporation (the “Corporation”), or as a member of a committee of said Board, or in all of said capacities, hereby constitutes and appoints RAHUL GHAI, NORA E. LAFRENIERE, and MICHAEL P. RYAN, or any one of them, his or her true and lawful attorneys and agents to do any and all acts and things and execute any and all instruments which the said attorneys and agents may deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934 and any rules and regulations and requirements of the Securities and Exchange Commission in respect thereof in connection with the filing of the Annual Report of the Corporation on Form 10-K for the fiscal year ended December 31, 2021, including specifically, but without limiting the generality of the foregoing, the power and authority to sign the name of the undersigned, in the capacities aforesaid or in any other capacity, to such Form 10-K Annual Report filed or to be filed with the Securities and Exchange Commission, and any and all amendments to the said Form 10-K Annual Report, and any and all instruments and documents filed as a part of or in connection with the said Form 10-K Annual Report or any amendments thereto; hereby ratifying and confirming all that the said attorneys and agents, or any one of them, have done, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed this Power of Attorney this **3rd** day of February, 2022

/s/ JOHN H. WALKER

John H. Walker

CERTIFICATION

I, Judith F. Marks, certify that:

1. I have reviewed this annual report on Form 10-K of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 4, 2022

/s/ JUDITH F. MARKS

Judith F. Marks

Chair, President and Chief Executive Officer

CERTIFICATION

I, Rahul Ghai, certify that:

1. I have reviewed this annual report on Form 10-K of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 4, 2022

/s/ RAHUL GHAI

Rahul Ghai

Executive Vice President and Chief Financial Officer

CERTIFICATION

I, Michael P. Ryan, certify that:

1. I have reviewed this annual report on Form 10-K of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 4, 2022

/s/ MICHAEL P. RYAN

Michael P. Ryan

Vice President and Chief Accounting Officer

Section 1350 Certifications
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Otis Worldwide Corporation, a Delaware corporation (the “Corporation”), does hereby certify that:

The annual report on Form 10-K for the year ended December 31, 2021 (the “Form 10-K”) of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: February 4, 2022

/s/ JUDITH F. MARKS

Judith F. Marks

Chair, President and Chief Executive Officer

Date: February 4, 2022

/s/ RAHUL GHAI

Rahul Ghai

Executive Vice President and Chief Financial Officer

Date: February 4, 2022

/s/ MICHAEL P. RYAN

Michael P. Ryan

Vice President and Chief Accounting Officer

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION [COMISIÓN DEL MERCADO DE
VALORES DE ESTADOS UNIDOS]
WASHINGTON D.C. 20549**

MODELO 10-K

☒ **INFORME ANUAL CONFORME AL ARTÍCULO 13 O 15(d) DE LA LEY DEL MERCADO DE VALORES DE 1934**

Correspondiente al ejercicio finalizado el 31 de diciembre de 2021

o

☐ **INFORME DE TRANSICIÓN CONFORME AL ARTÍCULO 13 O 15(d) DE LA LEY DEL MERCADO DE VALORES DE 1934**

Correspondiente al periodo de transición desde _____ hasta _____.

Número de Expediente de la Comisión 001-39221

OTIS

OTIS WORLDWIDE CORPORATION

(Denominación exacta de la entidad declarante tal como consta en su escritura de constitución)

Delaware
(Estado u otra división territorial de constitución)

83-3789412
(N.º de Identificación del Empleador en el I.R.S.)

One Carrier Place, Farmington, Connecticut 06032
(Dirección de la sede central y código postal)

(860) 674-3000
(Número de teléfono, incluido prefijo, del declarante)

Valores registrados conforme al Artículo 12(b) de la Ley:

<u>Título de cada clase</u>	<u>Símbolo(s) Bursátil(es)</u>	<u>Nombre de la Bolsa en que se han registrado</u>
Acciones Ordinarias (valor nominal de 0,01 \$)	OTIS	Bolsa de Valores de Nueva York
Bonos con tipos de interés del 0,000 % con vencimiento en 2023	OTIS/23	Bolsa de Valores de Nueva York
Bonos con tipos de interés del 0,318 % con vencimiento en 2026	OTIS/26	Bolsa de Valores de Nueva York
Bonos con tipos de interés del 0,934 % con vencimiento en 2031	OTIS/31	Bolsa de Valores de Nueva York

Indíquese marcando la casilla correspondiente si el declarante es un emisor frecuente conocido, tal como se define en la Norma 405 de la Ley de Valores.
Sí ☒ No ☐.

Indíquese marcando la casilla correspondiente si el declarante no está obligado a presentar informes conforme al Artículo 13 o el Artículo 15(d) de la Ley.
Sí ☐ No ☒.

Indíquese marcando la casilla correspondiente si el declarante (1) ha presentado todos los informes requeridos de acuerdo con el Artículo 13 o el Artículo 15(d) de la Ley del Mercado de Valores de 1934 en los 12 meses anteriores (o cualquier otro periodo inferior en que el declarante estuviera obligado a presentar dichos

informes) y (2) ha estado sujeto a esas obligaciones de presentación en los últimos 90 días. Sí ☒. No ☐.

Indíquese marcando la casilla correspondiente si el declarante ha presentado por vía electrónica cada Fichero de Datos Interactivo que deba presentarse conforme a la Norma 405 del Reglamento S-T (§ 232.405 de esta sección) en los 12 meses anteriores (o cualquier otro periodo inferior en que el declarante estuviera obligado a presentar dichos ficheros). Sí ☒. No ☐.

Indíquese marcando la casilla correspondiente si el declarante es un gran declarante acelerado (*large accelerated filer*), un declarante acelerado (*accelerated filer*), un declarante no acelerado (*non-accelerated filer*), una pequeña empresa declarante (*smaller reporting company*) o una sociedad de crecimiento emergente (*emerging growth company*). Véanse las definiciones de «gran declarante acelerado», «declarante acelerado», «pequeña empresa declarante» y «sociedad de crecimiento emergente» recogidas en

Gran Declarante Acelerado	☒	Declarante Acelerado	☐
Declarante No Acelerado	☐	Pequeña Empresa Declarante	☐
		Sociedad de Crecimiento Emergente	☐

la Norma 12b-2 de la Ley de Valores.

Si es una sociedad de crecimiento emergente, indíquese marcando la casilla correspondiente si el declarante ha elegido la opción de no utilizar el periodo de transición ampliado para el cumplimiento de cualquier norma de contabilidad financiera nueva o revisada de acuerdo con el Artículo 13(a) de la Ley de Valores. ☐

Indíquese marcando la casilla correspondiente si el Declarante ha presentado un informe y certificado acerca de la evaluación de la eficacia del control interno de la información financiera de la dirección conforme a lo dispuesto en el Artículo 404(b) de la Ley Sarbanes-Oxley (15 U.S.C. 7262(b)) elaborado por los auditores independientes que han elaborado o emitido su informe de auditoría. ☒.

Indíquese marcando la casilla correspondiente si el declarante es una sociedad ficticia (tal como se define en la Norma 12b-2 de la Ley). Sí ☐. No ☒.

A 30 de junio de 2021, el valor de mercado total de las Acciones Ordinarias de las que son titulares empresas no vinculadas ascendía a 34.888.309.556 \$ aproximadamente conforme al precio de cierre de dichas acciones publicado por la Bolsa de Valores de Nueva York en la fecha mencionada. A los efectos de este cálculo, el Declarante ha asumido que sus consejeros y altos directivos son partes vinculadas.

A 21 de enero de 2022, había 424.962.356 Acciones Ordinarias en circulación.

DOCUMENTOS INCORPORADOS POR REFERENCIA

Se han incorporado por referencia a la Parte III del presente informe extractos de la Declaración de Poder de Otis Worldwide Corporation para la Junta Anual de Accionistas de 2022 (en adelante, la «Declaración de Poder para 2022»). La Declaración de Poder para 2022 se deberá presentar en la Comisión del Mercado de Valores de Estados Unidos dentro de los 120 días siguientes al cierre del ejercicio fiscal al que hace referencia este informe.

OTIS WORLDWIDE CORPORATION
Modelo 10-K
Correspondiente al ejercicio anual terminado el 31 de diciembre de 2021
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(El resto de anexos no son obligatorios, por lo que se han omitido)

La dirección de Otis es responsable de establecer y mantener un control interno adecuado de la información financiera. El control interno sobre la información financiera es un proceso diseñado para garantizar razonablemente la fiabilidad de la información financiera y la confección de los estados financieros para fines de información externa de conformidad con los principios contables generalmente aceptados en los Estados Unidos de América. Debido a sus limitaciones inherentes, es posible que el control interno sobre la información financiera no pueda impedir o detectar errores.

La dirección ha evaluado la eficacia del control interno de Otis sobre la información financiera a 31 de diciembre de 2021. Para realizar su evaluación, la dirección ha aplicado los criterios emitidos por el Comité de Organizaciones Patrocinadoras de la Comisión Treadway (COSO) en el Marco Integrado de Control Interno (2013). La dirección ha concluido que, de acuerdo con su evaluación, el control interno de Otis sobre la información financiera era eficaz a 31 de diciembre de 2021. La eficacia del control interno de Otis sobre la información financiera a 31 de diciembre de 2021 ha sido auditada por PricewaterhouseCoopers LLP, los auditores independientes, como se refleja en su informe recogido en el presente.

(Declarante)

Firmado por: /s/ JUDITH F. MARKS
Judith F. Marks
Presidenta del Consejo de Administración, Presidenta de la Sociedad y Consejera Delegada

Firmado por: /s/ RAHUL GHAI
Rahul Ghai
Vicepresidente Ejecutivo y Director Financiero

Firmado por: /s/ MICHAEL P. RYAN

Michael P. Ryan
Vicepresidente Ejecutivo y Director de Contabilidad

Informe de los Auditores Independientes Traducido del Inglés

Para el Consejo de Administración y los Accionistas de Otis Worldwide Corporation

Opiniones sobre los Estados Financieros y los Controles Internos sobre la Información Financiera

Hemos auditado los balances de situación consolidados adjuntos de Otis Worldwide Corporation y sus filiales (en adelante, la “Sociedad”) a 31 de diciembre de 2021 y 2020, así como las cuentas de resultados, los estados de resultados globales, los estados de cambios en el patrimonio neto y los estados de flujos de efectivo relacionados correspondientes a cada uno de los tres años del periodo cerrado a 31 de diciembre de 2021, incluidas las notas relacionadas y el anexo de los estados financieros mencionado en el índice adjunto (en adelante, en su conjunto, los “estados financieros consolidados”). También hemos auditado el control interno de la Sociedad sobre la información financiera a 31 de diciembre de 2021, basándonos en los criterios establecidos en el Marco Integrado de Control Interno (2013) publicado por el Committee of Sponsoring Organizations of the Treadway Commission (Comité de Organizaciones Patrocinadoras de la Comisión Treadway (COSO)).

En nuestra opinión, los estados financieros consolidados referidos en el párrafo anterior reflejan fielmente, en todos los aspectos significativos, la situación financiera de la Sociedad a 31 de diciembre de 2021 y 2020, así como sus resultados de explotación y sus flujos de efectivo correspondientes a cada uno de los tres años del periodo cerrado a 31 de diciembre de 2021, de conformidad con los principios de contabilidad generalmente aceptados en los Estados Unidos de América. Asimismo, en nuestra opinión, la Sociedad ha mantenido, en todos los aspectos significativos, un control interno eficaz sobre la información financiera a 31 de diciembre de 2021, basándonos en los criterios establecidos en el Marco Integrado de Control Interno (2013) publicado por el COSO.

Fundamento de la Opinión

La dirección de la Sociedad es responsable de la elaboración de los presentes estados financieros consolidados, de mantener un control interno eficaz sobre la información financiera y de evaluar la eficacia del control interno de la información financiera, incluido en el Informe de la Dirección sobre el Control Interno sobre la Información Financiera adjunto. Nuestra responsabilidad consiste en expresar opiniones sobre los estados financieros consolidados de la Sociedad y sobre el control interno de la Sociedad sobre la información financiera basándonos en nuestras auditorías. Somos una empresa de auditores públicos acreditada por el Consejo Supervisor de la Contabilidad de las Sociedades Anónimas de Estados Unidos (PCAOB, *por sus siglas en inglés*) y estamos obligados a tener una relación de independencia con respecto a la Sociedad de conformidad con lo dispuesto en las leyes federales de valores de EE.UU. y con las normas y reglamentos aplicables de la Securities and Exchange Commission y el PCAOB.

Realizamos nuestras auditorías de conformidad con las normas del PCAOB. Estas normas exigen que planifiquemos y realicemos las auditorías para obtener una certeza razonable de que los estados financieros consolidados no contienen errores significativos, ya sea por fraude o error, y de que se mantuvo un control interno eficaz sobre la información financiera en todos los aspectos significativos.

Nuestras auditorías de los estados financieros consolidados incluyen la aplicación de procedimientos para evaluar los riesgos de que existan errores significativos en los estados financieros consolidados, ya sea por fraude o error, y la aplicación de procedimientos para hacer frente a dichos riesgos. Los procedimientos mencionados incluyen el análisis, a base de pruebas, de evidencias que respalden los importes e informaciones revelados en los estados financieros consolidados. Nuestras auditorías incluyen también la evaluación de los principios contables utilizados y las principales estimaciones efectuadas por la dirección, así como la evaluación de la presentación general de los estados financieros consolidados. Nuestra auditoría del control interno sobre la información financiera incluye el entendimiento del control interno de la información financiera, evaluar el riesgo de que exista una deficiencia de control relevante y someter a prueba y análisis el diseño y la eficacia operativa del control interno partiendo del riesgo evaluado, así como en aplicar el resto de procedimientos que consideramos necesarios de acuerdo con las circunstancias. Creemos que nuestras auditorías proporcionan una base razonable para la emisión de nuestras opiniones.

Definición y Limitaciones del Control Interno de la Información Financiera

El control interno de una empresa sobre la información financiera es un proceso diseñado para garantizar la fiabilidad de la información financiera y la confección de los estados financieros para fines externos de conformidad con los principios de contabilidad generalmente aceptados. El control interno de una empresa sobre la información financiera incluye aquellas políticas y procedimientos que (i) corresponden al mantenimiento de registros que, de forma razonablemente detallada, reflejan veraz y fielmente las operaciones y enajenaciones de los activos de la empresa; (ii) garantizan razonablemente que las operaciones se registran de la forma necesaria para permitir que los estados financieros se confeccionen de conformidad con los principios de contabilidad generalmente aceptados, y que los ingresos y gastos de la empresa solo se efectúan acorde a las autorizaciones adecuadas de la dirección y los consejeros de la empresa; y (iii) garantizan razonablemente la prevención o detección puntual de la adquisición, uso o enajenación de los activos de la empresa que podrían tener un efecto significativo en los estados financieros.

Debido a sus limitaciones inherentes, es posible que el control interno sobre la información financiera no pueda impedir o detectar errores. Además, las provisiones de cualquier evaluación de la eficacia del control interno para periodos futuros están sujetas al riesgo de que los controles puedan ser inadecuados debido a cambios en las circunstancias, o de que el grado de cumplimiento de las políticas o procedimientos pueda disminuir.

Cuestiones Clave de Auditoría

La cuestión clave de auditoría que se comunica a continuación es una cuestión que ha surgido por la auditoría del periodo en curso de los estados financieros consolidados que fue comunicada o se debía comunicar al comité de auditoría y que (i) guarda relación con las cuentas o desgloses que son significativos para los estados financieros consolidados y (ii) dependía de nuestro juicio profesional. La comunicación de cuestiones clave de auditoría no altera en modo alguno nuestra opinión sobre los estados financieros consolidados, en su conjunto y, al comunicar la cuestión clave de auditoría que figura a continuación, no estamos proporcionando una opinión separada sobre la cuestión clave de auditoría ni sobre las cuentas o desgloses a las que se refiere.

Reconocimiento de Ingresos – Costes Estimados a la Finalización de los Contratos de Nuevos Equipos

Como se ha descrito en las Notas 2 y 23 a los estados financieros consolidados, la Sociedad ha reconocido 6.400 millones de dólares en concepto de ingresos procedentes de contratos de nuevos equipos en el ejercicio cerrado a 31 de diciembre de 2021. Por lo que respecta a los contratos de nuevos equipos, los equipos y la instalación suelen adquirirse en un único contrato que ofrece al cliente un ascensor o unas escaleras mecánicas completamente instalados. La combinación de la venta del producto y su instalación suele ser una única obligación de desempeño. Por lo que respecta a estas obligaciones de desempeño, los ingresos se reconocen normalmente a lo largo del tiempo, utilizando los costes incurridos hasta la fecha con respecto al total de los costes estimados a la finalización para medir el progreso. Como ha comunicado la dirección, los costes para ejecutar un contrato generalmente se producen a lo largo de un periodo de tiempo, que puede consistir en varios años, y la estimación de estos costes requiere la utilización de criterios por parte de la dirección. El carácter de largo plazo de los contratos, la complejidad de los productos y el volumen de los proyectos son aspectos que pueden afectar a la capacidad de la dirección para calcular los costes de manera precisa. La dirección revisa las estimaciones de costes con respecto a los contratos de nuevos equipos significativos trimestralmente y, respecto al resto de contratos, como mínimo anualmente o cuando se producen cambios en las circunstancias que requieren una modificación de la estimación anterior. La dirección reconoce los cambios en las estimaciones de costes de los contratos utilizando el método acumulativo para ponerse al corriente y revisa el impacto de estos cambios en las estimaciones de los costes de los contratos en las ventas netas o en los beneficios de explotación en los estados financieros consolidados. Los costes de los contratos incluidos en el cálculo están formados por gastos de personal, costes de los materiales, costes de los subcontratistas y otros costes directos e indirectos, que incluyen los gastos indirectos de personal.

Los principales aspectos que hemos tenido en cuenta para determinar que la aplicación de procedimientos en relación con el reconocimiento de ingresos – costes estimados a la finalización de los contratos de nuevos equipos es una cuestión clave de auditoría son el alto grado de criterio significativo por parte de la dirección para determinar los costes estimados a la ejecución completa de los contratos, lo que, a su vez, ha derivado en que se requiera un alto grado de criterio, subjetividad y esfuerzos por parte de los auditores para aplicar los procedimientos y evaluar las pruebas de auditoría relacionadas con la estimación de los costes de personal y los costes indirectos de personal previstos en la evolución de los costes estimados a la finalización de los contratos.

Abordar esta cuestión clave de auditoría conllevaba aplicar procedimientos y analizar las pruebas de auditoría para formarnos nuestra opinión general sobre los estados financieros consolidados. Estos procedimientos incluían comprobar la efectividad de los controles en relación con el proceso de reconocimiento de ingresos, incluidos los controles sobre la determinación de los costes estimados a la finalización de los contratos y la evolución de las hipótesis significativas relacionadas con la estimación de los costes de personal y los costes indirectos de personal previstos. Estos procedimientos incluían, entre otros, evaluar y comprobar el procedimiento empleado por la dirección para desarrollar y modificar los costes estimados a la finalización de los contratos correspondientes a una muestra de contratos, lo que incluía evaluar la razonabilidad de las principales hipótesis relacionadas con la estimación de los costes de personal y los costes indirectos de personal previstos específicos de cada contrato tenidos en cuenta por la dirección. La evaluación de la razonabilidad de la estimación de los costes de personal y los costes indirectos de personal previstos implicaba evaluar la capacidad de la dirección para calcular de manera fiable los costes a la finalización de los contratos (i) comprobando los costes incurridos hasta la fecha y obteniendo una muestra de contratos ejecutados y órdenes de cambio relacionadas, (ii) llevando a cabo una comparación del margen, resultado de los costes estimados y los costes reales incurridos, con el de contratos de equipos similares finalizados, y (iii) evaluando la identificación adecuada de circunstancias que pudieran requerir una modificación del coste total estimado hasta la finalización del contrato.

Otras cuestiones

Esta versión de nuestro informe es una traducción del original, que ha sido preparado en inglés. La versión original en inglés prevalece sobre esta traducción en todo lo relativo a la interpretación de la información, los puntos de vista o las opiniones emitidas.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut

4 de febrero de 2022

Hemos prestado nuestros servicios como auditores de la Sociedad desde 2019.

OTIS WORLDWIDE CORPORATION
CUENTAS DE RESULTADOS CONSOLIDADAS

(En millones de dólares, salvo para las cifras por acción)

	2021	2020	2019
Ventas netas:			
Ventas de productos	\$ 6.428	\$ 5.371	\$ 5.648
Ventas de servicios	7.870	7.385	7.470
	14.298	12.756	13.118
Costes y gastos:			
Coste de los productos vendidos	5.293	4.439	4.640
Coste de los servicios vendidos	4.812	4.538	4.652
Investigación y desarrollo	159	152	163
Generales, de ventas y administración	1.948	1.924	1.810
	12.212	11.053	11.265
Otros ingresos (gastos), netos	22	(64)	(39)
Beneficio de explotación	2.108	1.639	1.814
Costes (prestaciones) de pensiones no vinculados a servicios	11	6	(33)
Gastos (ingresos) por intereses, netos	136	122	(14)
Ingresos netos antes de impuestos sobre beneficios	1.961	1.511	1.861
Gastos por impuestos sobre beneficios	541	455	594
Ingresos netos	1.420	1.056	1.267
Menos: Participaciones no dominantes en las ganancias de filiales	174	150	151
Ingresos netos atribuibles a Otis Worldwide Corporation	\$ 1.246	\$ 906	\$ 1.116
Ganancias por acción (Nota 3):			
Básicas	\$ 2,91	\$ 2,09	\$ 2,55
Diluidas	\$ 2,89	\$ 2,08	\$ 2,55
Número medio ponderado de acciones en circulación			
Acciones básicas	427,7	433,2	433,1
Acciones diluidas	431,4	434,6	433,1

Véanse las Notas adjuntas a los Estados Financieros Consolidados.

OTIS WORLDWIDE CORPORATION
CUENTAS CONSOLIDADAS DE RESULTADOS GLOBALES

(En millones de dólares)	2021	2020	2019
Ingresos netos	\$ 1.420	\$ 1.056	\$ 1.267
Otros ingresos (pérdidas) globales:			
Ajustes por conversión de divisas, netos de impuestos	(53)	8	(26)
Ajustes por planes de pensiones y prestaciones posjubilación:			
Ganancias (pérdidas) actuariales netas	71	(43)	(28)
Amortización de pérdidas actuariales y créditos de servicios anteriores	18	15	9
Otros	13	(19)	(22)
	102	(47)	(41)
Beneficios (gastos) fiscales	(27)	11	9
Ajustes por planes de pensiones y prestaciones posjubilación, netos de impuestos	75	(36)	(32)
Cambios en la cobertura de flujos de efectivo no realizados:			
Ganancias (pérdidas) no realizadas en coberturas de flujos de efectivo		10	(3)
Ajustes por (ganancias) pérdidas netas realizadas e incluidas en ingresos netos	4	(3)	—
Cambios en la cobertura de flujos de efectivo no realizados, netos de impuestos	3	7	(3)
Otros ingresos (pérdidas) globales, netos de impuestos		(21)	(61)
Ingresos globales	1.445	1.035	1.206
Menos: Ingresos globales atribuibles a participaciones no dominantes	(147)	(186)	(140)
Ingresos globales atribuibles a Otis Worldwide Corporation	\$ 1.298	\$ 849	\$ 1.066

Véanse las Notas adjuntas a los Estados Financieros Consolidados.

OTIS WORLDWIDE CORPORATION
BALANCES DE SITUACIÓN CONSOLIDADOS

<i>(en millones de dólares)</i>	2021	2020
Activo		
Efectivo y otros activos líquidos equivalentes	\$ 1.565	\$ 1.782
Efectivo restringido	1.910	17
Cuentas a cobrar (netas de la provisión para pérdidas crediticias previstas por importe de 175 \$ y 161 \$)	3.232	3.148
Activos contractuales	550	458
Existencias, netas	622	659
Otros activos corrientes	382	429
Total Activos Corrientes	8.261	6.493
Beneficios fiscales sobre beneficios futuros	335	334
Activos fijos, netos	774	774
Activos por derechos de uso de arrendamientos operativos	526	542
Inmovilizado intangible, neto	419	484
Fondo de comercio	1.667	1.773
Otros activos	297	310
Total Activo	\$ 12.279	\$ 10.710
Pasivo y Patrimonio Neto (Déficit)		
Deudas con entidades de crédito a corto plazo	\$ 24	\$ 701
Cuentas a pagar	1.556	1.453
Pasivos acumulados	1.993	1.977
Pasivos contractuales	2.674	2.542
Total Pasivos Corrientes	6.247	6.673
Deuda a largo plazo	7.249	5.262
Obligaciones por prestaciones de pensiones y posjubilación futuras	558	654
Pasivos por arrendamientos operativos	336	367
Obligaciones por impuestos sobre beneficios futuros	267	321
Otros pasivos a largo plazo	606	634
Total Pasivo	15.263	13.911
Compromisos y pasivos contingentes (Nota 22)		
Participaciones no dominantes reembolsables	160	194
Fondos Propios (Déficit):		
Acciones Ordinarias y capital adicional desembolsado	119	59
Acciones Propias	(725)	
Déficit acumulado	(2.256)	(3.106)
Otros ingresos (pérdidas) globales acumulados	(763)	(815)
Total Fondos Propios (Déficit)	(3.625)	(3.862)
Participaciones no dominantes	481	467
Total Patrimonio Neto (Déficit)	(3.144)	(3.395)
Total Pasivo y Patrimonio Neto (Déficit)	\$ 12.279	\$ 10.710

Véanse las Notas adjuntas a los Estados Financieros Consolidados.

OTIS WORLDWIDE CORPORATION
ESTADO DE CAMBIOS EN EL PATRIMONIO NETO CONSOLIDADO

<i>(en millones de dólares, salvo para las cifras por acción)</i>	Acciones Ordinarias y Capital Adicional Desembolsado	Acciones Propias	Déficit Acumulado	Inversión Neta (Déficit) de UTC	Otros Ingresos (Pérdidas) Globales Acumulados	Total Fondos Propios (Déficit)	Participaciones No Dominantes	Total Patrimonio Neto (Déficit)	Participaciones No Dominantes Reembolsables
Saldo a 1 de enero de 2019	\$ —	\$ —	\$ —	2.262	\$ (708)	\$ 1.554	\$ 458	\$ 2.012	\$ 203
Transferencias netas (a) desde UTC	—	—	—	(935)	—	(935)	—	(935)	—
Ingresos netos	—	—	—	1.116	—	1.116	147	1.263	4
Otros ingresos (pérdidas) globales, netos de impuestos	—	—	—	—	(50)	(50)	(9)	(59)	(2)
Dividendos atribuibles a participaciones no dominantes	—	—	—	—	—	—	(146)	(146)	(17)
Adquisiciones, enajenaciones y otros cambios	—	—	—	13	—	(13)	6	(7)	10
Saldo a 31 de diciembre de 2019	\$ —	\$ —	\$ —	2.430	\$ (758)	\$ 1.672	\$ 456	\$ 2.128	\$ 198
Adición de la norma relativa a pérdidas crediticias, netas de impuestos (Nota 2)	—	—	—	(25)	—	(25)	—	(25)	—
Transferencias netas (a) desde UTC y operaciones relacionadas con la Separación	—	—	—	(6.150)	—	(6.150)	—	(6.150)	—
Emisión de Acciones Ordinarias y reclasificación del déficit	4	—	(3.580)	3.580	—	—	—	—	—
Ingresos netos	—	—	741	165	—	906	138	1.044	12
Otros ingresos (pérdidas) globales, netos de impuestos	—	—	—	—	(57)	(57)	34	(23)	2
Retribución en acciones y Acciones Ordinarias emitidas en virtud de planes del empleador	55	—	—	—	—	55	—	55	—
Dividendos en efectivo declarados (0,60 \$ por Acción Ordinaria)	—	—	(260)	—	—	(260)	—	(260)	—
Dividendos atribuibles a participaciones no dominantes	—	—	—	—	—	—	(138)	(138)	(9)
Adquisiciones, enajenaciones y otros cambios	—	—	(3)	—	—	(3)	(23)	(26)	(9)
Saldo a 31 de diciembre de 2020	\$ 59	\$ —	\$ (3.106)	\$ —	\$ (815)	\$ (3.862)	\$ 467	\$ (3.395)	\$ 194
Ingresos netos	—	—	2.146	—	—	1.246	163	1.409	11
Otros ingresos (pérdidas) globales, netos de impuestos	—	—	—	—	52	52	(15)	37	(12)
Retribución en acciones y Acciones Ordinarias emitidas en virtud de planes del empleador	62	—	(2)	—	—	60	—	60	—
Dividendos en efectivo declarados (0,92 \$ por Acción Ordinaria)	—	—	(393)	—	—	(393)	—	(393)	—
Recompra de Acciones Ordinarias	—	(725)	—	—	—	(725)	—	(725)	—
Dividendos atribuibles a participaciones no dominantes	—	—	—	—	—	—	(145)	(145)	(11)
Adquisiciones, enajenaciones y otros cambios	(2)	—	(1)	—	—	(3)	11	8	(22)
Saldo a 31 de diciembre de 2021	\$ 119	\$ (725)	\$ (2.256)	\$ —	\$ (763)	\$ (3.625)	\$ 481	\$ (3.144)	\$ 160

Véanse las Notas adjuntas a los Estados Financieros Consolidados.

OTIS WORLDWIDE CORPORATION
ESTADO DE FLUJOS DE EFECTIVO CONSOLIDADO

<i>(en millones de dólares)</i>	2021	2020	2019
Actividades de Explotación:			
Ingresos netos	\$ 1.420	\$ 1.056	\$ 1.267
Ajustes para conciliar los ingresos netos con los flujos de efectivo netos derivados de las actividades de explotación, netos de adquisiciones:			
Depreciación y amortización	203	191	180
(Beneficios) gastos por impuestos sobre beneficios diferidos	(92)	(51)	(8)
Coste de retribuciones en acciones	65	63	37
Pérdidas por deterioro de activos fijos o por enajenaciones de empresas	—	71	26
Cambios en:			
Cuentas a cobrar, netas	(152)	(163)	(191)
Activos y pasivos contractuales, corrientes	53	282	97
Existencias, netas	14	(76)	60
Otros activos corrientes	43	28	30
Cuentas a pagar	130	20	6
Pasivos acumulados	72	(14)	(34)
Aportaciones a planes de pensiones	(37)	(64)	(32)
Otras actividades de explotación, netas	31	137	31
Flujos de efectivo netos derivados de las actividades de explotación	1.750	1.480	1.469
Actividades de Inversión:			
Gastos en bienes de capital	(156)	(183)	(145)
Inversiones en empresas e inmovilizado intangible, neto del efectivo adquirido (Nota 9)	(80)	(53)	(47)
Ingresos procedentes de la venta de (inversiones en) valores de renta variable	40	(51)	—
Cobros (pagos) por liquidaciones de contratos de derivados	73	(69)	(5)
Otras actividades de inversión, netas	34	3	(6)
Flujos de efectivo netos utilizados en actividades de inversión	(89)	(353)	(203)
Actividades de Financiación:			
Ingresos netos procedentes de (amortizaciones de) deudas con entidades de crédito (vencimientos iguales o inferiores a 90 días)	(304)	647	6
Ingresos procedentes de deudas con entidades de crédito (vencimientos superiores a 90 días)	152		
Amortizaciones de deudas con entidades de crédito (vencimientos superiores a 90 días)	(503)		
Ingresos procedentes de la emisión de deuda a largo plazo	2.030	6.300	
Pago de los costes de la emisión de deuda	(25)	(43)	
Amortización de deuda a largo plazo	—	(1.000)	—
Dividendos pagados sobre Acciones Ordinarias	(393)	(260)	—
Recompras de Acciones Ordinarias	(725)	—	—
Dividendos pagados a participaciones no dominantes	(155)	(149)	(163)
Transferencias netas a UTC	—	(6.330)	(972)
Otras actividades de financiación, netas	(19)	(9)	(4)
Flujos de efectivo netos derivados de (utilizados en) actividades de financiación	58	(844)	(1.133)
Efecto de las variaciones en los tipos de cambio en el efectivo y otros activos líquidos equivalentes	(43)	59	(20)
Aumento neto en el efectivo y otros activos líquidos equivalentes	1.676	342	113
Efectivo, otros activos líquidos equivalentes y efectivo restringido, al comienzo del ejercicio	1.801	1.459	1.346
Efectivo, otros activos líquidos equivalentes y efectivo restringido, al cierre del ejercicio	3.477	1.801	1.459
Menos: Efectivo restringido	1.912	19	13
Efectivo y otros activos líquidos equivalentes, al cierre del ejercicio	\$ 1.565	\$ 1.782	\$ 1.446
Información complementaria sobre los flujos de efectivo:			
Pagos de intereses (incluidos los intereses de la parte relacionada por importe de 0 \$, 0 \$ y 18 \$)	\$ 129	\$ 81	\$ 18
Impuestos sobre beneficios pagados, netos de (devoluciones) (incluida la parte relacionada por importe de 0 \$, (15) \$ y 255 \$)	552	561	632

Véanse las Notas adjuntas a los Estados Financieros Consolidados.

Nota 1: Descripción de la Actividad

Otis (como se define en el presente) es la empresa líder mundial en la fabricación, instalación y mantenimiento de ascensores y escaleras mecánicas. Nuestras operaciones se clasifican en dos segmentos: Nuevos Equipos y Servicios. A través del segmento de Nuevos Equipos, diseñamos, fabricamos, vendemos e instalamos una amplia gama de ascensores de pasajeros y de carga, así como escaleras mecánicas y pasillos móviles para edificios residenciales y comerciales y proyectos de infraestructura. El segmento de Servicios realiza servicios de mantenimiento y reparación para nuestros productos y para los de otros fabricantes, así como servicios de modernización para actualizar ascensores y escaleras mecánicas.

El 26 de noviembre de 2018, United Technologies Corporation, que posteriormente, el 3 de abril de 2020, pasó a denominarse Raytheon Technologies Corporation (en adelante, «UTC» o «RTX», según proceda), anunció su intención de separar su segmento sobre el que se informa de Otis y su segmento sobre el que se informa de Carrier en dos sociedades independientes que cotizan en bolsa (en adelante, la «Separación»). El 3 de abril de 2020, la Sociedad pasó a ser una sociedad independiente que cotiza en bolsa a través de una distribución proporcional de 0,5 Acciones Ordinarias por cada acción ordinaria de UTC mantenida al cierre de operaciones de la fecha de registro de 19 de marzo de 2020 (en adelante, la «Distribución»). Otis comenzó a operar como sociedad anónima independiente (Bolsa de Valores de Nueva York («NYSE»): OTIS) el 3 de abril de 2020.

Salvo que del contexto se desprenda lo contrario, las referencias a «Otis», «nosotros», «a nosotros», «nuestro» y «la Sociedad» se entienden realizadas a (i) la actividad de Otis Worldwide Corporation antes de la Separación y (ii) Otis Worldwide Corporation y sus filiales después de la Separación, según proceda. Las referencias a «UTC» guardan relación con cuestiones previas a la Separación, y las referencias a «RTX» guardan relación con cuestiones posteriores a la Separación.

La Separación se llevó a cabo en virtud de un Contrato de Separación y Distribución (en adelante, el «Contrato de Separación») y otros contratos suscritos con nuestra anterior matriz, UTC, en relación con la Separación, incluido, a título enunciativo, un contrato de servicios de transición (en adelante, el «Contrato de Servicios de Transición» o «TSA», por sus siglas en inglés), un contrato relacionado con cuestiones fiscales (en adelante, el «Contrato de Cuestiones Fiscales» o «TMA», por sus siglas en inglés), un contrato relacionado con cuestiones de personal (en adelante, el «Contrato de Cuestiones de Personal» o «EMA», por sus siglas en inglés) y un contrato relacionado con la propiedad intelectual (en adelante, el «Contrato de Propiedad Intelectual»). Para más información sobre estos contratos, véase la Nota 5, «Partes Vinculadas».

Oferta Pública de Adquisición de Zardoya Otis

En septiembre de 2021, la Sociedad anunció una oferta pública, con sujeción a los términos y condiciones de la misma, para adquirir la totalidad de las acciones emitidas y en circulación de Zardoya Otis, S.A. (en adelante, «Zardoya Otis») de las que la Sociedad no era titular a un precio en efectivo de 7,00 € por acción (en adelante, la «Oferta Pública de Adquisición»), con sujeción al ajuste necesario en concepto de dividendos y otras distribuciones declarados y pagados por Zardoya Otis después del anuncio, y su intención de excluir las acciones de Zardoya Otis de cotización en las bolsas de valores españolas después de la Oferta Pública de Adquisición. El precio por acción de la Oferta Pública de Adquisición primero se redujo a 6,93 € como consecuencia del dividendo pagado el 11 de octubre de 2021. El 21 de diciembre de 2021, la Sociedad ha anunciado que ha suscrito un contrato con Euro Syns S.A. (accionista minoritaria de Zardoya Otis), en virtud del cual esta se ha comprometido irrevocablemente a aceptar la Oferta Pública de Adquisición sobre sus acciones a un precio de oferta en efectivo por acción de 7,14 € (7,07 € por acción después de aplicar el ajuste pertinente por los dividendos pagados por Zardoya Otis el 10 de enero de 2022). Como resultado de este contrato, la Sociedad incrementó el precio de oferta en efectivo a todos los accionistas a 7,07 € por acción después del ajuste por los dividendos pagados. La Oferta Pública de Adquisición está sujeta a la aprobación de la CNMV, que aún sigue pendiente a 4 de febrero de 2022. El valor de las acciones emitidas y en circulación de Zardoya Otis de las que la Sociedad no era titular asciende a 1.660 millones de euros de acuerdo con el precio de oferta ajustado de 7,07 €.

La Sociedad poseía una participación dominante y tenía el control sobre las operaciones de Zardoya Otis en los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, y, por consiguiente, sus resultados financieros están incluidos en nuestros Estados Financieros Consolidados. A 31 de diciembre de 2021, la Sociedad poseía una participación del 50,02 % de Zardoya Otis. Véase la Nota 10, «Deudas con Entidades de Crédito y Líneas de Crédito» y la Nota 20, «Garantías», para consultar información adicional sobre los contratos de financiación y garantía suscritos por la Sociedad y sus filiales en relación con la Oferta Pública de Adquisición.

Nota 2: Resumen de las Principales Políticas Contables

Principios de Consolidación y Bases de Presentación. Con anterioridad a la Separación que se formalizó el 3 de abril de 2020, nuestros estados financieros históricos se elaboraban sobre una base combinada independiente y se obtenían de los estados financieros consolidados y de los registros contables de nuestra antigua matriz, UTC. Para el periodo posterior al 3 de abril de 2020, nuestros estados financieros se presentan de forma consolidada, ya que la Sociedad pasó a ser una sociedad anónima independiente (en adelante, conjuntamente, los estados financieros correspondientes a todos los ejercicios presentados, incluidos los resultados históricos de la Sociedad anteriores al 3 de abril de 2020, serán denominados ahora «Estados Financieros Consolidados» para reflejar este cambio). Se han elaborado de conformidad con las instrucciones del Formulario 10-K.

Con anterioridad a la Separación del 3 de abril de 2020, las Cuentas de Resultados Consolidadas incluían todos los ingresos y gastos directamente atribuibles a Otis, incluidos los costes de las instalaciones, funciones y servicios empleados por Otis. Los costes de determinadas funciones y servicios prestados por organizaciones centralizadas de UTC fueron cargados directamente a Otis en función de su identificación específica cuando fue posible o de acuerdo con un parámetro de asignación razonable, por ejemplo, el método basado en las ventas netas, el número de trabajadores en plantilla, utilización u otros métodos de asignación. Todos los cargos y asignaciones correspondientes a instalaciones, funciones y servicios prestados por organizaciones de UTC se han considerado liquidados en efectivo por Otis a UTC en el periodo en el que se registra el coste en las Cuentas de Resultados Consolidadas. Los impuestos sobre beneficios corrientes y diferidos se han calculado en función de los resultados individuales de Otis. No obstante, debido a que la Sociedad se incluyó en el grupo fiscal de nuestra anterior sociedad matriz UTC en determinadas jurisdicciones, los saldos de impuestos reales de la Sociedad podrían diferir de los saldos presentados. Se considera que la parte de la Sociedad de sus impuestos sobre beneficios nacionales y de determinados impuestos sobre beneficios de jurisdicciones distintas de Estados Unidos se han liquidado en el periodo en el que el gasto por impuestos relacionado se registró con anterioridad a la Separación.

Los Estados Financieros Consolidados incluyen las cuentas de Otis y de sus filiales controladas, así como de las entidades en las que Otis tiene una participación variable y es la principal beneficiaria según se define en el Tema 810, *Consolidación*, de la Codificación de Normas Contables («ASC», *por sus siglas en inglés*) publicada por el Consejo de Normas de Contabilidad Financiera de Estados Unidos (*Financial Accounting Standards Board*, «FASB»). Los factores que utilizamos para determinar el beneficiario principal de una entidad de participación variable («VIE», *por sus siglas en inglés*) podrán incluir la facultad de decisión, el control sobre la gestión de las operaciones diarias y la cantidad de nuestras inversiones en títulos de patrimonio neto en relación con las inversiones de otras partes.

En la preparación de los Estados Financieros Consolidados se han eliminado todas las cuentas y operaciones significativas entre empresas del grupo y la Sociedad.

Se han reclasificado algunas cifras de ejercicios anteriores para ajustarlas a la presentación del ejercicio actual, que son irrelevantes.

Uso de Estimaciones. La preparación de los Estados Financieros Consolidados de conformidad con los PCGA en EE. UU. exige que la dirección emplee estimaciones e hipótesis que afectan a los importes declarados del activo y del pasivo. Asimismo, estas estimaciones e hipótesis pueden afectar a la información sobre los activos y pasivos contingentes en la fecha de los estados financieros, así como a los importes declarados de ingresos y gastos durante el periodo sobre el que se informa. Los resultados reales podrían diferir de estas estimaciones.

Hemos evaluado determinadas cuestiones contables que generalmente requieren que se tenga en cuenta la información financiera prevista en el marco de la información que se ha puesto a nuestra disposición y los impactos futuros desconocidos del coronavirus («COVID-19») a 31 de diciembre de 2021 y 2020, y hasta la fecha del presente informe. Las cuestiones contables analizadas incluían, a título enunciativo, nuestra provisión para pérdidas crediticias, el valor en libros de nuestro fondo de comercio y el reconocimiento de otros activos de larga duración, activos financieros e ingresos. Aunque nuestras evaluaciones de estas cuestiones no han tenido un efecto significativo en nuestros Estados Financieros Consolidados correspondientes al ejercicio cerrado a 31 de diciembre de 2021 y 2020, la evaluación futura de nuestras previsiones actuales en ese momento de la magnitud y duración de la situación provocada por la COVID-19, así como otros factores, podría afectar significativamente a nuestros Estados Financieros Consolidados de ejercicios futuros sobre los que se informe.

Riesgos e Incertidumbres. Mientras continúe la pandemia global del COVID-19 y la recuperación económica esté en curso, la Sociedad continuará supervisando minuciosamente y gestionando el impacto de la pandemia por COVID-19 en su actividad en todo el mundo. Es difícil calcular en este momento la duración y el alcance de los efectos continuados de la pandemia en la actividad y de la recuperación económica actual en la actividad, la situación financiera, el flujo de efectivo y los resultados de explotación de la Sociedad. Nuestros resultados de explotación y nuestros resultados financieros globales se vieron afectados durante los ejercicios cerrados a 31 de diciembre de 2021 y 2020, incluidos los efectos en la demanda por parte de los clientes de nuestros nuevos equipos, servicios de mantenimiento y reparación y en las actividades de modernización, así como en las cancelaciones o retrasos en los pedidos de los clientes, las limitaciones de liquidez de los clientes y reservas de créditos relacionadas, y las limitaciones de capacidad de los proveedores y materias primas, los retrasos y los costes relacionados. Asimismo, principalmente en 2020, se produjeron cierres temporales y reducciones de la capacidad de nuestras operaciones, cierres limitados de sitios de trabajo con nuevos equipos y dificultades para acceder a unidades para prestar servicios de mantenimiento y reparaciones que también afectaron a nuestros resultados.

Debido a las condiciones e incertidumbre actuales, la COVID-19 y la recuperación económica en curso podrían afectar a nuestra actividad, a nuestro flujo de efectivo y a nuestros resultados de explotación en 2022. La magnitud de los efectos dependerá en gran medida de la evolución futura, lo que entraña un alto grado de incertidumbre, incluida la gravedad de las nuevas olas y variantes de la COVID-19, la eficacia, disponibilidad y distribución de las vacunas, las medidas adoptadas por las autoridades gubernamentales para contener la enfermedad o tratar sus efectos y sus efectos a más largo plazo en la economía mundial, entre otros factores.

Efectivo y Otros Activos Líquidos Equivalentes. La partida de efectivo y otros activos líquidos equivalentes incluye el efectivo disponible, los depósitos a la vista y las inversiones de efectivo a corto plazo que son altamente líquidas y tienen vencimientos originales iguales o inferiores a tres meses.

Efectivo Restringido. En determinadas circunstancias, estamos obligados a mantener depósitos de efectivo en determinados bancos en relación con obligaciones contractuales u otras obligaciones legales y, por consiguiente, se restringe el uso de estos depósitos de efectivo para fines operativos generales. A 31 de diciembre de 2021, el efectivo restringido consistía principalmente en efectivo por importe de 1.900 millones de euros que debían mantenerse en una cuenta de depósito en garantía para financiar la Oferta Pública de Adquisición, que está previsto que se formalice en 2022. La parte no corriente del efectivo restringido asciende a 2 millones de dólares a 31 de diciembre de 2021 y 2020, y se incluye en la partida Otros activos en los Balances de Situación Consolidados.

Cuentas a cobrar. La Sociedad registra las cuentas a cobrar cuando el derecho a la contraprestación deviene incondicional. Evaluamos periódicamente la cobrabilidad de nuestras cuentas a cobrar y mantenemos reservas para las pérdidas crediticias previstas. Véase la Nota 6, «Cuentas a Cobrar, Netas» para información adicional sobre la política de la Sociedad sobre la evaluación de las pérdidas crediticias previstas. Creemos que las cuentas a cobrar no representan concentraciones significativas de riesgo de crédito debido a la cartera diversificada de clientes particulares y áreas geográficas.

Retenciones y Cuentas a Cobrar No Facturadas. Las cuentas a cobrar a corto y largo plazo a 31 de diciembre de 2021 y 2020 incluyen retenciones por importe de 75 millones de dólares y 61 millones de dólares, respectivamente, y cuentas a cobrar no facturadas por importe de 109 millones de dólares y 104 millones de dólares, respectivamente. Las retenciones representan importes que, de acuerdo con el contrato aplicable, no vencen hasta que se haya finalizado el proyecto y se haya obtenido la aceptación del cliente. Las cuentas a cobrar no facturadas representan ingresos que se han devengado pero que no se pueden facturar actualmente al cliente de conformidad con las estipulaciones del contrato. Estas partidas están previstas que se facturen y cobren en el tráfico mercantil ordinario. Las cuentas a cobrar no facturadas sobre las que tenemos un derecho incondicional de pago se incluyen en Cuentas a cobrar, netas, a 31 de diciembre de 2021 y 2020.

Bonos de Financiación de Clientes a Cobrar. Mediante acuerdos de financiación con nuestros clientes, ampliamos las condiciones de pago, que, en general, no tienen una duración superior a un año.

Factoring. La Sociedad podrá vender determinados deudores comerciales y efectos a cobrar a entidades de crédito para gestionar el riesgo de crédito. Los activos financieros vendidos en virtud de estos acuerdos quedan excluidos de las Cuentas a cobrar, netas, en los Balances de Situación Consolidados de la Sociedad en el momento de la venta, si la Sociedad ha cedido el control sobre los activos relacionados. Para determinar si se ha cedido el control es necesario, entre otras cosas, una evaluación de las consideraciones legales pertinentes y una evaluación del carácter y alcance de la participación continuada de la Sociedad en los activos transmitidos. Las pérdidas y ganancias derivadas de las transmisiones declaradas como ventas se incluyen en la partida (Ingresos) gastos por intereses, netos, en las Cuentas de Resultados Consolidadas adjuntas.

Activos y Pasivos Contractuales. Los activos y pasivos contractuales representan la diferencia en la fecha de reconocimiento de los ingresos desde la recepción de efectivo de nuestros clientes y la facturación.

Los activos contractuales reflejan ingresos reconocidos y obligaciones de desempeño satisfechas antes de recibir la factura del cliente. Las obligaciones de desempeño satisfechas parcialmente antes de recibir las facturas de los clientes se incluyen en Activos contractuales, corrientes. Los pasivos contractuales guardan relación con pagos recibidos antes de la satisfacción del desempeño de conformidad con el contrato. Recibimos pagos de clientes de acuerdo con las condiciones establecidas en nuestros contratos. Véase la Nota 4, «Activos y Pasivos Contractuales» para más información sobre los activos y pasivos contractuales.

Existencias. Las existencias se declaran al coste inferior o el valor realizable estimado y se basan principalmente en el método de primeras entradas, primeras salidas («FIFO»). Las reservas de valoración de excedente de existencias, existencias obsoletas y existencias de rotación lenta se calculan comparando los niveles de existencias de piezas individuales con las previsiones de ventas o necesidades de producción futuras y las tasas de utilización históricas para identificar las existencias cuyo valor de reventa o valor de reposición es inferior a su coste inventariable. Véase la Nota 7, «Existencias, Netas» para más información sobre las existencias por clasificación.

Activos Fijos. Los activos fijos, incluido el software para uso interno capitalizado, se contabilizan al coste. La depreciación de los activos fijos se calcula a lo largo de las vidas útiles de los activos fijos conforme al método de amortización lineal, salvo que otra base sistemática y racional se considere más representativa del patrón de uso de los activos fijos. Véase la Nota 8, «Activos Fijos», para más información acerca de las vidas útiles.

Software para uso interno. La Sociedad capitaliza los costes directos de los servicios utilizados en el desarrollo del software para uso interno, y del software externo adquirido para su utilización como software para uso interno. Los importes capitalizados se amortizan a lo largo de un periodo de tres a cinco años, conforme al método de amortización lineal, salvo que otra base sistemática y racional se considere más representativa de la utilización del software. Los importes se presentan como un componente de Maquinaria y equipos.

Obligaciones de Retirada de Activos. La Sociedad registra el valor razonable de las obligaciones legales relacionadas con la retiradas de inmovilizado material de larga duración en el ejercicio en el que se determina la existencia de las obligaciones legales. En el momento del reconocimiento inicial de un pasivo, la Sociedad capitaliza el coste de la obligación de retirada del activo aumentando el importe en libros del activo de larga duración relacionado. A lo largo del tiempo, el pasivo se ajusta para reflejar los cambios en su valor actual y el coste capitalizado se amortiza a lo largo de la vida útil del activo relacionado.

Valor Razonable de Instrumentos Financieros. La jerarquía del valor razonable está basada en los datos de entrada de las técnicas de valoración que se utilizan para medir el valor razonable y que son observables o no observables. Los datos de entrada observables reflejan las hipótesis que los participantes del mercado usarían para fijar el precio de un activo o pasivo de acuerdo con los datos de mercado obtenidos de fuentes independientes, mientras que los datos de entrada no observables reflejan los precios que emplearía la empresa que presenta la información basados en sus propias hipótesis de mercado. La jerarquía del valor razonable consta de los tres niveles siguientes:

Nivel I – Precios cotizados en un mercado activo para instrumentos idénticos.

Nivel II – Precios cotizados en mercados activos para instrumentos similares; precios cotizados para instrumentos idénticos o similares en mercados que no son activos; y valoraciones basadas en modelos cuyos datos de entrada son observables o cuyos generadores de valor significativos son observables.

Nivel III – Instrumentos cuyos generadores de valor significativos son no observables.

El importe en libros de los deudores comerciales a corto plazo, las cuentas a pagar y los gastos acumulados se aproxima al valor razonable debido al vencimiento a corto plazo (inferior a un año) de los instrumentos.

Inversiones conforme al Método de la Participación. Las inversiones en las que tenemos la capacidad de ejercer una influencia significativa, pero que no controlamos, se contabilizan conforme al método contable de la participación y se incluyen en Otros activos en los Balances de Situación Consolidados. De conformidad con este método contable, nuestra participación en las ganancias o pérdidas netas de la participada se incluye en Otros ingresos (gastos), netos, en las Cuentas de Resultados Consolidadas, ya que las actividades de la participada coinciden en gran medida con las actividades de la Sociedad. Evaluamos nuestras inversiones conforme al método de la participación siempre que los hechos o cambios en las circunstancias indican que los importes en libros de dichas inversiones podrían ser objeto de deterioro. Si se determina que una disminución del valor de una inversión conforme al método de la participación no es temporal, se registra una pérdida en ganancias en el periodo actual.

Combinaciones de Negocios. Contabilizamos las operaciones que se clasifican como combinaciones de negocios de conformidad con el Tema 805 de la ASC del FASB: *Combinaciones de Negocios*. Una vez que se adquiere un negocio, se calculan los valores razonables de los activos identificables adquiridos y los pasivos identificables asumidos y el sobrecoste se contabiliza en el fondo de comercio. Según corresponda, los valores razonables preliminares se calculan una vez que se adquiere el negocio y el cálculo final de los valores razonables se lleva a cabo en el periodo de valoración de un año desde la fecha de adquisición.

Fondo de Comercio, Inmovilizado Intangible y Activos de Larga Duración. El fondo de comercio representa los costes que superan los valores razonables asignados a los activos netos subyacentes de los negocios adquiridos. El inmovilizado intangible consiste en carteras de servicios, patentes, marcas/nombres comerciales, relaciones con clientes y otro inmovilizado intangible. El inmovilizado intangible adquirido se reconoce a su valor razonable cuando se contabiliza la adquisición y, posteriormente, se amortiza al Coste de los productos y servicios vendidos y a los Costes generales, de ventas y administración a lo largo de sus vidas útiles aplicables.

Fondo de comercio e Inmovilizado Intangible con Vida Útil Indefinida. El fondo de comercio y el inmovilizado intangible respecto de los cuales se considera que tienen vidas útiles indefinidas no se amortizan. El fondo de comercio y el inmovilizado intangible de vida útil indefinida están sujetos a pruebas de deterioro anuales o cuando se produce un hecho desencadenante conforme a la orientación y los criterios descritos en el Tema 350 de la ASC del FASB: *Intangibles – Fondo de Comercio y Otros*. Esta prueba compara los valores en libros con los valores razonables y, si procede, el valor en libros de estos activos se reduce a su valor razonable.

Sometemos al fondo de comercio a una prueba de deterioro en un nivel dentro de la Sociedad clasificado como la unidad sobre la que se informa, que se corresponde con un nivel por debajo del nivel clasificado como segmento de explotación. Al realizar una prueba de deterioro del fondo de comercio, la Sociedad puede evaluar primero factores cualitativos. Si en una evaluación cualitativa inicial se determina que la probabilidad de que el valor razonable de una unidad sobre la que se informa sea inferior a su valor en libros es menor que la de que no sea inferior a su valor en libros, se lleva a cabo una prueba cuantitativa adicional. La Sociedad podrá también optar por saltarse la prueba cualitativa y realizar directamente la prueba cuantitativa. Si la prueba cuantitativa indica que el fondo de comercio ha sido objeto de deterioro, se reconoce un cargo por deterioro basado en la diferencia entre el valor en libros de la unidad sobre la que se informa y su valor razonable. Cuando se determina que es necesario realizar un análisis cuantitativo, la Sociedad utiliza principalmente el método de flujos de efectivo descontados para calcular el valor razonable de sus unidades sobre las que informa. La Sociedad realizó su prueba de deterioro más reciente el 1 de julio de 2021, y en la prueba cualitativa determinó que no era necesario realizar la prueba cuantitativa. No se han producido hechos desencadenantes desde la prueba anual de deterioro.

Inmovilizado Intangible de Vida Útil Definida y Activos de Larga Duración. Las vidas útiles del inmovilizado intangible de vida útil definida se calculan en función de la naturaleza del inmovilizado intangible. Este inmovilizado intangible se amortiza de acuerdo con el patrón de consumo de los beneficios económicos del inmovilizado intangible o, si la amortización lineal se aproxima al patrón de beneficio económico, se podrá utilizar el método de amortización lineal. El rango de vidas útiles estimadas es el siguiente:

Carteras de servicios adquiridos	5 a 25 años
Patentes, marcas/nombres comerciales	4 a 40 años
Relaciones con clientes y otros	1 a 20 años

La Sociedad evalúa el deterioro potencial de los activos de larga duración, incluido el inmovilizado intangible de vida útil definida, siempre que los hechos o cambios en las circunstancias indican que es posible que no se puedan recuperar los importes en libros relacionados. Si el valor en libros de los activos de larga duración mantenidos y utilizados excede de la suma de los flujos de efectivo futuros no descontados previstos, el valor en libros se reduce al valor razonable. Véase la Nota 8, «Activos Fijos» y la Nota 9, «Adquisiciones de Empresas, Fondo de Comercio e Inmovilizado Intangible» para más información acerca del inmovilizado intangible y otros activos de larga duración.

Impuestos sobre Beneficios. En el tráfico mercantil ordinario, hay una incertidumbre inherente a la cuantificación de nuestras posiciones de impuestos sobre beneficios. Evaluamos nuestras posiciones del impuesto sobre beneficios y registramos beneficios fiscales para todos los ejercicios sujetos a examen de acuerdo con la evaluación por la dirección de los hechos, circunstancias e información disponibles en la fecha de presentación de la información. Para las posiciones fiscales respecto de las cuales existen muchas probabilidades de que se vaya a mantener un beneficio fiscal, hemos registrado el mayor importe de beneficio fiscal con una probabilidad de realizarse superior al 50 % tras llevarse a cabo la liquidación final con la autoridad tributaria que tiene pleno conocimiento de toda la información relevante. Para las posiciones del impuesto sobre beneficios respecto de las cuales no existen muchas probabilidades de que se vaya a mantener un beneficio fiscal, no se ha reconocido ningún beneficio fiscal en los estados financieros. Cuando se ha considerado aplicable, también se ha reconocido el gasto por intereses asociado. Reconocemos los intereses devengados relacionados con los beneficios fiscales no reconocidos en la partida (Ingresos) gastos por intereses, netos. Las sanciones, en caso de aplicarse, se reconocerán como un componente de la partida Gastos por impuestos sobre beneficios.

La Ley de Reducción de Impuestos y Empleo de EE. UU. (*Tax Cuts and Jobs Act*) (en adelante, la «TCJA») sujeta a la Sociedad a un impuesto sobre el Ingreso Global Intangible de Baja Tributación (*Global Intangible Low-Taxed Income*) (en adelante, «GILTI»). El GILTI es un impuesto que se aplica al exceso de las ganancias extranjeras sobre una rentabilidad estimada del inmovilizado material de sociedades extranjeras. Contabilizamos el GILTI como un coste del ejercicio en el momento en que se incurre en el mismo.

Los impuestos sobre beneficios, tal y como se presentan en los Estados Financieros Consolidados de la Sociedad correspondientes a ejercicios previos a la Separación, atribuyen los impuestos sobre beneficios corrientes y diferidos de nuestra antigua matriz, UTC, a los estados financieros independientes de la Sociedad de una manera sistemática, racional y en consonancia con el método basado en el activo y el pasivo previsto en el Tema 740 de la ASC del FASB: *Impuestos sobre Beneficios* (en adelante, la «ASC 740»). Por consiguiente, la provisión para impuestos sobre beneficios de la Sociedad correspondiente a los ejercicios previos a la Separación se preparó de acuerdo con el método de declaración individual. El método de declaración individual aplica la ASC 740 a los estados financieros independientes de cada miembro del grupo consolidado como si los miembros del grupo fueran sujetos pasivos individuales y empresas independientes. El cálculo de nuestros impuestos sobre beneficios conforme a una declaración individual requiere la aplicación de criterios significativos y la utilización de estimaciones y asignaciones. Por lo tanto, las operaciones efectivas incluidas en los estados financieros consolidados de UTC no podrán ser incluidas en los Estados Financieros Consolidados de la Sociedad. Asimismo, el tratamiento fiscal de determinadas partidas reflejado en los Estados Financieros Consolidados de la Sociedad no se podrá reflejar en los estados financieros consolidados ni en las declaraciones de impuestos de UTC. Por consiguiente, en los estados financieros independientes pueden incluirse partidas tales como pérdidas de explotación netas, traslados de créditos a ejercicios posteriores y provisiones correctivas que pueden o no incluirse en los estados financieros consolidados de UTC. Por lo tanto, los impuestos sobre beneficios de la Sociedad presentados en los Estados Financieros Consolidados con anterioridad a la Separación puede que no sean indicativos de los impuestos sobre beneficios que la Sociedad declarará en el futuro.

Véase la Nota 5, «Partes Vinculadas» y la Nota 16, «Impuestos sobre Beneficios», para más información al respecto.

Reconocimiento de Ingresos. Hemos reconocido los ingresos de conformidad con lo dispuesto en el Tema 606 de la ASC del FASB: *Ingresos procedentes de Contratos con Clientes* y sus modificaciones relacionadas (en adelante, conjuntamente, la norma «ASC 606»). Las fuentes de ingresos de la Sociedad incluyen nuevos equipos, mantenimiento y reparaciones y modernización. Los ingresos procedentes de nuevos equipos y servicios de modernización y reparaciones se reconocen a lo largo del tiempo cuando mejoramos un activo que el cliente controla. Los ingresos procedentes de servicios de mantenimiento se reconocen de forma lineal a lo largo de la vida del contrato de mantenimiento.

Nuevos Equipos, Servicios de Modernización y de Reparaciones. Por lo que respecta a las operaciones de nuevos equipos y modernización, los equipos y la instalación suelen adquirirse en un único contrato que ofrece al cliente un ascensor o unas escaleras mecánicas completamente instalados. La combinación del compromiso de suministro del equipo y su instalación suele ser una única obligación de desempeño. Por lo que respecta a los servicios de reparaciones, el cliente suele contratar servicios concretos a corto plazo que constituyen una única obligación de desempeño.

Por lo que respecta a estas obligaciones de desempeño, los ingresos se reconocen normalmente a lo largo del tiempo, utilizando los costes incurridos hasta la fecha con respecto al total de los costes estimados a la finalización para medir el progreso. Los costes incurridos representan los trabajos realizados, que se corresponden con la cesión del control o la mejora de los activos del cliente o que mejor reflejan dicha cesión o mejora. Los costes de los contratos incluidos en el cálculo están formados por gastos de personal, costes de los materiales, costes de los subcontratistas y otros costes directos e indirectos, que incluyen los gastos indirectos de personal. En lo que respecta a los contratos de nuevos equipos y modernización, la Sociedad, en función de la evolución del proyecto, revisa las estimaciones de costes de los contratos significativos trimestralmente, y en lo que respecta al resto de contratos, como mínimo anualmente o cuando se producen cambios en las circunstancias que requieren una modificación de la estimación anterior. Estas estimaciones constituyen la base del importe de ingresos que se va a reconocer e incluyen el último precio total de la operación actualizado, los costes y riesgos de cada contrato. Estas estimaciones relacionadas con nuestros contratos vigentes podrán ser objeto de cambios significativos debido al cambio y a las finalizaciones del objeto de los contratos, las estimaciones de costes y los planes de los clientes, entre otros factores.

Por lo que respecta a las obligaciones de desempeño reconocidas de acuerdo con el método de coste por avance de obra, registramos los cambios en las estimaciones de los contratos utilizando el método acumulativo para ponerse al corriente. Las modificaciones se reconocen como una actualización acumulada o se tratan como un contrato conforme a una contabilidad separada si la modificación añade productos o servicios distintos y el precio de la modificación equivale a su precio de venta independiente.

Mantenimiento. Nuestros clientes suscriben contratos de mantenimiento que incluyen servicios, tales como procesos de mantenimiento periódico, servicios preventivos y obligaciones de disponibilidad inmediata para subsanar problemas con el ascensor/escaleras mecánicas en el momento en que surjan. Habida cuenta del carácter continuo de estos servicios a lo largo del año, reconocemos los ingresos procedentes de contratos de mantenimiento de forma lineal que están en consonancia con el perfil de costes de estos servicios. Los cambios contractuales se suelen reconocer de forma prospectiva, ya que la mayoría de las modificaciones son ampliaciones de los contratos existentes.

Cuestiones relacionadas con el Precio de las Operaciones. Nuestros contratos normalmente incluyen pagos fijos que, en general, se reciben a medida que realizamos avances en virtud de nuestros contratos. Por lo tanto, no hemos identificado elementos de financiación significativos en nuestros contratos, y nuestros contratos no tienen estimaciones significativas relacionadas con una contraprestación variable, salvo en el caso de un proyecto que incluya un aspecto de desempeño subyacente, lo cual es extraño. En aquellas situaciones que implican varias obligaciones de desempeño en un único contrato (por ejemplo, nuevos equipos y servicios de mantenimiento), el precio de la operación se asigna a cada obligación de desempeño en proporción a sus precios de venta independientes. Se realizan estimaciones para contabilizar los cambios en los precios de las operaciones atribuibles a controversias de precios que surjan después del inicio de los contratos, en función de la experiencia histórica y del estado de los contratos.

Determinados costes para obtener o cumplir contratos. Deben capitalizarse determinados costes para obtener o cumplir un contrato con un cliente, en la medida en que sean recuperables del margen contractual asociado, y posteriormente se deben amortizar a medida que los productos o servicios se entreguen al cliente. Las comisiones de ventas relacionadas con contratos de nuevos equipos, servicios de modernización y mantenimiento, excluidas las renovaciones, se capitalizan como costes de cumplimiento de contratos y se amortizan en consonancia con el patrón de transmisión de los productos o servicios. Los costes de los contratos con clientes, que no reúnen los requisitos para su capitalización como costes de cumplimiento de contratos, se contabilizan como gasto en el momento en que se incurre en los mismos.

Contratos Deficitarios. Se reconocen provisiones para pérdidas derivadas de contratos en tanto en cuanto los costes de los contratos estimados son superiores a la contraprestación estimada por los productos objeto del acuerdo contractual. En lo que respecta a los nuevos compromisos, en general, contabilizamos provisiones para pérdidas a la fecha de inicio del contrato. En lo que respecta a los compromisos existentes, las pérdidas previstas derivadas de los acuerdos contractuales se reconocen en el ejercicio en el que las pérdidas devienen probables.

Obligaciones de Desempeño Restantes (en adelante, «ODR»). Las ODR representan el importe total del precio total de la operación objeto del contrato que no se ha satisfecho o que se ha satisfecho parcialmente. A 31 de diciembre de 2021, el total de nuestras ODR ascendía a 17.100 millones de dólares aproximadamente. Del total de las ODR a 31 de diciembre de 2021, prevemos que el 89 % aproximadamente se reconocerán como ventas en los 24 meses siguientes.

La Nota 23, «Información Financiera por Segmentos», contiene la información adicional exigida en la ASC 606, incluido el desglose de los ingresos en categorías que describan cómo se ven afectados por factores económicos la naturaleza, el importe, el calendario y la incertidumbre de los ingresos y flujos de efectivo.

Autoseguro. La Sociedad tiene principalmente autoasegurados varios riesgos entre los que se incluyen, a título enunciativo, las indemnizaciones por accidentes de trabajo, la responsabilidad general, la responsabilidad civil de automóviles y las prestaciones sanitarias vinculadas a empleados. La Sociedad ha adquirido cobertura de seguro por importes superiores a los límites de pérdidas individuales y globales. La Sociedad acumula, en concepto de reclamaciones futuras conocidas y siniestros ocurridos pero no declarados, en la partida Pasivos acumulados y Otros pasivos a largo plazo en los Balances de Situación Consolidados, un total de 287 millones de dólares y 299 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente.

Derivados y Actividades de Cobertura. Hemos empleado instrumentos derivados, principalmente contratos a plazo, para ayudar a gestionar determinados riesgos de tipos de cambio y de precios de las materias primas. Consideramos que los instrumentos derivados son herramientas de gestión de riesgos y no pueden ser utilizados con fines de negociación o especulativos. Por su naturaleza, todos los instrumentos financieros llevan implícitos riesgos de mercado y de crédito. Suscribimos instrumentos derivados y otros instrumentos financieros con las principales entidades financieras con calificación de grado de inversión y contamos con políticas para

supervisar el riesgo de crédito de dichas contrapartes. Limitamos nuestra exposición al riesgo de contraparte y la concentración del riesgo mediante la diversificación de contrapartes. Aunque no podemos garantizarlo, no prevemos ningún incumplimiento significativo por parte de ninguna de estas contrapartes.

Instrumentos Derivados Designados. Se podrán designar instrumentos derivados con fines de cobertura que serán eficaces como cobertura de la exposición al riesgo identificada al inicio del contrato. Todos los instrumentos derivados se contabilizan en los Balances de Situación Consolidados a su valor razonable. Los derivados utilizados para cubrir las partidas del balance de situación denominadas en moneda extranjera y los precios de las materias primas correspondientes a materiales reconocidos en costes de ventas se contabilizan directamente en resultados, junto con la operación compensatoria de las pérdidas y ganancias derivadas de las partidas cubiertas. Los derivados utilizados para cubrir los flujos de efectivo previstos relacionados con compromisos en moneda extranjera o las compras previstas de materias primas se podrán contabilizar como coberturas de flujos de efectivo, cuando se considere oportuno. Las pérdidas y ganancias de instrumentos derivados designados como coberturas de flujos de efectivo se reconocen en otros ingresos (pérdidas) globales, netos de impuestos y se reclasifican a resultados como un componente de gastos o ventas de productos, según proceda, en el momento en que se realiza la operación cubierta. Las pérdidas y ganancias de instrumentos derivados designados como coberturas de flujos de efectivo se reconocen en Otras actividades de explotación, netas, en el Estado de Flujos de Efectivo Consolidado. En tanto en cuanto una operación de cobertura designada previamente ya no se considere una cobertura eficaz, toda ineficacia valorada en la relación de cobertura se reconoce actualmente en resultados en el periodo en que tiene lugar.

En la Nota 18, «Instrumentos Financieros», se incluye información adicional acerca de la cobertura de inversiones netas.

Instrumentos Derivados No Designados. En la medida en que no se cumplan los criterios de la contabilidad de coberturas, los contratos a plazo de divisas y los contratos de precio de materias primas se utilizan como coberturas económicas y los cambios en el valor razonable de estos contratos se reconocen actualmente en resultados en el periodo en el que se producen. En la Nota 18, «Instrumentos Financieros», se incluye información adicional acerca de estos contratos.

Asimismo, la Sociedad suscribe periódicamente contratos de venta denominados en monedas distintas de la moneda funcional de las partes de la operación. La Sociedad contabiliza estas operaciones por separado valorando el componente del derivado implícito de estos contratos. Los cambios en el valor razonable de estos derivados implícitos se reconocen en la partida Otros ingresos (gastos), netos, en las Cuentas de Resultados Consolidadas. En los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, hemos reconocido una ganancia de 1 millón de dólares, una pérdida de 3 millones de dólares y una pérdida de 27 millones de dólares, respectivamente, debido a cambios en el valor razonable de los derivados implícitos.

Cuestiones Medioambientales. Los costes de investigación, reparación, operativos y de mantenimiento medioambientales se reconocen cuando es probable que se haya incurrido en responsabilidad y el importe de la misma se pueda calcular de manera razonable. El coste más probable en el que se vaya a incurrir se reconoce de acuerdo con una evaluación de la información disponible actualmente con respecto a cada emplazamiento individual, incluidas las leyes y normativas vigentes y la experiencia previa en materia de reparación ambiental. Cuando lo más probable sea que no se determine ningún importe en el rango de las estimaciones, se reconoce el importe mínimo. Los pasivos que entrañen pagos de efectivo futuros fijos o que se puedan calcular de manera fiable se descuentan. Los pasivos ambientales acumulados no se reducen por los posibles reembolsos de los seguros. Véase la Nota 22, «Pasivos Contingentes», para más información sobre las operaciones de reparación ambiental.

Desarrollo e Investigación. Estos costes se contabilizan como gastos en el periodo en que se producen y se presentan en una partida separada de las Cuentas de Resultados Consolidadas. Los gastos de investigación y desarrollo, que principalmente cubren la investigación y el desarrollo de productos nuevos y mejorados y de sus usos, incluyen principalmente salarios y otros costes laborales.

Otros Ingresos (Gastos), Netos. La partida Otros ingresos (gastos), netos, incluye el impacto de los cambios en el valor razonable y la liquidación de derivados, las pérdidas o ganancias derivadas de la venta de empresas y activos fijos, las ganancias derivadas de inversiones conforme al método de la participación, los cambios en el valor razonable de los valores de renta variable, los deterioros, los gastos no recurrentes vinculados a la Separación, las ganancias derivadas de indemnizaciones de los seguros y otras partidas de ingresos y gastos de explotación infrecuentes.

Divisas. Llevamos a cabo nuestra actividad en muchas monedas diferentes y, por consiguiente, estamos expuestos a los riesgos inherentes relacionados con las fluctuaciones de los tipos de cambio. La posición financiera y los resultados de explotación de la práctica totalidad de nuestras filiales extranjeras se valoran utilizando la moneda local como la moneda funcional. Los activos y pasivos denominados en moneda extranjera se convierten a dólares estadounidenses a los tipos de cambio vigentes en la fechas respectivas de los balances de situación, y las partidas de ingresos y gastos se convierten a los tipos de cambio medios durante los periodos respectivos. Los efectos globales de la conversión de los balances de situación de estas filiales se difieren dentro de la partida Otros ingresos (pérdidas) globales acumulados.

Obligaciones por Prestaciones de Pensiones y Posjubilación. La orientación recogida en el Tema 715 de la ASC del FASB: *Retribuciones – Prestaciones por Jubilación* exige el reconocimiento en el balance de situación de la sobrefinanciación o infrafinanciación de los planes de pensiones y prestaciones posjubilación. De acuerdo con esta orientación, las pérdidas y ganancias actuariales, los créditos o costes por servicios previos y cualesquiera activos u obligaciones de transición pendientes que no se hayan reconocido de conformidad con las normas contables anteriores deben reconocerse en otros ingresos (pérdidas) globales, netos de los efectos fiscales, hasta que se amorticen como un componente del coste del beneficio periódico neto. Los saldos de las obligaciones por planes de pensiones y prestaciones posjubilación y los costes relacionados reflejados en los Estados Financieros Consolidados incluyen los costes directamente atribuibles a los planes específicos de Otis, así como una asignación de los costes correspondientes a la participación de los empleados de Otis en los planes de nuestra antigua matriz, UTC,

con anterioridad a la Separación. Véase la Nota 13, «Planes de Prestaciones para Empleados», para más información al respecto.

Capital Adicional Desembolsado. El capital adicional desembolsado incluye el valor de la actividad de adjudicaciones de acciones, así como la diferencia entre el coste de adquisición de las Participaciones no dominantes en filiales consolidadas y el valor en libros de Otis de las Participaciones no dominantes relacionadas con dichas filiales.

En 2021, la Sociedad contabilizó 2 millones de dólares de Capital adicional desembolsado correspondientes a los costes de operación relacionados con la adquisición prevista de las acciones de Zardoya Otis de las que la Sociedad no era titular. Véase la Nota 1, «Descripción de la Actividad», para información adicional sobre la Oferta Pública de Adquisición.

Participaciones No Dominantes. La participación en las filiales consolidadas de la Sociedad de las partes distintas de la Sociedad se presenta por separado de la partida de Fondos Propios (Déficit) en la partida «Participaciones No Dominantes» dentro del patrimonio neto en los Balances de Situación Consolidados. El importe de los ingresos netos atribuible a Otis Worldwide Corporation y a las participaciones no dominantes se presenta, para ambos casos, en las Cuentas de Resultados Consolidadas.

Todas las participaciones no dominantes con características de reembolso, tales como las opciones de venta u otras obligaciones contractuales para adquirir las participaciones no dominantes, respecto de las cuales no tenemos el control absoluto, son participaciones no dominantes reembolsables. Las participaciones no dominantes reembolsables se reconocen en la partida intermedia de los Balances de Situación Consolidados, entre Pasivo y patrimonio neto (déficit), a su valor de reembolso o, de ser mayor, su valor en libros inicial.

En 2021, la Sociedad ha identificado una clasificación errónea entre las participaciones no dominantes y las participaciones no dominantes reembolsables. El impacto de la corrección de la clasificación errónea en los Balances de Situación Consolidados a 1 de enero de 2019 fue un incremento de 94 millones de dólares en las participaciones no dominantes reembolsables, una disminución de 79 millones de dólares en las participaciones no dominantes y una disminución de 15 millones de dólares en la Inversión Neta de UTC. El impacto de la corrección de la clasificación errónea en los Balances de Situación Consolidados a 31 de diciembre de 2019 fue un incremento de 103 millones de dólares en las participaciones no dominantes reembolsables, una disminución de 75 millones de dólares en las participaciones no dominantes y una disminución de 28 millones de dólares en la Inversión Neta de UTC. El impacto de la corrección de la clasificación errónea en los Balances de Situación Consolidados a 31 de diciembre de 2020 fue un incremento de 111 millones de dólares en las participaciones no dominantes reembolsables, una disminución de 81 millones de dólares en las participaciones no dominantes y una disminución de 30 millones de dólares en la Inversión Neta de UTC. Asimismo, el impacto de las participaciones no dominantes reembolsables en los ingresos netos atribuibles a los accionistas ordinarios fue una reducción de 0,03 \$ en las ganancias básicas y diluidas por Acción Ordinaria en 2019. No ha habido ningún impacto en las ganancias básicas o diluidas por Acción Ordinaria en 2020.

La actividad atribuible a participaciones no dominantes y a participaciones no dominantes reembolsables correspondiente a los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019 se presenta en los Estados de Cambios en el Patrimonio Neto Consolidados.

Inversión Neta de UTC. Respecto de los ejercicios anteriores a la Separación, la Inversión Neta de UTC en la Sociedad se ha presentado como «Inversión Neta (Déficit) de UTC» en los Balances de Situación Consolidados. El Estado de Cambios en el Patrimonio Neto Consolidado incluye las asignaciones empresariales, las transferencias netas de efectivo y otras transferencias de bienes entre nuestra matriz anterior, UTC, y la Sociedad, así como las cuentas a cobrar, las cuentas a pagar y la deuda a largo plazo de partes vinculadas entre la Sociedad y otras sociedades vinculadas de UTC que se liquidaron como deuda corriente. Antes de la Separación, UTC desempeñó funciones de gestión de efectivo y otras funciones relacionadas con la tesorería, de manera centralizada, para la práctica totalidad de sus entidades jurídicas, entre las que se incluye la Sociedad y, por consiguiente, el efectivo neto generado por la Sociedad en entidades jurídicas que eran partícipes de los programas centralizados de financiación y gestión de efectivo se transfirieron a UTC a través de las cuentas de partes vinculadas. Véase la Nota 5, «Partes Vinculadas», para más información al respecto.

Pronunciamientos Contables Recientes

En junio de 2016, el FASB publicó la ASU 2016-13, Instrumentos Financieros – Pérdidas Crediticias (Tema 326): *Valoración de las Pérdidas Crediticias derivadas de Instrumentos Financieros*. Esta ASU y sus modificaciones relacionadas (en adelante, conjuntamente, la «Norma relativa a Pérdidas Crediticias») modifica el modelo de deterioro para utilizar un método de pérdida esperada en lugar del método de pérdida incurrida para medir los instrumentos financieros, incluidos los deudores comerciales, activos contractuales, las cuentas a cobrar a largo plazo y los riesgos de crédito fuera de balance. La Norma relativa a Pérdidas Crediticias exige que se analice una mayor variedad de información para realizar la estimación de las pérdidas crediticias esperadas, incluida la información histórica y las condiciones actuales a lo largo de un periodo de previsión razonable. La Norma relativa a Pérdidas Crediticias exige que la cuenta de pérdidas y ganancias refleje la valoración de las pérdidas crediticias relacionadas con los activos financieros recientemente reconocidos, así como el aumento o disminución previstos de las pérdidas crediticias que se hayan producido durante el ejercicio, lo que puede dar lugar al reconocimiento anticipado de determinadas pérdidas. Hemos adoptado esta norma con efecto a partir del 1 de enero de 2020, utilizando un método retrospectivo modificado. A 1 de enero de 2020, se ha registrado un ajuste no monetario después de impuestos de efecto acumulado de las ganancias acumuladas por importe de 25 millones de dólares.

En agosto de 2018, el FASB publicó la ASU 2018-13, Medición del Valor Razonable (Tema 820): Marco de Divulgación— *Cambios en los Requisitos de Divulgación para la Medición del Valor Razonable*. La nueva norma elimina los requisitos de divulgación del importe de las transferencias entre el Nivel 1 y Nivel 2 de la jerarquía del valor razonable y las razones para realizar dichas transferencias. Las disposiciones de esta ASU entran en vigor para los ejercicios que comienzan después del 15 de diciembre de 2019 y se permite la adopción anticipada. La Sociedad ha adoptado esta norma con efecto a partir del 1 de enero de 2020. La adopción de esta ASU no ha afectado de manera significativa a nuestros Estados Financieros Consolidados.

En agosto de 2018, el FASB publicó la ASU 2018-15, Intangibles—Fondo de Comercio y Otros—Software para Uso Interno (Subtema 350-40): *Contabilidad del Cliente para los Costes de Implementación incurridos en un Acuerdo de Computación en la Nube que es un Contrato de Servicios*. La nueva norma ofrece una orientación actualizada respecto de los costes de implementación relacionados con acuerdos de computación en la nube que son contratos de servicios. Las disposiciones de esta ASU entraron en vigor para los ejercicios que comienzan después del 15 de diciembre de 2019. La Sociedad ha adoptado esta norma con efecto a partir del 1 de enero de 2020. La adopción de esta ASU no ha afectado de manera significativa a nuestros Estados Financieros Consolidados.

En febrero de 2018, el FASB publicó la ASU 2018-02, Reclasificación de Determinados Efectos Fiscales desde la Partida de Otros Ingresos Globales Acumulados (Tema 220). La nueva norma permite a las empresas reclasificar desde Otros ingresos globales acumulados a ganancias acumuladas los efectos fiscales aislados originados por la TCJA recién promulgada en ese momento. La nueva norma entraba en vigor para los ejercicios fiscales que comienzan después del 15 de diciembre de 2018, incluidos los periodos intermedios dentro de dichos ejercicios fiscales y se permite la adopción anticipada. La Sociedad ha adoptado la norma y ha optado por reclasificar los efectos del impuesto sobre beneficios originados por la TCJA desde Otros ingresos (pérdidas) globales acumulados a la partida Inversión Neta de UTC con efecto a partir del 1 de enero de 2019. La adopción de esta norma no ha afectado de manera significativa a nuestros Estados Financieros Consolidados.

En agosto de 2018, el FASB publicó la ASU 2018-14, Retribuciones—Prestaciones por Jubilación—Planes de Prestaciones Definidas - *General (Subtema 715-20): Marco de Divulgación—Cambios en los Requisitos de Divulgación para los Planes de Prestaciones Definidas*. La nueva norma incluye actualizaciones de los requisitos de divulgación para los planes de prestaciones definidas que incluyen varias incorporaciones, eliminaciones y modificaciones de los requisitos de divulgación. Las disposiciones de esta ASU entraban en vigor para los ejercicios cuyo cierre es posterior al 15 de diciembre de 2020 y se permite la adopción anticipada. La Sociedad ha adoptado esta norma con efecto a partir del 1 de enero de 2020. La adopción de esta ASU no ha afectado de manera significativa a nuestros Estados Financieros Consolidados.

En diciembre de 2019, el FASB publicó la ASU 2019-12, Impuestos sobre beneficios (Tema 740): *Simplificación de la Contabilización de los Impuestos sobre Beneficios*. Las modificaciones incluidas en esta actualización eliminan determinadas excepciones del Tema 740, entre las que se incluyen: la excepción al enfoque progresivo de la asignación del impuesto entre periodos cuando existe una pérdida derivada de operaciones continuas y pérdidas o ganancias derivadas de otras partidas; la excepción con respecto al requisito de reconocer un pasivo por impuestos diferidos para las inversiones conforme al método de la participación cuando una filial extranjera pasa a ser considerada una inversión conforme al método de la participación; la excepción con respecto a la posibilidad de no reconocer un pasivo por impuestos diferidos para una filial extranjera cuando una inversión extranjera conforme al método de la participación pasa a ser considerada una filial; la excepción con respecto al método general empleado para calcular los impuestos sobre beneficios en un periodo intermedio cuando una pérdida acumulada hasta la fecha excede de la pérdida prevista para el ejercicio. Existen también otros ámbitos de orientación con respecto a: impuestos de franquicia y otros impuestos basados parcialmente en las ganancias y el reconocimiento provisional de la adopción de los cambios en las leyes tributarias o tipos impositivos. Las disposiciones de esta ASU entraban en vigor para los ejercicios que comienzan después del 15 de diciembre de 2020 y se permite la adopción anticipada. La Sociedad ha adoptado esta norma con efecto a partir del 1 de enero de 2021. La adopción de esta ASU no ha afectado de manera significativa a nuestros Estados Financieros Consolidados.

Pronunciamientos Contables Futuros

En marzo de 2020, el FASB publicó la ASU 2020-04, Reforma de la Tasa de Referencia (Tema 848): *Facilitación de los Efectos de la Reforma de la Tasa de Referencia en la Información Financiera* (en adelante, la «ASU 2020-04»), que proporciona recursos y excepciones opcionales temporales para la aplicación de los principios contables generalmente aceptados a los contratos, relaciones de cobertura y otras operaciones afectadas por la reforma de la tasa de referencia, si se cumplen determinados criterios. Las modificaciones de la ASU 2020-04 se aplican únicamente a contratos, relaciones de cobertura y otras operaciones en las que está previsto

que se deje de aplicar el tipo LIBOR de referencia u otra tasa de referencia como consecuencia de la reforma de la tasa de referencia. La ASU 2020-04 podrá ser adoptada y en caso de ser adoptada se podrá aplicar de forma prospectiva a las modificaciones de contratos que se lleven a cabo el 31 de diciembre de 2022 o con anterioridad a dicha fecha. Actualmente estamos analizando el efecto que tendrá la adopción de esta norma, aunque consideramos que no afectará de manera significativa a nuestros Estados Financieros Consolidados.

En octubre de 2021, el FASB publicó la ASU 2021-08, Combinaciones de Negocios (Tema 805): *Contabilidad de Activos Contractuales y Pasivos Contractuales de Contratos con Clientes*. Esta ASU aclara que el adquirente de un negocio deberá reconocer y medir los activos contractuales y los pasivos contractuales de una combinación de negocios de conformidad con la Codificación de Normas Contables («ASC», *por sus siglas en inglés*) Tema 606, Ingresos de Contratos con Clientes. La ASU 2021-08 entraba en vigor para los ejercicios que comienzan después del 15 de diciembre de 2022 y se permite la adopción anticipada. Actualmente, estamos analizando el efecto que tendrá la adopción de esta norma, aunque consideramos que no afectará de manera significativa a nuestros Estados Financieros Consolidados.

Nota 3: Ganancias por Acción

El 3 de abril de 2020, fecha de consumación de la Separación, se distribuyeron 433.079.455 Acciones Ordinarias, con un valor nominal de 0,01 \$ por acción, a los accionistas registrados de UTC a 19 de marzo de 2020. Esta cantidad de acciones se está utilizando para el cálculo de las ganancias básicas y diluidas por acción correspondientes a todos los ejercicios presentados con anterioridad a la Separación, ya que UTC era titular de todas las acciones con anterioridad a la Separación. Por lo que respecta a los cálculos correspondientes al ejercicio 2019, estas acciones se consideran emitidas y en circulación a 1 de enero de 2019 a los efectos del cálculo de las ganancias por acción básicas y diluidas históricas.

<i>(En millones de dólares, salvo para las cifras por acción; acciones en millones)</i>	2021	2020	2019
Ingresos netos atribuibles a Otis Worldwide Corporation	\$ 1.246	\$ 906	\$ 1.116
Impacto de las participaciones no dominantes reembolsables	—		(13)
Ingresos netos atribuibles a accionistas ordinarios	\$ 1.246	\$ 906	\$ 1.103
Número medio ponderado de acciones básicas en circulación	427,7	433,2	433,1
Adjudicaciones de acciones e instrumentos de patrimonio (equivalentes a acciones)	3,7	1,4	—
Número medio ponderado de acciones diluidas en circulación	431,4	434,6	433,1
Ganancias por Acción Ordinaria:			
Básicas	\$ 2,91	\$ 2,09	\$ 2,55
Diluidas	\$ 2,89	\$ 2,08	\$ 2,55

El cálculo de las ganancias diluidas por acción excluye el efecto del ejercicio potencial de las adjudicaciones de acciones, incluidos los derechos de revalorización de acciones y las opciones sobre acciones, cuando el precio medio de mercado de la Acción Ordinaria es inferior al precio de ejercicio de las adjudicaciones de acciones relacionadas durante el ejercicio, porque el efecto sería antidilutivo. Asimismo, el cálculo de las ganancias diluidas por acción excluye el efecto del ejercicio potencial de las adjudicaciones de acciones, cuando los supuestos ingresos procedentes de las adjudicaciones son superiores al precio medio de mercado de las acciones ordinarias durante el ejercicio. Se excluyeron del cálculo correspondiente a los ejercicios 2021 y 2020 0,1 millones y 4,6 millones de adjudicaciones de acciones antidilutivas, respectivamente.

Antes de la Separación, los empleados de Otis eran partícipes de planes de incentivos en acciones de UTC, en virtud de los cuales se les concedieron opciones sobre acciones, derechos de revalorización de acciones, unidades de acciones restringidas y unidades de acciones restringidas basadas en el desempeño. Todas las adjudicaciones concedidas en virtud de estos planes estaban relacionadas con acciones ordinarias de UTC. Después de la Separación, las adjudicaciones en curso mantenidas por los empleados de Otis en virtud de planes de incentivos en acciones de UTC fueron convertidas de conformidad con lo estipulado en el EMA, utilizando los tipos de conversión establecidos en el EMA. En función de si las adjudicaciones mantenidas en la fecha de la Separación tenían la condición de consolidadas o no consolidadas, los empleados de Otis recibieron adjudicaciones convertidas exclusivamente en acciones de Otis (no consolidadas) o una combinación de adjudicaciones en acciones de Otis, UTC y Carrier (consolidadas). Los exempleados de Otis, y los empleados y exempleados adquiridos de UTC y Carrier, que en la fecha de la Separación mantenían adjudicaciones de UTC en curso consolidadas también recibieron una combinación de adjudicaciones de Otis, UTC y Carrier después de la Separación. El método de conversión empleado se calculó de conformidad con lo estipulado en el EMA y con el fin de mantener el valor intrínseco global de la adjudicación inmediatamente después de la Separación en comparación con el valor intrínseco global inmediatamente anterior a la Separación. Véase la Nota 13, «Planes de Prestaciones para Empleados», para más información al respecto.

A efectos del cálculo de las ganancias diluidas por acción que se ha presentado anteriormente, únicamente hemos incluido las unidades relacionadas con las adjudicaciones en acciones de Otis convertidas. Se dio por supuesto que estas adjudicaciones estaban en circulación a partir de la fecha de la Separación.

Nota 4: Activos y Pasivos Contractuales

Los activos contractuales reflejan los ingresos reconocidos antes de su facturación por los clientes. Los pasivos contractuales se reconocen cuando un cliente paga la contraprestación, o tenemos derecho a recibir un importe de contraprestación incondicional, antes del cumplimiento de las obligaciones de desempeño dimanantes del contrato. Normalmente, recibimos de nuestros clientes pagos progresivos a medida que realizamos nuestro trabajo a lo largo del tiempo.

A continuación, se presenta el Total de Activos Contractuales y Pasivos Contractuales a 31 de diciembre de 2021 y 2020:

<i>(en millones de dólares)</i>	2021	2020
Activos contractuales, corrientes	\$ 550	\$ 458
Total activos contractuales	550	458
Pasivos contractuales, corrientes	2.674	2.542
Pasivos contractuales, no corrientes (incluidos en Otros pasivos a largo plazo)	52	44
Total pasivos contractuales	2.726	2.586
Pasivos contractuales netos	\$ 2.176	\$ 2.128

En el ejercicio cerrado a 31 de diciembre de 2021, los activos contractuales aumentaron en 92 millones de dólares debido a los avances de los contratos vigentes y el calendario de facturación previsto en los contratos con los clientes. En el ejercicio cerrado a 31 de diciembre de 2021, los pasivos contractuales aumentaron en 140 millones de dólares, principalmente, debido a que la facturación de los contratos es superior a los ingresos percibidos. Durante el ejercicio cerrado a 31 de diciembre de 2021 y de 2020, hemos reconocido ingresos por importe de 2.000 millones de dólares y 1.600 millones de dólares relacionados con los pasivos de los contratos a 1 de enero de 2021 y a 1 de enero de 2020, respectivamente.

Nota 5: Partes Vinculadas

En relación con la Separación descrita con más detalle en la Nota 1, «Descripción de la Actividad», la Sociedad ha suscrito varios contratos con nuestra antigua matriz, UTC, y con Carrier. Estos contratos incluyen un contrato de separación y distribución que establece determinados acuerdos con UTC y Carrier en relación con las principales medidas que deben adoptarse en relación con la Separación, entre las que se incluyen la identificación de los activos transferidos, los pasivos asumidos y los contratos transferidos a UTC, Carrier y Otis como parte de la Separación.

En virtud del TSA, que a 31 de diciembre de 2021 se había completado sustancialmente, RTX prestó a la Sociedad determinados servicios y nosotros prestamos determinados servicios a RTX. En virtud del EMA se reparten entre Otis, UTC y Carrier las obligaciones y responsabilidades relacionadas con las cuestiones de personal, las retribuciones de los empleados y los planes de prestaciones para empleados, programas de prestaciones y otras cuestiones relacionadas.

Hemos suscrito el TMA con nuestra antigua matriz UTC y con Carrier en el que se regulan los derechos, responsabilidades y obligaciones respectivos de las partes con respecto a cuestiones fiscales (incluidos la responsabilidad de los impuestos, el derecho a las devoluciones, la preparación de las declaraciones de impuestos, el control de las impugnaciones de impuestos y otras cuestiones fiscales). Con sujeción a determinadas excepciones previstas en el TMA, Otis es generalmente la responsable de los impuestos federales, estatales y extranjeros exigidos, sobre la base de una declaración individual, a Otis (o a cualquiera de sus filiales) en relación con los periodos fiscales (o partes de los mismos) que finalizan en la fecha de la Distribución o con anterioridad a dicha fecha. El TMA establece normas especiales que atribuyen la responsabilidad de las obligaciones fiscales derivadas de que las operaciones de la Separación no cumplan los requisitos para ser consideradas operaciones libres de impuestos de acuerdo con las razones de dicho incumplimiento. El TMA impone también restricciones a Otis durante el periodo de los dos años siguientes a la Distribución que tienen por objeto evitar que determinadas operaciones dejen de cumplir los requisitos para ser consideradas operaciones generalmente libres de impuestos.

Transferencias netas desde (a) UTC y Operaciones relacionadas con la Separación. En relación con la Separación, nuestra antigua matriz, UTC, aportó a la Sociedad determinados activos y pasivos antes y en el momento de la Separación. Durante el ejercicio 2020 y antes de la Separación, nuestra antigua matriz, UTC, aportó a la Sociedad pasivos netos por importe de 43 millones de dólares, principalmente integrados por activos y pasivos por impuestos diferidos y activos fijos. Antes de la Separación, estas aportaciones no dinerarias se contabilizaron como Transferencias netas (a) desde UTC en el Estado de Cambios en el Patrimonio Neto Consolidado, en la partida Inversión Neta de UTC.

Después de la Separación, se contabilizó lo siguiente como Transferencias netas (a) desde UTC y Operaciones relacionadas con la Separación en el Estado de Cambios en el Patrimonio Neto Consolidado, en la partida Inversión Neta de UTC:

<i>(en millones de dólares)</i>	
Efectivo y otros activos líquidos equivalentes	\$ 220
Impuestos y otros	187
Total	\$ 407

Antes de la Separación, nuestra antigua matriz, UTC, pagó a Otis Efectivo y otros activos líquidos equivalentes por importe de 190 millones de dólares en relación con el Contrato de Separación, y un importe de aproximadamente 30 millones de dólares en concepto de liquidación de las cuentas a cobrar de partes vinculadas adeudadas por UTC a Otis debido a un descubierto de efectivo a 31 de marzo de 2020.

Asimismo, la TCJA preveía un impuesto por repatriación no recurrente, que se pagará a plazos en un periodo de 8 años y se aplicará a las supuestas ganancias repatriadas de filiales extranjeras a 31 de diciembre de 2017. De conformidad con las estipulaciones del TMA, Otis deberá indemnizar a RTX con un porcentaje de los pagos a plazos del impuesto por repatriación de ganancias adeudados después del 3 de abril de 2020. Por consiguiente, una parte de las Obligaciones por impuestos sobre beneficios futuros de Otis en relación con el impuesto por repatriación de ganancias se ha reclasificado como una obligación de indemnidad contractual dentro de la partida Otros pasivos a largo plazo en los Balances de Situación Consolidados. El TMA estipula también que RTX deberá indemnizar a Otis en relación con determinadas obligaciones fiscales a consecuencia de la inclusión de Otis en determinadas declaraciones de impuestos consolidadas extranjeras anteriores a la Separación. Como resultado de lo expuesto anteriormente, Otis ha reflejado este activo por indemnidad contractual en Otros activos corrientes y las obligaciones por impuestos relacionadas en Pasivos acumulados en los Balances de Situación Consolidados. Como resultado de la Separación y de las estipulaciones del TMA, el total de los pasivos netos relacionados con impuestos de Otis a 3 de abril de 2020 fueron objeto de una disminución de 191 millones de dólares, incluidos los impactos siguientes en los Balances de Situación Consolidados:

<i>(en millones de dólares)</i>	Aumento (Disminución)
Activo	
Otros activos corrientes	\$ 167
Total Activos Corrientes	167
Beneficios fiscales sobre beneficios futuros	(4)
Total Activo	\$ 163
Pasivo y Patrimonio Neto (Déficit)	
Pasivos acumulados	\$ 110
Total Pasivos Corrientes	110
Obligaciones por impuestos sobre beneficios futuros	(377)
Otros pasivos a largo plazo	239
Total Pasivo	(28)
Total Fondos Propios (Déficit)	191
Total Patrimonio Neto (Déficit)	191
Total Pasivo y Patrimonio Neto (Déficit)	\$ 163

Después de la Separación, se contabilizaron también 4 millones de dólares de Otros pasivos a largo plazo en el Balance de Situación Consolidado.

Además de los Impuestos sobre beneficios pagados, netos de (devoluciones), en el Estado de Flujos de Efectivo Consolidado, como resultado del TMA, la Sociedad realizó pagos por importe de 56 millones de dólares y de 86 millones de dólares en 2021 y 2020, respectivamente, correspondiente a obligaciones por impuestos extranjeros que RTX reembolsó.

Costes Compartidos. Los Estados Financieros Consolidados se han elaborado sobre una base independiente para los ejercicios anteriores a la Separación, el 3 de abril de 2020, y las cifras de dichos periodos se obtienen de los estados financieros consolidados y de los registros contables de nuestra anterior matriz, UTC. Antes de la Separación, la Sociedad se ha gestionado y ha operado en el tráfico mercantil ordinario con otras sociedades vinculadas de UTC, y UTC incurrió en gastos corporativos, tales como servicios de tesorería, fiscales, contables, de recursos humanos, de auditoría, jurídicos, de compra, tecnología de la información y otros servicios. Los costes relacionados con estos servicios incluían generalmente todos los costes salariales y por prestaciones sociales, así como costes indirectos relacionados con determinadas funciones. Se ha considerado que la Sociedad ha incurrido en todos estos importes y los ha liquidado en el periodo en el que se contabilizaron los costes.

Por consiguiente, antes de la Separación, se asignaron a la Sociedad costes compartidos por importe de 16 millones de dólares y 80 millones de dólares en 2020 y 2019, respectivamente, que principalmente estaban incluidos en Gastos generales, de ventas y administración en las Cuentas de Resultados Consolidadas. No se registraron costes centralizados asignados en los ejercicios posteriores a la Separación.

Costes de la Separación. Hemos incurrido en los siguientes gastos no recurrentes relacionados con la Separación:

<i>(en millones de dólares)</i>	2021		2020		2019	
Costes de la Separación	\$	27	\$	119	\$	43

Los gastos relacionados con la Separación anteriores a la misma estaban formados principalmente por gastos de personal, gastos para establecer determinadas funciones independientes y sistemas de tecnologías de la información, honorarios por servicios profesionales, costes de abandono de determinados servicios prestados anteriormente de conformidad con lo estipulado en el TSA y otros gastos relacionados con la operación de transición a una sociedad anónima independiente. Los gastos posteriores a la Separación estaban formados principalmente por los costes de abandono de determinados servicios prestados anteriormente relacionados con la operación de transición a una sociedad anónima independiente. En la partida de Gastos generales, de ventas y administración en las Cuentas de Resultados Consolidadas se contabilizan gastos de separación por importe de 16 millones de dólares, 106 millones de dólares y 43 millones de dólares en 2021, 2020 y 2019, respectivamente. Otras partidas relacionadas con la Separación, que se contabilizan en Otros ingresos (gastos), netos, incluyen ajustes en los activos por indemnizaciones adeudadas por RTX en relación con la elaboración de las declaraciones de impuestos de conformidad con lo estipulado en el TMA y otros gastos relacionados con la Separación.

Los gastos de la Separación registrados en 2021, 2020 y 2019 están compensados parcialmente por beneficios fiscales sobre beneficios por importe de 15 millones de dólares, 20 millones de dólares y 6 millones de dólares, respectivamente.

Gestión del Efectivo y Financiación. Con anterioridad a la Separación, la Sociedad participó en los programas centralizados de financiación y gestión del efectivo de UTC. Los desembolsos se realizaban a través de sistemas centralizados de cuentas a pagar gestionados por UTC, nuestra antigua matriz. Los ingresos de efectivo se transferían a cuentas centralizadas, que también eran gestionadas por UTC. Cuando UTC recibía y desembolsaba el efectivo, la Sociedad lo contabilizaba en la partida Inversión Neta de UTC. UTC financió toda la deuda a corto y largo plazo antes de la emisión de los bonos y del crédito a plazo en relación con la Separación, y las decisiones de financiación de las filiales total o mayoritariamente participadas las tomaba UTC. El efectivo reflejado en el Estado de Flujos de Efectivo Consolidado a 31 de diciembre de 2019 representa el efectivo disponible en determinadas filiales extranjeras que no participaban en el programa centralizado de gestión del efectivo y que la Sociedad podía identificar específicamente.

Deuda a Largo Plazo, Cuentas a Cobrar y Cuentas a Pagar. Varias operaciones con partes vinculadas entre la Sociedad y nuestra antigua matriz, UTC, se han incluido en la partida Inversión Neta de UTC en los Balances de Situación Consolidados, en los periodos históricos presentados con anterioridad a la Separación. La Inversión Neta de UTC incluye las cuentas a cobrar de partes vinculadas adeudadas por UTC y sus sociedades vinculadas por importe de 7.700 millones de dólares a 31 de diciembre de 2019. La Inversión Neta de UTC incluye las cuentas a pagar de partes vinculadas adeudadas a UTC y sus sociedades vinculadas por importe de 750 millones de dólares a 31 de diciembre de 2019, que principalmente estaban relacionadas con los programas centralizados de financiación y gestión del efectivo. La Inversión Neta de UTC incluye la deuda de partes vinculadas adeudada a UTC y a sus sociedades vinculadas por importe de 100 millones de dólares a 31 de diciembre de 2019. Los ingresos y gastos por intereses relacionados con la actividad con UTC que se incluyeron en los resultados de Otis se presentan sobre una base neta en las Cuentas de Resultados Consolidadas, ya que se liquidan en efectivo. Los ingresos por intereses y los gastos por intereses derivados de las operaciones con nuestra antigua matriz, UTC, en 2019 ascendían a 23 millones de dólares y 18 millones de dólares, respectivamente. No se registró ningún ingreso por intereses ni gasto por intereses derivado de las operaciones con nuestra antigua matriz, UTC, en los ejercicios 2021 o 2020. El efecto total de la liquidación de estas operaciones con partes vinculadas se refleja como una actividad de financiación en el Estado de Flujos de Efectivo Consolidado correspondiente a los ejercicios históricos presentados.

Nota 6: Cuentas a Cobrar, Netas

Las cuentas a cobrar, netas, a 31 de diciembre estaban formadas por:

<i>(en millones de dólares)</i>	2021	2020
Deudores comerciales	\$ 3.117	\$ 2.987
Cuentas a cobrar no facturadas	109	104
Bonos de financiación de clientes a cobrar	93	130
Cuentas a cobrar diversas	88	88
	3.407	3.309
Menos: provisión para pérdidas crediticias previstas	175	161
Saldo	\$ 3.232	\$ 3.148

Pérdidas Crediticias. Estamos expuestos a pérdidas crediticias principalmente a través de nuestras ventas netas de productos y servicios a nuestros clientes, que se contabilizan como Cuentas a Cobrar, netas, en los Balances de Situación Consolidados. Analizamos la capacidad de pago de cada uno de nuestros clientes mediante una evaluación de la solvencia crediticia, la experiencia histórica y las condiciones económicas actuales de los clientes a lo largo de un periodo de previsión razonable. Entre los factores tenidos en cuenta en nuestra evaluación para valorar la cobrabilidad y el riesgo se incluyen los siguientes: el valor subyacente de cualquier garantía o derecho de garantía, los saldos vencidos en mora significativos, las pérdidas históricas y las condiciones económicas actuales, incluido el riesgo político y el riesgo de país. No se puede garantizar que los resultados reales no vayan a diferir de las estimaciones ni que el análisis de estos factores en el futuro no vaya a dar lugar a un aumento o disminución de la provisión para pérdidas crediticias. Es posible que exijamos una garantía o un pago anticipado para mitigar el riesgo de crédito.

Calculamos las pérdidas crediticias previstas de los activos financieros con características de riesgos similares. Determinamos que un activo es objeto de deterioro cuando de nuestra evaluación se desprende que existe un riesgo de que no podamos cobrar los importes vencidos de conformidad con las condiciones del contrato. Supervisamos nuestra exposición al riesgo de crédito mediante la revisión de los saldos de los clientes en relación con las condiciones contractuales y las fechas de vencimiento, las condiciones económicas actuales y la resolución de controversias. Las pérdidas crediticias estimadas se cancelan en el periodo en el que el activo financiero se considera incobrable.

A continuación se presentan los cambios en la provisión para pérdidas crediticias relacionadas con las Cuentas a cobrar, netas, correspondientes a los ejercicios cerrados a 31 de diciembre de 2021 y 2020:

<i>(en millones de dólares)</i>	2021	2020
Saldo a 1 de enero	\$ 161	\$ 83
Impacto de la adopción de la norma relativa a pérdidas crediticias	—	28
Provisión para pérdidas crediticias previstas	37	40
Cancelaciones en la provisión para pérdidas crediticias previstas	(15)	(20)
Cambio de divisas y otros	(8)	30
Saldo a 31 de diciembre	\$ 175	\$ 161

Durante el ejercicio 2020, aproximadamente 26 millones de dólares de saldos provisionados anteriormente se reclasificaron a provisión para pérdidas crediticias. Esta operación no afectó en modo alguno a las Cuentas de Resultados Consolidadas correspondientes al ejercicio 2020.

Nota 7: Existencias, Netas

<i>(en millones de dólares)</i>	2021	2020
Materias primas y productos semiacabados	\$ 140	\$ 113
Productos acabados	482	546
Total	\$ 622	\$ 659

Las materias primas y los productos semiacabados y los Productos acabados se presentan netos de las reservas de valoración por importe de 99 millones de dólares y 112 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente.

Nota 8: Activos Fijos

(en millones de dólares)	Vidas Útiles Estimadas	2021	2020
Terrenos		\$ 43	\$ 48
Edificios y mejoras	20 - 40 Años	596	616
Maquinaria y equipos	3 - 12 Años	1.166	1.175
Activos en construcción		125	132
		1.930	1.971
Menos: Depreciación acumulada		(1.156)	(1.197)
		\$ 774	\$ 774

El gasto por depreciación ascendió a 116 millones de dólares, 100 millones de dólares y 85 millones de dólares en 2021, 2020 y 2019, respectivamente.

En 2020, a raíz de la revisión de nuestras estrategias de tecnología después de la Separación, la Sociedad registró una pérdida por depreciación de Activos en construcción antes de impuestos de aproximadamente 71 millones de dólares en la partida Otros ingresos (gastos), netos, en las Cuentas de Resultados Consolidadas.

Los activos fijos adquiridos durante el ejercicio que se provisionan en Cuentas a pagar al cierre del ejercicio se consideran actividades de inversión no monetarias y quedan excluidas del efectivo utilizado para gastos en bienes de capital en el Estado de Flujos de Efectivo Consolidado. Se provisionaron gastos en bienes de capital por importe de 2 millones de dólares, 15 millones de dólares y 8 millones de dólares en la partida Cuentas a pagar en los Balances de Situación Consolidados a 31 de diciembre de 2021, 2020 y 2019, respectivamente.

Nota 9: Adquisiciones de Empresas, Fondo de Comercio e Inmovilizado Intangible

Adquisiciones de Empresas. Nuestras inversiones en empresas e inmovilizado intangible, netas de efectivo adquirido, ascendieron a 80 millones de dólares, 55 millones de dólares (incluida la deuda asumida) y 47 millones de dólares en 2021, 2020 y 2019, respectivamente. Las adquisiciones e inversiones consistieron en una serie de adquisiciones principalmente en nuestro segmento Servicios. Los costes de operación contraídos no se consideraron significativos.

En 2019, la Sociedad registró una pérdida antes de impuestos derivada de la venta de una empresa de 19 millones de dólares en Otros ingresos (gastos), netos, en la Cuenta de Resultados Consolidada. No hubo enajenaciones significativas de empresas durante los ejercicios cerrados a 31 de diciembre de 2021 o 2020.

Fondo de Comercio. Los cambios en los saldos de nuestro Fondo de comercio en 2021 fueron los siguientes:

(en millones de dólares)	Saldo a 1 de enero de 2021	Fondo de Comercio derivado de Combinaciones de Negocios	Conversión de Divisas y Otros	Saldo a 31 de diciembre de 2021
Nuevos Equipos	\$ 357	\$ —	\$ (21)	\$ 336
Servicios	1.416	2	(87)	1.331
Total	\$ 1.773	\$ 2	\$ (108)	\$ 1.667

Los cambios en los saldos de nuestro Fondo de Comercio en 2020 fueron los siguientes:

(en millones de dólares)	Saldo a 1 de enero de 2020	Fondo de Comercio derivado de Combinaciones de Negocios	Conversión de Divisas y Otros	Saldo a 31 de diciembre de 2020
Nuevos Equipos	\$ 337	\$ —	\$ 20	\$ 357
Servicios	1.310	30	76	1.416
Total	\$ 1.647	\$ 30	\$ 96	\$ 1.773

Inmovilizado Intangible. El inmovilizado intangible identificable comprende lo siguiente:

(en millones de dólares)	2021		2020	
	Importe Bruto	Amortización Acumulada	Importe Bruto	Amortización Acumulada
Amortizado:				
Carteras de servicios adquiridos	\$ 2.025	\$ (1.638)	\$ 2.123	\$ (1.661)
Patentes, marcas/nombres comerciales	21	(17)	22	(16)
Relaciones con clientes y otros	64	(43)	54	(45)
	2.110	(1.698)	2.199	(1.722)
No amortizado:				
Marcas y otros	7	—	7	—
Total	\$ 2.117	\$ (1.698)	\$ 2.206	\$ (1.722)

Durante el ejercicio 2020 se cancelaron carteras de servicios totalmente amortizadas por importe de 117 millones de dólares.

La amortización del inmovilizado intangible ascendió a 87 millones de dólares, 91 millones de dólares y 95 millones de dólares en 2021, 2020 y 2019, respectivamente. Excluido el efecto de los ajustes por conversión de divisas, no se produjeron otros cambios significativos en nuestro Inmovilizado Intangible durante los ejercicios 2021, 2020 y 2019.

A continuación figura la futura amortización estimada del inmovilizado intangible:

(en millones de dólares)	2022	2023	2024	2025	2026
Amortización futura	\$ 81	\$ 69	\$ 61	\$ 54	\$ 40

Nota 10: Deudas con Entidades de Crédito y Líneas de Crédito

(en millones de dólares)	2021	2020
Instrumentos negociables	\$ —	\$ 664
Otras deudas con entidades de crédito	24	37
Total deudas con entidades de crédito a corto plazo	\$ 24	\$ 701

Instrumentos Negociables. A 31 de diciembre de 2021, contábamos con programas de emisión de instrumentos negociables no subordinados y no garantizados por un importe total de 1.500 millones de dólares, y no existían deudas con entidades de crédito pendientes en virtud de dichos programas. Utilizamos nuestros instrumentos de deuda a corto plazo para fines empresariales generales, entre los que se incluyen la financiación de adquisiciones, el pago de dividendos y la refinanciación de la deuda. La necesidad de instrumentos de deuda a corto plazo puede surgir si el efectivo nacional utilizado para fines empresariales generales excede de la suma del efectivo nacional generado y el efectivo extranjero repatriado a EE.UU.

En septiembre de 2020, emitimos instrumentos negociables denominados en euros por importe de 420 millones de euros. Los instrumentos negociables denominados en euros, mientras permanecen en circulación, constituyen una cobertura de la inversión neta para nuestras inversiones en empresas europeas. Durante el ejercicio 2021, hemos amortizado íntegramente los instrumentos negociables denominados en euros, por lo que, a 31 de diciembre de 2021, ya no hay una cobertura de la inversión neta relacionada. Véase la Nota 18, «Instrumentos Financieros», para más información acerca de las coberturas de la inversión neta.

Asimismo, en noviembre de 2020, hemos emitido instrumentos negociables denominados en dólares estadounidenses por importe de 150 millones de dólares, que han sido íntegramente amortizados durante el ejercicio 2021. Los importes derivados de la emisión de instrumentos negociables en 2020 se destinaron al pago del préstamo a plazo fijo que se describe más adelante dentro del apartado «Deuda a largo plazo».

Deuda a largo plazo. A 31 de diciembre de 2021, tenemos un contrato de crédito, en su versión modificada, con varios bancos que estipulaba una línea de crédito renovable a cinco años no subordinada y no garantizada por un importe de 1.500 millones de dólares, con efecto desde el 3 de abril de 2020, con un tipo de interés LIBOR más 125 puntos básicos y una comisión de compromiso de 12,5 puntos básicos. A 31 de diciembre de 2021, no existía ninguna deuda en virtud de la línea de crédito renovable. La parte no utilizada de la línea de crédito renovable sirve de respaldo para la emisión de instrumentos negociables.

El 10 de febrero de 2020, hemos suscrito un contrato de crédito a plazo, en su versión modificada, que estipulaba una línea de crédito a tres años no subordinada y no garantizada por un importe de 1.000 millones de dólares (en adelante, el «crédito a plazo»). El 27 de marzo de 2020, la Sociedad dispuso del importe total del crédito a plazo y posteriormente procedió al pago íntegro anticipado durante 2020, lo que dio lugar a la extinción del contrato de crédito a plazo. Además, el 27 de febrero de 2020, emitimos bonos no subordinados y no garantizados por un importe de 5.300 millones de dólares. Los fondos netos del crédito a plazo y los bonos de aproximadamente 6.300 millones de dólares en total se distribuyeron a nuestra antigua matriz, UTC, antes de la Separación.

El 11 de marzo de 2021, emitimos bonos a cinco años no subordinados y no garantizados denominados en yenes japoneses por importe de 21.500 millones de yenes japoneses (199 millones de dólares), con vencimiento en marzo de 2026 (en adelante, los «Bonos en Yenes»). Los fondos netos de los Bonos en Yenes se destinaron a pagar la parte de nuestros instrumentos negociables denominados en euros pendientes. Los Bonos en Yenes constituyen una cobertura de la inversión neta para nuestras inversiones en empresas japonesas. A 31 de diciembre de 2021, la cobertura de la inversión neta se considera eficaz. Véase la Nota 18, «Instrumentos Financieros», para más información acerca de las coberturas de la inversión neta.

El 22 de septiembre de 2021, suscribimos un contrato de crédito puente por importe de 1.650 millones de euros (en adelante, la «Línea de Crédito Puente») y las garantías asociadas en relación con la Oferta Pública de Adquisición, de la que se pretendía disponer únicamente si no obteníamos financiación permanente de la deuda antes de la fecha de liquidación de la Oferta Pública de Adquisición. El 12 de noviembre de 2021, emitimos bonos no subordinados y no garantizados denominados en euros por un importe de 1.600 millones de euros (1.800 millones de dólares) (en adelante, los «Bonos en Euros»). Los fondos netos de los Bonos en Euros se utilizarán para financiar la Oferta Pública de Adquisición. Después de la emisión de los Bonos en Euros, se llevó a cabo la extinción de la Línea de Crédito Puente y las garantías asociadas.

El contrato de crédito renovable y las escrituras de emisión de los bonos contienen pactos de hacer y de no hacer habituales para este tipo de financiaciones que, entre otras cosas, limitan la capacidad de la Sociedad y de sus filiales para constituir gravámenes adicionales, realizar determinados cambios fundamentales y formalizar operaciones de venta con arrendamiento posterior. Además, el contrato de crédito renovable exige que mantengamos un coeficiente de apalancamiento consolidado máximo conforme se define en el contrato. El contrato de crédito renovable y las escrituras de emisión de los bonos también contienen supuestos de incumplimiento habituales para estos tipos de financiación. A 31 de diciembre de 2021, la Sociedad cumple todos los pactos recogidos en el contrato de crédito renovable y en las escrituras de emisión de todos los bonos.

A 31 de diciembre la deuda a largo plazo consistía en lo siguiente:

<i>(en millones de dólares)</i>	2021	2020
Bonos con tipo de interés variable LIBOR más 45 pb con vencimiento en 2023 ^{1,2}	\$ 500	\$ 500
Bonos con tipos de interés del 0,000 % con vencimiento en 2023 (valor de principal de 500 millones de euros) ²	565	—
Bonos con tipos de interés del 2,056 % con vencimiento en 2025 ²	1.300	1.300
Bonos con tipos de interés del 0,37 % (valor de principal de 21.500 millones de yenes japoneses) ²	189	—
Bonos con tipos de interés del 0,318 % con vencimiento en 2026 (valor de principal de 600 millones de euros) ²	677	—
Bonos con tipos de interés del 2,293 % con vencimiento en 2027 ²	500	500
Bonos con tipos de interés del 2,565 % con vencimiento en 2030 ²	1.500	1.500
Bonos con tipos de interés del 0,934 % con vencimiento en 2031 (valor de principal de 500 millones de euros) ²	565	—
Bonos con tipos de interés del 3,112 % con vencimiento en 2040 ²	750	750
Bonos con tipos de interés del 3,362 % con vencimiento en 2050 ²	750	750
Otros (incluidos los arrendamientos financieros)	4	5
Total deuda de principal a largo plazo	\$ 7.300	\$ 5.305
Otros (primas, descuentos y gastos de emisión de deuda)	(51)	(43)
Total deuda a largo plazo	7.249	5.262
Menos: parte corriente	—	—
Deuda a largo plazo, neta de la parte corriente	\$ 7.249	\$ 5.262

¹ El tipo de interés LIBOR a tres meses a 31 de diciembre de 2021 fue del 0,21 % aproximadamente.

² Podremos reembolsar estos bonos a discreción nuestra de conformidad con determinadas condiciones.

Los gastos de emisión de deuda se presentan como una reducción de deuda en los Balances de Situación Consolidados y se amortizan como un componente de los gastos por intereses durante la vigencia de la deuda correspondiente aplicando el método del tipo de interés efectivo. Las Cuentas de Resultados Consolidadas correspondientes a los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019 reflejan lo siguiente:

<i>(en millones de dólares)</i>	2021	2020	2019
Amortización de los gastos de emisión de deuda	\$ 6	\$ 5	\$ —
Total gastos por intereses en la deuda (incluida la amortización de los gastos de emisión de deuda)	136	124	—

Los gastos de emisión de deuda no amortizados a 31 de diciembre de 2021 y 2020 eran de 51 millones de dólares y 43 millones de dólares, respectivamente. Además de los intereses sobre la deuda, la partida de (Ingresos) gastos por intereses, netos, de las Cuentas de Resultados Consolidadas en 2021 incluyen 11 millones de dólares de gastos de financiación dados de baja relacionados con la Línea de Crédito Puente y las garantías asociadas que se extinguieron.

El vencimiento medio de nuestra deuda a largo plazo a 31 de diciembre de 2021 es de 8,9 años aproximadamente. El tipo de interés medio de nuestras deudas con entidades de crédito a 31 de diciembre de 2021 y 2020 era el siguiente:

	31 de diciembre de	
	2021	2020
Deudas con entidades de crédito a corto plazo	—	(0,2) %
Total deuda a largo plazo	1,9 %	2,4 %

El tipo de interés medio de nuestras deudas con entidades de crédito correspondiente a los ejercicios cerrados a 31 de diciembre de 2021 y 2020 era el siguiente:

	2021	2020
Deudas con entidades de crédito a corto plazo	(0,3) %	(0,2) %
Total deuda a largo plazo	2,3 %	2,3 %

A continuación figura el calendario de pagos de principal exigidos con respecto a la deuda a largo plazo durante los próximos cinco años y posteriormente:

<i>(en millones de dólares)</i>	Pagos de Principal
2022	\$ —
2023	1.066
2024	1
2025	1.301
2026	867
Posteriormente	4.065
Total	\$ 7.300

Nota 11: Pasivos Acumulados

<i>(en millones de dólares)</i>	2021	2020
Sueldos, salarios y prestaciones para empleados acumulados	\$ 603	\$ 556
Intereses devengados	221	223
Pasivos por arrendamientos operativos	181	167
Impuestos pagaderos sobre los beneficios acumulados	142	182
IVA y otros impuestos pagaderos no relacionados con beneficios	97	102
Otros pasivos	749	747
Total	\$ 1.993	\$ 1.977

Los intereses devengados consisten principalmente en los intereses acumulados por posiciones fiscales inciertas y los litigios relacionados con impuestos alemanes que se describen en la Nota 22, «Pasivos Contingentes», así como los intereses devengados por importe de 46 millones de dólares y 45 millones de dólares por las deudas con entidades de crédito a 31 de diciembre de 2021 y 2020, respectivamente, que se describen en la Nota 10, «Deudas con Entidades de Crédito y Líneas de Crédito».

Nota 12: Otros Pasivos a Largo Plazo*(en millones de dólares)*

	2021	2020
Obligación de indemnidad contractual	\$ 220	\$ 239
Responsabilidad civil por productos y automóviles	154	152
Prestaciones a empleados	105	113
Otros pasivos	127	130
Total	\$ 606	\$ 634

La Obligación de indemnidad contractual consiste en una cuenta a pagar a favor de RTX, derivada del TMA. Véase la Nota 5, «Partes Vinculadas», para más información al respecto.

Nota 13: Planes de Prestaciones para Empleados

La Sociedad patrocina numerosos planes nacionales e internacionales de prestaciones para empleados de un único empleador y, antes de la Separación, algunos empleados nuestros participaron en planes de prestaciones para empleados (en adelante, los «Planes Compartidos») patrocinados por nuestra antigua matriz, UTC, en los que se incluían partícipes de las demás empresas de UTC. Hemos contabilizado nuestra participación en los Planes Compartidos antes de la Separación como planes de prestaciones patrocinados por múltiples empleadores, como se comenta más adelante.

Planes de Ahorro para Empleados. Patrocinamos diversos planes de ahorro para empleados. Antes de la Separación, nuestra antigua matriz, UTC, también patrocinó e hizo aportaciones a planes de ahorro para empleados de aportaciones definidas en los que participaron algunos empleados de Otis. Nuestras aportaciones a los planes de aportaciones definidas patrocinados por empleadores fueron de 62 millones de dólares, 54 millones de dólares y 41 millones de dólares en 2021, 2020 y 2019, respectivamente.

Planes de Pensiones. Patrocinamos planes de pensiones nacionales e internacionales de prestaciones definidas financiados y no financiados con fondos especiales que cubren a un gran número de empleados nuestros. Aunque patrocinamos planes de pensiones nacionales que proporcionan prestaciones por jubilación a algunos empleados, estos no son un componente significativo de las obligaciones por prestaciones previstas. En nuestros planes se utiliza una fecha de valoración del 31 de diciembre en consonancia con nuestro ejercicio fiscal.

<i>(en millones de dólares)</i>	2021	2020
Cambio en las obligaciones por prestaciones:		
Saldo inicial	\$ 1.225	\$ 1.092
Costes de servicio	43	40
Costes por pago de intereses	13	16
Pérdidas (ganancias) actuariales	(50)	40
Prestaciones pagadas	(24)	(28)
Liquidación neta, reducciones y prestaciones especiales por rescisión de contrato	(31)	(26)
Otros	(50)	91
Saldo final	\$ 1.126	\$ 1.225
Cambio en los activos del plan:		
Saldo inicial	\$ 703	\$ 622
Rentabilidad real de los activos del plan	43	24
Aportaciones del empleador	37	64
Prestaciones pagadas	(24)	(28)
Liquidaciones	(31)	(26)
Otros	(38)	47
Saldo final	\$ 690	\$ 703
Financiación con fondos especiales:		
Valor razonable de los activos del plan	\$ 690	\$ 703
Obligaciones por prestaciones	(1.126)	(1.225)
Financiación del plan con fondos especiales	\$ (436)	\$ (522)
Los importes reconocidos en los Balances de Situación Consolidados consisten en:		
Activos no corrientes	\$ 106	\$ 87
Pasivos corrientes	(23)	(21)
Pasivos no corrientes	(519)	(588)
Importe neto reconocido	\$ (436)	\$ (522)
Los importes reconocidos en Otras pérdidas globales acumuladas consisten en:		\$ 87
Pérdidas netas actuariales	\$ 176	280
Crédito de servicios anteriores	2	(1)
Importe neto reconocido	\$ 178	\$ 279

Los importes incluidos en «pérdidas (ganancias) actuariales» de la tabla anterior se deben principalmente a los cambios en las hipótesis sobre las tasas de descuento ocasionados por las variaciones de los tipos de los bonos corporativos. Los importes incluidos en «Otros» de la tabla anterior reflejan principalmente el impacto de la conversión de divisas, especialmente para los planes de Australia, Canadá, Alemania, Japón, España, Corea del Sur y Suiza.

En 2021, 2020 y 2019 hicimos aportaciones en efectivo de 37 millones de dólares, 64 millones de dólares y 32 millones de dólares, respectivamente, a nuestros planes de pensiones de prestaciones definidas.

Información para los planes de pensiones con obligaciones por prestaciones acumuladas que exceden de los activos del plan:

<i>(en millones de dólares)</i>	2021	2020
Obligaciones por prestaciones previstas	\$ 567	\$ 787
Obligaciones por prestaciones acumuladas	499	685
Valor razonable de los activos del plan	49	205

Información para los planes de pensiones con obligaciones por prestaciones previstas que exceden de los activos del plan:

<i>(en millones de dólares)</i>	2021	2020
Obligaciones por prestaciones previstas	\$ 806	\$ 991
Obligaciones por prestaciones acumuladas	694	846
Valor razonable de los activos del plan	263	383

Las obligaciones por prestaciones acumuladas correspondientes a todos los planes de pensiones de prestaciones definidas eran de 1.000 millones de dólares y 1.100 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente.

Los componentes de los costes de pensiones periódicos netos son los siguientes:

<i>(en millones de dólares)</i>	2021	2020	2019
Costes de servicio	\$ 43	\$ 40	\$ 33
Costes por pago de intereses	13	16	21
Rentabilidad prevista de los activos del plan	(23)	(25)	(24)
Amortización del crédito de servicios anteriores	—	(1)	(1)
Pérdidas netas actuariales reconocidas	18	16	10
Pérdidas (ganancias) por compensación neta, reducciones y prestaciones especiales por rescisión de contrato	2	5	2
Costes de pensiones periódicos netos – empleador	\$ 53	\$ 51	\$ 41

A continuación figuran Otros cambios en los activos del plan y obligaciones por prestaciones reconocidos en otras pérdidas globales:

<i>(en millones de dólares)</i>	2021	2020	2019
Pérdidas (ganancias) actuariales del ejercicio actual	\$ (70)	\$ 41	\$ 28
Amortización de pérdidas actuariales	(18)	(16)	(10)
Amortización del crédito de servicios anteriores	—	1	1
Ganancias (pérdidas) por compensación neta y reducciones	(2)	(5)	(2)
Otros	(11)	24	27
Total reconocido en otras pérdidas (ganancias) globales	\$ (101)	\$ 45	\$ 44
Neto reconocido en costes de pensiones periódicos netos y otras pérdidas (ganancias) globales	\$ (48)	\$ 96	\$ 85

Los importes incluidos en «Otros» de la tabla anterior reflejan principalmente el impacto de la conversión de divisas, especialmente para los planes de Australia, Francia, Alemania, Canadá y Suiza.

En la siguiente tabla se presentan como medias ponderadas las principales hipótesis utilizadas para determinar las obligaciones por prestaciones y los costes netos de los planes de pensiones:

	Obligaciones por Prestaciones		Costes Netos		
	2021	2020	2021	2020	2019
Tasa de descuento:					
Obligaciones por prestaciones previstas	1,5 %	1,1 %	1,1 %	1,5 %	2,5 %
Escala salarial	3,0 %	3,0 %	3,0 %	3,1 %	3,3 %
Rentabilidad prevista de los activos del plan	—	—	3,6 %	4,5 %	5,2 %
Porcentaje de acreditación de intereses	1,0 %	0,6 %	0,6 %	0,7 %	1,5 %

Las tasas de descuento medias ponderadas utilizadas para determinar las obligaciones por prestaciones de pensiones y los costes netos se fijan teniendo en cuenta análisis específicos que utilizan flujos de efectivo específicos de cada plan y después los comparan con índices de bonos de alta calidad para evaluar su razonabilidad.

Para determinar la rentabilidad prevista de los activos del plan, tenemos en cuenta la ponderación relativa de los activos del plan, la rentabilidad histórica de los activos totales del plan y las clases de activos individuales así como los indicadores económicos y otros indicadores de la rentabilidad futura. Además, para crear hipótesis adecuadas sobre el mercado de capitales podemos consultar con profesionales financieros y otros profesionales y considerar sus opiniones. Las previsiones de rentabilidad se validan también utilizando un modelo de simulación que incorpora curvas de tipos, diferenciales crediticios y primas de riesgo para prever las futuras rentabilidades a largo plazo.

Entre los objetivos de gestión de inversiones de los planes se incluye proporcionar los niveles de liquidez y activos necesarios para atender a los futuros pagos de prestaciones y mantener al mismo tiempo un grado prudente de diversificación de la cartera teniendo en cuenta el riesgo de los tipos de interés y la volatilidad del mercado. En general, las estrategias de inversión se centran en una combinación de aproximadamente un 50 % de activos orientados al crecimiento y un 50 % de activos de cobertura y generación de ingresos utilizando una amplia diversificación de tipos de activos, estrategias de fondos y gestores de inversión. La distribución orientada al crecimiento consiste en valores de renta variable mundial cotizados en países desarrollados y emergentes, y estrategias de clases de activos alternativos. Por lo que respecta a los activos generadores de ingresos, la cartera de renta fija está integrada principalmente por bonos del estado y bonos corporativos de alta calidad y ampliamente diversificados.

A 31 de diciembre de 2021 y 2020 los valores razonables de los activos del plan de pensiones por categoría de activos son los siguientes:

(en millones de dólares)	Precios Cotizados en Mercados Activos para Activos Idénticos (Nivel 1)	Datos de Entrada Observables Significativos (Nivel 2)	Datos de Entrada No Observables Significativos (Nivel 3)	No sujetos a Clasificación por Niveles	Total
Categoría de activos					
Valores de renta variable cotizados en bolsa:					
Fondos Mixtos de Renta Variable Mundial ⁽¹⁾	\$ 70	\$ 2	\$ —	\$ —	\$ 72
Fondos de Renta Variable Mundial al valor liquidativo ⁽⁵⁾	—	—	—	196	196
Valores de renta fija:					
Bonos del Estado	19	—	—	—	19
Bonos Corporativos	42	1	—	—	43
Valores de renta fija al valor liquidativo ⁽⁵⁾	—	—	—	117	117
Inmuebles ⁽²⁾⁽⁵⁾	11	14	—	11	36
Otros ⁽³⁾⁽⁵⁾	4	126	—	24	154
Efectivo y otros activos líquidos equivalentes ⁽⁴⁾⁽⁵⁾	4	1	—	44	49
Total	\$ 150	\$ 144	\$ —	\$ 392	686
Otros activos y pasivos ⁽⁶⁾					4
Total a 31 de diciembre de 2021				\$	690

(en millones de dólares)	Precios Cotizados en Mercados Activos para Activos Idénticos (Nivel 1)	Datos de Entrada Observables Significativos (Nivel 2)	Datos de Entrada No Observables Significativos (Nivel 3)	No sujetos a Clasificación por Niveles	Total
Categoría de activos					
Valores de renta variable cotizados en bolsa:					
Fondos Mixtos de Renta Variable Mundial ⁽¹⁾	\$ 52	\$ 39	\$ —	\$ —	\$ 91
Fondos de Renta Variable Mundial al valor liquidativo ^{g(5)}	—	—	—	154	154
Valores de renta fija:					
Bonos del Estado	20	41	—	—	61

Bonos Corporativos	49	4	—	—	53
Valores de renta fija al valor liquidativo ⁽⁵⁾	—	—	—	90	90
Inmuebles ⁽²⁾⁽⁵⁾	12	6	—	12	30
Otros ⁽³⁾⁽⁵⁾	2	129	—	25	156
Efectivo y otros activos líquidos equivalentes ⁽⁴⁾⁽⁵⁾	6	1	—	41	48
Total	\$ 141	\$ 220	\$ —	\$ 322	683
Otros activos y pasivos ⁽⁶⁾					20
Total a 31 de diciembre de 2020				\$	703

- (1) Representa las inversiones en fondos de inversión colectiva y las inversiones en fondos mixtos que invierten principalmente en acciones ordinarias.
- (2) Representa las inversiones en bienes inmuebles incluidos los fondos mixtos.
- (3) Representa los contratos de seguros y los fondos mixtos mundiales con riesgo ajustado que están integrados principalmente por renta variable, bonos y algunos productos básicos.
- (4) Representa los instrumentos negociables a corto plazo, bonos y otros instrumentos monetarios o activos líquidos equivalentes.
- (5) De conformidad con la ASU 2015-07 del FASB, Medición del Valor Razonable (Tema 820), determinadas inversiones que se valoran a su valor razonable utilizando el recurso práctico del valor liquidativo por acción (o su equivalente) no se han clasificado en la jerarquía del valor razonable.
- (6) Representa las cuentas fiduciarias a cobrar y a pagar que no están clasificadas por niveles.

Los precios de mercado cotizados se utilizan para valorar las inversiones cuando se dispone de ellos. Las inversiones en valores negociados en mercados de valores, incluidos los futuros y opciones cotizados, se valoran a los últimos precios de venta publicados el último día hábil del ejercicio o, si no estuvieran disponibles, los últimos precios de oferta publicados. Los valores de renta fija se reconocen principalmente utilizando el método de mercado para la fijación de precios, en virtud del cual los precios observables se obtienen mediante operaciones de mercado en las que intervienen valores idénticos o comparables con calificaciones crediticias similares. Los valores extrabursátiles y las obligaciones del estado se valoran a los precios de comprador o la media de los precios de comprador y de vendedor del último día hábil del ejercicio a partir de las fuentes publicadas o, si no estuvieran disponibles, de otras fuentes consideradas fiables, generalmente cotizaciones de intermediarios financieros. Las inversiones de efectivo temporales se contabilizan al precio de coste, que se aproxima al valor razonable.

En 2022, tenemos previsto realizar aportaciones totales de aproximadamente 34 millones de dólares a nuestros planes mundiales de pensiones de prestaciones definidas, incluidos los pagos de prestaciones que se realizarán directamente con cargo al activo social.

Están previstos los siguientes pagos de prestaciones, incluidos los importes que se pagarán con cargo al activo social, y que reflejan el futuro servicio previsto, según proceda: 60 millones de dólares en 2022, 65 millones de dólares en 2023, 62 millones de dólares en 2024, 66 millones de dólares en 2025, 66 millones de dólares en 2026 y 339 millones de dólares desde 2027 hasta 2031.

Planes de Prestaciones Posjubilación. Patrocinamos planes de prestaciones posjubilación que proporcionan prestaciones en materia de salud a los jubilados acogibles. Los planes posjubilación no están financiados con fondos especiales. Las obligaciones por prestaciones ascendían a 10 millones de dólares y 11 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente. Los costes periódicos netos eran de 1 millón de dólares en 2021, 2020 y 2019, respectivamente. Durante el ejercicio 2021 se reconocieron Otras ganancias globales por importe de 1 millón de euros y durante el ejercicio 2020 Otras pérdidas globales por importe de 2 millones de euros relacionadas con los cambios en las obligaciones por prestaciones.

La tasa de descuento de las obligaciones por prestaciones previstas era del 5,0 % y del 4,3 % a 31 de diciembre de 2021 y 2020, respectivamente. La tasa de descuentos de los Costes Netos era del 4,3 %, 4,7 % y 5,3 % durante 2021, 2020 y 2019, respectivamente.

Están previstos los siguientes pagos de prestaciones, incluidos los importes que se pagarán con cargo al activo social, y que reflejan el futuro servicio previsto, según proceda: 1 millón de dólares cada ejercicio desde 2022 hasta 2026 y 3 millones de dólares desde 2027 hasta 2031.

Planes de Prestaciones de Múltiples Empleadores. Hacemos aportaciones a varios planes nacionales e internacionales de pensiones de prestaciones definidas patrocinados por múltiples empleadores. Los riesgos de participación en estos planes de múltiples empleadores difieren de los de los planes de un único empleador en que los activos aportados están mancomunados y pueden utilizarse para proporcionar prestaciones a empleados de otros empleadores partícipes. Si un empleador partícipe deja de hacer aportaciones al plan, las obligaciones del plan no financiadas con fondos especiales podrán ser sufragadas por los empleadores partícipes restantes. Por último, si decidimos dejar de participar en algunos de nuestros planes de múltiples empleadores, podremos estar obligados a pagar a favor de esos planes una obligación por retirada basada en la infrafinanciación del plan con fondos especiales.

En la tabla que figura a continuación se describe nuestra participación en estos planes durante los periodos anuales cerrados a 31 de diciembre. Salvo que se indique lo contrario, la condición de zona más reciente con arreglo a la Ley de Protección de Pensiones (*Pension Protection Act*) (en adelante, la «PPA», por sus siglas en inglés) disponible en 2021 y 2020 corresponde al cierre del ejercicio del plan a 30 de junio de 2020 y 30 de junio de 2019, respectivamente. La condición de zona se basa en la información que recibimos del plan y es certificada por el actuario del plan. Nuestro plan significativo está en la zona verde, que representa un plan que

cuenta con una financiación de al menos el 80 % y no requiere un plan de mejora financiera («FIP», *por sus siglas en inglés*) o un plan de rehabilitación («RP», *por sus siglas en inglés*). Se aplicó una cláusula de amortización ampliada de diez años para reconocer las pérdidas o ganancias de las inversiones correspondientes a nuestro plan significativo hasta el 30 de junio de 2019.

(en millones de dólares)		Condición de Zona		Condición FIP/RP	Aportaciones			Recargo Impuesto	Fecha de Vencimiento del Convenio Colectivo
Fondo de Pensiones	EIN/Número de Plan de Pensiones	2021	2020	Pendiente/Aplicada	2021	2020	2019		
National Elevator Industry Pension Plan	23-2694291	Verde	Verde	Ninguna	\$ 128	\$ 131	\$ 127	Ninguna	7/8/2022
Otros fondos					8	7	9		
					\$ 136	\$ 138	\$ 136		

Por lo que respecta a los ejercicios del plan cerrados a 30 de junio de 2020 y 2019, respectivamente, en los Formularios 5500 del National Elevator Industry Pension Plan figuramos como aportadores de más del 5 % de las aportaciones totales al plan. En la fecha que se emitieron los presentes estados financieros, el Formulario 5500 no estaba disponible para el ejercicio del plan cerrado a 30 de junio de 2021.

Además, participamos en planes de múltiples empleadores que proporcionan prestaciones posjubilación distintas de las pensiones, siendo el más relevante de ellos el National Elevator Industry Health Benefit Plan. En general estos planes proporcionan prestaciones en materia de salud y vida a los empleados activos y jubilados acogibles y sus familiares dependientes. Las aportaciones a los planes de múltiples empleadores que proporcionan prestaciones posjubilación distintas de las pensiones fueron de 20 millones de dólares, 20 millones de dólares y 21 millones de dólares durante 2021, 2020 y 2019, respectivamente.

Planes de Prestaciones Definidas Patrocinados por UTC. Los planes de pensiones de prestaciones definidas y de prestaciones posjubilación fueron patrocinados por nuestra antigua sociedad matriz UTC y se han contabilizado como planes de múltiples empleadores en los presentes Estados Financieros Consolidados, de conformidad con el Tema 715-30 de la ASC del FASB: *Planes de Prestaciones Definidas - Pensión* y con el Tema 715-60 de la ASC del FASB: *Planes de Prestaciones Definidas - Otras Prestaciones Posjubilación*. La participación de la Sociedad en los planes de pensiones de prestaciones definidas y de prestaciones posjubilación patrocinados por nuestra antigua matriz UTC se extinguieron tras consumarse la Separación. Los importes de los gastos posjubilación y de pensiones correspondientes a Costes de servicio y a Prestaciones de pensiones no vinculadas a servicios fueron de 1 millón de dólares y 5 millones de dólares, respectivamente, en 2020 y de 15 millones de dólares y 42 millones de dólares, respectivamente, en 2019.

Retribución en Acciones. En relación con la Separación, la Sociedad adoptó el Plan de Incentivos a Largo Plazo 2020 (en adelante, el «Plan»). El Plan entró en vigor el 3 de abril de 2020. En virtud del Plan se autorizó la emisión de un total de 45 millones de acciones ordinarias. El Plan estipula la concesión de diversos tipos de adjudicaciones, incluidas las adjudicaciones de unidades de acciones restringidas, derechos de revalorización de acciones, opciones sobre acciones y adjudicaciones basadas en el desempeño. Con arreglo al Plan, el precio de ejercicio de las adjudicaciones, en su caso, se fija en la fecha de adjudicación y no podrá ser inferior al valor razonable de mercado por acción en esa fecha. En general, los derechos de revalorización de acciones y las opciones sobre acciones tienen una vigencia de diez años y un periodo de consolidación del derecho de tres años, con sujeción a excepciones limitadas. En caso de jubilación, los derechos de revalorización de acciones anuales, las opciones sobre acciones y las acciones restringidas mantenidas durante más de un año pueden llegar a consolidarse y ser ejercitables (si procede), con sujeción a determinados términos y condiciones. Las adjudicaciones con consolidación de derechos basada en el desempeño tienen un periodo de consolidación mínimo de tres años y se consolidan partiendo del desempeño real en comparación con parámetros preestablecidos. En caso de jubilación, las adjudicaciones por desempeño mantenidas durante más de un año siguen siendo consolidables partiendo del desempeño real en relación con los parámetros indicativos. Todas las demás adjudicaciones restringidas tienen en general un periodo de consolidación de tres años. Actualmente pretendemos emitir nuevas acciones para las conversiones y ejercicios de las opciones sobre acciones de conformidad con nuestros planes de retribución mediante instrumentos de patrimonio y continuaremos evaluando esta política en relación con nuestro programa de recompra de acciones. A 31 de diciembre de 2021, siguen disponibles unos 26 millones de acciones para las adjudicaciones previstas en el Plan 2020.

En relación con la Separación, y de conformidad con el EMA, los empleados de la Sociedad con adjudicaciones en acciones de UTC en circulación recibieron adjudicaciones en acciones sustitutivas con arreglo al Plan en la Separación. El valor de las adjudicaciones en acciones sustituidas se diseñó para mantener el valor intrínseco total de la adjudicación inmediatamente después de la Separación en comparación con el valor intrínseco total de la adjudicación inmediatamente antes de la Separación. Los gastos incrementales contraídos por la Sociedad no fueron sustanciales.

Antes de la Separación, algunos empleados de la Sociedad participaron en planes de retribución en acciones patrocinados por nuestra antigua matriz UTC. Los planes de retribución en acciones de UTC incluían diversos tipos de adjudicaciones de incentivos basados en el mercado y el desempeño como, por ejemplo, opciones sobre acciones, derechos de revalorización de acciones, unidades de acciones restringidas y acciones por desempeño. Todas las adjudicaciones realizadas de conformidad con los planes se basaron en las acciones ordinarias de UTC, y en los Estados Financieros Consolidados adjuntos de los ejercicios cerrados a 31 de diciembre de 2021 y 2020, solo refleja la actividad atribuible a los empleados de Otis a partir de estas adjudicaciones, convertidas en la Separación.

Gastos por Retribuciones en Acciones

Valoramos el coste de todos los pagos en acciones, incluidas las opciones sobre acciones, al valor razonable en la fecha de adjudicación y reconocemos este coste en las Cuentas de Resultados Consolidadas. En la fecha de adjudicación se aplica una hipótesis sobre el índice de pérdida de derechos para ajustar el reconocimiento de gastos correspondientes a las adjudicaciones cuya consolidación no está prevista.

Los gastos por retribuciones en acciones y los beneficios fiscales fueron los siguientes:

(en millones de dólares)	Ejercicio Cerrado en			
	2021	2020	2019	
Gastos por retribuciones en acciones (en acciones)	\$ 65	\$ 63	\$ 37	
Gastos por retribuciones en acciones (en efectivo)	2	(4)	10	
Total gastos brutos por retribuciones en acciones	67	59	47	
Menos: beneficios fiscales futuros	8	7	5	
Gastos por retribuciones en acciones, netos de impuestos	\$ 59	\$ 52	\$ 42	

Para los periodos previos a la Separación, los gastos por retribuciones en acciones incluyen aquellos que son atribuibles a Otis, y las hipótesis sobre el valor razonable se basan en las adjudicaciones y las condiciones previamente concedidas a los empleados de Otis de conformidad con el plan de retribución de incentivos de UTC. Por consiguiente, los importes presentados para los ejercicios cerrados a 31 de diciembre de 2020 y 2019 no tienen por qué ser indicativos de futuras adjudicaciones y no reflejan necesariamente los resultados que Otis habría registrado como sociedad independiente cuyas acciones se cotizan en Bolsa.

Durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, el importe de efectivo recibido a partir del ejercicio de las opciones sobre acciones fue de 4 millones de dólares, 3 millones de dólares y 10 millones de dólares, respectivamente, con unos beneficios fiscales correspondientes realizados de 4 millones de dólares, 2 millones de dólares y 6 millones de dólares, respectivamente. Además, durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, los correspondientes beneficios fiscales realizados a partir de la consolidación de las unidades de acciones por desempeño y otras adjudicaciones restringidas fueron de 4 millones de dólares, 1 millón de dólares y 4 millones de dólares, respectivamente. Los importes de 2021 y 2020 se computaron utilizando los tipos impositivos federales y estatales estadounidenses vigentes.

A 31 de diciembre de 2021, los costes totales por retribuciones no reconocidos relacionados con adjudicaciones de instrumentos de patrimonio no consolidadas concedidas de conformidad con el Plan ascendían a 57 millones de dólares aproximadamente. Está previsto que estos costes se reconozcan de forma prorrateada durante un periodo medio ponderado de 2,0 años.

A continuación figura un resumen de las operaciones realizadas en virtud de los planes de Otis correspondientes al ejercicio cerrado a 31 de diciembre de 2021:

(En miles de acciones)	Derechos de Revalorización de		Unidades de Acciones		Unidades de Acciones por		Opciones sobre Acciones	
	Acciones	Precio Medio*	Acciones	Precio Medio**	Acciones	Precio Medio**	Acciones	Precio Medio*
En circulación a:								
31 de diciembre de 2020	12.177	\$ 60,63	1.710	\$ 63,94	\$ —	454	\$ 55,31	
Adjudicadas ⁽¹⁾	1.344	64,81	483	68,67	334	67,58	19	71,93
Ejercidas / Obtenidas ⁽¹⁾	(2.269)	51,67	(458)	68,31			(96)	46,41
Canceladas	(537)	66,72	(83)	67,60	(4)	67,71	(1)	80,97
31 de diciembre de 2021	10.715	\$ 62,74	1.652	\$ 63,91	330	\$ 67,58	376	\$ 58,31

* Precio de adjudicación medio ponderado

** Valor razonable de adjudicación medio ponderado

⁽¹⁾ Incluye adjudicaciones de anticipos sobre los honorarios anuales concedidas al Consejo de Administración

El valor razonable medio ponderado a fecha de adjudicación de las opciones sobre acciones y los derechos de revalorización de acciones adjudicados por Otis y nuestra antigua matriz UTC durante 2021, 2020 y 2019 fue de 14,83 \$, 10,38 \$ y 20,92 \$, respectivamente. El valor razonable medio ponderado a fecha de adjudicación de las unidades de acciones por desempeño, que se consolidan tras alcanzar determinados parámetros de desempeño, y otras adjudicaciones de acciones restringidas concedidas por Otis y UTC durante 2021, 2020 y 2019 fue de 68,22 \$, 54,29 \$ y 109,17 \$, respectivamente. El valor intrínseco total (que es el importe en el que el precio de la acción excedió del precio de ejercicio en la fecha de ejercicio) de las opciones sobre acciones y los derechos de revalorización de acciones ejercidos durante 2021, 2020 y 2019 fue de 74 millones de dólares, 13 millones de dólares y 53 millones de dólares, respectivamente. El valor razonable total (que es el precio de la acción en la fecha de consolidación del derecho) de las unidades de acciones por desempeño y otras adjudicaciones restringidas consolidadas fue de 32 millones de dólares, 10 millones de dólares y 33 millones de dólares durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, respectivamente.

En la siguiente tabla se resume la información sobre las adjudicaciones de instrumentos de patrimonio en curso que están consolidadas y se prevé que se consoliden y las adjudicaciones de instrumentos de patrimonio que son ejercitables a 31 de diciembre de 2021:

(En miles de acciones; valor intrínseco total en millones)	Adjudicaciones de Instrumentos de Patrimonio Consolidadas y cuya Consolidación está Prevista				Adjudicaciones de Instrumentos de Patrimonio que son Ejercitables			
	Adjudicaciones	Precio Medio*	Valor Intrínseco Total	Vigencia Restante**	Adjudicaciones	Precio Medio*	Valor Intrínseco Total	Vigencia Restante**
Opciones sobre Acciones/Derechos de Revalorización de Acciones	11.027	\$ 62,53	\$ 271	5,4 años	6.846	\$ 57,62	\$ 202	3,9 años
Unidades de Acciones por Desempeño/Acciones Restringidas	1.921	—	\$ 167	1,4 años				
*Precio de adjudicación medio ponderado por acción								
**Vigencia contractual restante media ponderada en años								

El valor razonable de cada adjudicación de opciones se estima en la fecha de adjudicación utilizando un modelo reticular binomial. En la tabla que figura a continuación se indican las hipótesis utilizadas para estimar el valor razonable correspondiente a los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019. Para los periodos previos a la Separación, estas hipótesis representan las utilizadas por nuestra antigua matriz, UTC, y no son necesariamente indicativas de las hipótesis que usaría Otis como empresa independiente. Los modelos reticulares de opciones incorporan los siguientes rangos de hipótesis para datos de entrada:

	2021	2020	2019
Volatilidad prevista	26,9 %	25,5 %	18,8 % - 19,7 %
Volatilidad media ponderada	26,9 %	25,5 %	19,5 %
Vigencia prevista (en años)	6,3	6,8	6,5 - 6,6
Rentabilidad prevista de los dividendos	1,3 %	1,8 %	2,4 %
Tipo de interés sin riesgo	0,7 %	0,5 %	2,3 % - 2,7 %

Debido a la falta de historial de negociación de las acciones de Otis en el momento de realizar las tareas de valoración, la volatilidad prevista para Otis se calculó partiendo de la volatilidad media del grupo de comparación de la industria. Para estimar el ejercicio de adjudicaciones de instrumentos de patrimonio y la evolución de la extinción de la relación laboral en el modelo de valoración se utilizaron los datos históricos de UTC para los empleados de Otis. La vigencia prevista representa una estimación del periodo de tiempo que está previsto que las adjudicaciones de instrumentos de patrimonio estén en circulación. El tipo de interés sin riesgo se basa en la estructura temporal de los tipos de interés en el momento de la concesión de la adjudicación de instrumentos de patrimonio.

La Sociedad utiliza el modelo de simulación Monte Carlo basado en un periodo de valoración de tres años para determinar el valor razonable de las unidades de acciones por desempeño. Este modelo incluye el uso de hipótesis relacionadas con la rentabilidad futura de las acciones de la Sociedad y las del grupo de comparación de la industria. Entre dichas hipótesis se incluyen la volatilidad prevista, los tipos de interés sin riesgo, correlaciones y rentabilidad prevista de los dividendos.

Nota 14: Acciones

Acciones Preferentes. Hay 125 millones de Acciones Preferentes autorizadas con un valor nominal de 0,01 \$, de las que no existe ninguna emitida o en circulación a 31 de diciembre de 2021 o 2020.

Acciones Ordinarias. Existen 2.000 millones de Acciones Ordinarias autorizadas con un valor nominal del 0,01 \$. A 31 de diciembre de 2021, había 434,7 millones de Acciones Ordinarias emitidas, incluido 9,7 millones de acciones propias. A 31 de diciembre de 2020, había 433,4 millones de Acciones Ordinarias emitidas y en circulación.

Programa de Recompra de Acciones. A 31 de diciembre de 2021, el Consejo de Administración ha autorizado a la Sociedad a adquirir Acciones Ordinarias por importe de 1.000 millones de dólares en virtud de un programa de recompra de acciones, de los que se han utilizado 725 millones de dólares. Durante 2021, la Sociedad ha recomprado 9,7 millones de Acciones Ordinarias por aproximadamente 725 millones de dólares. El programa de recompra de acciones de la Sociedad no le obliga a adquirir ningún número específico de acciones. De conformidad con este programa, se podrán comprar acciones en el mercado libre, en operaciones negociadas de manera privada, en virtud de programas de recompra acelerada de acciones o en virtud de planes de conformidad con lo dispuesto en las reglas 10b5-1 y 10b-18 de la Ley del Mercado de Valores de 1934 (*Securities Exchange Act*), y las modificaciones de las que sea objeto (en adelante, la «Ley de Valores»). Como resultado del incremento de la deuda que hemos asumido para financiar la Oferta Pública de Adquisición, hemos suspendido provisionalmente las recompras de acciones, ya que nuestro objetivo principal es reducir el endeudamiento.

Nota 15: Otros Ingresos (Pérdidas) Globales Acumulados

A continuación, figura un resumen de los cambios en cada componente de Otros ingresos (pérdidas) globales acumulados, netos de impuestos, durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019:

<i>(en millones de dólares)</i>	Conversión de Divisas	Planes Posjubilación y de Pensiones de Prestaciones Definidas	Ganancias (Pérdidas) No Realizadas en Coberturas	Otros Ingresos (Pérdidas) Globales Acumulados
Saldo a 31 de diciembre de 2018	\$ (573)	\$ (135)	\$	\$ (708)
Otros ingresos (pérdidas) globales antes de las reclasificaciones, netos	(15)	(50)	(3)	(68)
Importes reclasificados, antes de impuestos	—	9	—	9
(Beneficios) gastos fiscales reclasificados	—	9	—	9
Saldo a 31 de diciembre de 2019	\$ (588)	\$ (167)	\$ (3)	\$ (758)
Otros ingresos (pérdidas) globales antes de las reclasificaciones, netos	(28)	(47)	10	(65)
Importes reclasificados, antes de impuestos	—	15	(3)	12
(Beneficios) gastos fiscales reclasificados	—	(4)	—	(4)
Saldo a 31 de diciembre de 2020	\$ (616)	\$ (203)	\$ 4	\$ (815)
Otros ingresos (pérdidas) globales antes de las reclasificaciones, netos	(26)	62	(1)	35
Importes reclasificados, antes de impuestos	—	18	4	22
(Beneficios) gastos fiscales reclasificados	—	(5)	—	(5)
Saldo a 31 de diciembre de 2021	\$ (642)	\$ (128)	\$ 7	\$ (763)

Los importes reclasificados que están relacionados con los planes posjubilación y de pensiones de prestaciones definidas incluyen la amortización de los costes por servicios previos y las pérdidas netas actuariales reconocidos durante cada periodo presentado. Estos costes se registran como componentes de los costes de pensiones periódicos netos durante cada periodo presentado. Véase la Nota 13, «Planes de Prestaciones para Empleados», para más información al respecto.

Nota 16: Impuestos sobre Beneficios

Ingresos antes de Impuestos sobre Beneficios Las fuentes de ingresos derivados de las operaciones antes de impuestos sobre beneficios son:

<i>(en millones de dólares)</i>	2021	2020	2019
Estados Unidos	\$ 420	\$ 105	\$ 470
Extranjero	1.541	1.406	1.391
	\$ 1.961	\$ 1.511	\$ 1.861

Tras la promulgación de la TCJA, y como parte de la declaración histórica de UTC, la Sociedad determinó que ya no es su intención reinvertir determinadas ganancias no distribuidas de sus filiales internacionales que han sido gravadas previamente en EE. UU. Por consiguiente, en 2018 Otis registró los impuestos internacionales relacionados con la futura transferencia de estas ganancias. Como parte del proceso de Separación, la Sociedad reevaluó esta posición como empresa independiente. La Sociedad ya no tiene la intención de reinvertir determinadas ganancias no distribuidas de sus filiales internacionales que han sido gravadas previamente en EE. UU. Los impuestos internacionales registrados en relación con esta declaración difieren de los registrados en 2018. A raíz del cambio en la declaración y los cambios en los reembolsos de la deuda previstos y en las estimaciones relacionadas con los atributos fiscales de Otis antes de la Separación, la Sociedad reconoció dos beneficios: uno de 10 millones de dólares durante el ejercicio cerrado a 31 de diciembre de 2020 y uno de 16 millones de dólares durante el ejercicio cerrado a 31 de diciembre de 2021. En cuanto al resto de las ganancias internacionales no distribuidas de la Sociedad, salvo que su repatriación sea fiscalmente ventajosa, Otis continuará reinvertiendo estas ganancias permanentemente. A 31 de diciembre de 2021, dichas ganancias no distribuidas fueron aproximadamente de 5.100 millones de dólares, excluidos los importes de la partida otros ingresos globales. No es viable estimar el importe de los impuestos que podrían resultar aplicables a las cantidades restantes.

Provisión para Impuestos sobre Beneficios. Los gastos (beneficios) por impuestos sobre beneficios correspondientes a los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019 estaban integrados por los siguientes componentes:

<i>(en millones de dólares)</i>	2021	2020	2019
Corrientes:			
Estados Unidos:			
Federales	\$ 77	\$ 42	\$ 103
Estatales	32	26	38
Extranjero	524	438	461
	633	506	602
Futuros:			
Estados Unidos:			
Federales	(13)	8	11
Estatales	(6)	(8)	
Extranjero	(73)	(51)	(19)
	(92)	(51)	(8)
Gastos por impuestos sobre beneficios	\$ 541	\$ 455	\$ 594
Atribuibles a partidas (cargadas) abonadas en el patrimonio neto (déficit)	\$ (25)	\$ (6)	\$ (14)

Conciliación del Tipo Impositivo Real del Impuesto sobre Beneficios. Las diferencias entre los tipos impositivos reales del impuesto sobre beneficios y el tipo impositivo legal federal del impuesto sobre beneficios de EE. UU. son las siguientes:

	2021	2020	2019
Tipo impositivo legal federal sobre beneficios de EE. UU.	21,0 %	21,0 %	21,0 %
Impuestos estatales sobre beneficios	0,8 %	0,9 %	1,7 %
Impuesto sobre actividades internacionales	4,7 %	4,4 %	6,5 %
Efecto de los impuestos estadounidenses sobre las ganancias extranjeras	0,5 %	3,4 %	2,9 %
Otros	0,6 %	0,4 %	(0,2) %
Tipo impositivo real del impuesto sobre las ganancias	27,6 %	30,1 %	31,9 %

Los tipos impositivos reales de 2021, 2020 y 2019 son superiores al tipo impositivo legal estadounidense debido principalmente a unos tipos impositivos internacionales más altos en comparación con un tipo legal federal estadounidense más bajo y las ganancias extranjeras sujetas al impuesto estadounidense de conformidad con lo dispuesto en la TCJA.

El tipo impositivo real de 2021 es inferior al tipo impositivo real de 2020 debido principalmente a un beneficio fiscal de 16 millones de dólares relacionado con la repatriación de ganancias extranjeras como resultado de los cambios en los reembolsos de la deuda previstos y en las estimaciones relacionadas con los atributos fiscales de Otis antes de la Separación y a una disminución de 16 millones de dólares en el impuesto estadounidense relacionada con una erosión de la base imponible y las disposiciones fiscales antiabuso en 2021. Además, el tipo impositivo real más bajo se debe a la ausencia del coste fiscal resultante de los gastos relacionados con la Separación y el deterioro de los activos fijos en 2020, así como el impacto neto de las liquidaciones del impuesto sobre beneficios relacionadas con la Separación, como se aborda en la Nota 5, «Partes Vinculadas».

El tipo impositivo real de 2020 es inferior al tipo impositivo real de 2019 debido principalmente a un beneficio fiscal de 10 millones de dólares relacionado con nuestro cambio en la declaración basado en la decisión de no seguir reinvertiendo determinadas ganancias no distribuidas de nuestras filiales internacionales realizadas durante el ejercicio 2020 en comparación al pasivo registrado previamente por UTC, lo que supone una disminución a consecuencia de las normativas fiscales relacionadas con la TCJA que fueron promulgadas durante el ejercicio 2020, así como un reconocimiento de unas pérdidas por impuestos extranjeros relacionadas con la Separación, todo ello parcialmente compensado por los impuestos incrementales retenidos en origen en 2020.

Activos y Pasivos por Impuestos Diferidos. Los impuestos sobre beneficios futuros representan los efectos fiscales de las operaciones que se declaran en diferentes periodos a efectos de información fiscal y financiera. Estos importes consisten en los efectos fiscales de las diferencias temporarias entre los balances de situación financiera y fiscal y los traslados de impuestos a ejercicios posteriores. Los beneficios fiscales sobre beneficios futuros y las cuentas a pagar que integran el mismo componente impositivo de una jurisdicción concreta se compensan para su presentación en los Balances de Situación Consolidados.

Los efectos fiscales de las diferencias temporarias y los traslados de impuestos a ejercicios posteriores que dieron lugar a los beneficios fiscales sobre beneficios futuros y las cuentas a pagar a 31 de diciembre de 2021 y 2020 son los siguientes:

(en millones de dólares)	2021		2020	
Beneficios fiscales sobre beneficios futuros:				
Seguros y prestaciones para empleados	\$	185	\$	201
Otras diferencias basadas en los activos		143		149
Otras diferencias basadas en los pasivos		320		299
Traslados de pérdidas fiscales a ejercicios posteriores		200		197
Traslados de créditos fiscales a ejercicios posteriores		46		38
Provisiones correctivas		(247)		(242)
	\$	647	\$	642
Impuestos pagaderos sobre beneficios futuros:				
Inmovilizado intangible	\$	168	\$	182
Otras diferencias basadas en los activos		284		335
	\$	452	\$	517

Las provisiones correctivas se han creado principalmente para los traslados de créditos fiscales a ejercicios posteriores, traslados de pérdidas fiscales a ejercicios posteriores y determinadas diferencias temporarias extranjeras con el fin de reducir los beneficios fiscales sobre beneficios futuros a los importes realizables previstos.

Traslados de Créditos y Pérdidas Fiscales a Ejercicios Posteriores. A 31 de diciembre de 2021, los traslados de créditos fiscales a ejercicios posteriores, principalmente estatales y extranjeros, y los traslados de pérdidas fiscales a ejercicios posteriores, eran los siguientes:

<i>(en millones de dólares)</i>	Traslados de Créditos Fiscales a Ejercicios Posteriores	Traslados de Pérdidas Fiscales a Ejercicios Posteriores
Periodo de vencimiento:		
2022-2026	\$	\$ 53
2027-2031	14	20
2032-2041	1	71
Indefinido	30	668
	\$ 46	\$ 812

Beneficios Fiscales No Reconocidos. A 31 de diciembre de 2021, la Sociedad contaba con unos beneficios fiscales no reconocidos brutos de 392 millones de dólares, después de impuestos, los cuales, si se reconocieran, afectarían al tipo impositivo real. A continuación, figura una conciliación de los importes iniciales y finales de los beneficios fiscales no reconocidos y los gastos por intereses relacionados con los beneficios fiscales no reconocidos correspondientes a los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019:

<i>(en millones de dólares)</i>	2021		2020		2019	
Saldo a 1 de enero	\$	397	\$	379	\$	380
Incorporaciones en posiciones fiscales relacionadas con el ejercicio actual		23		16		18
Incorporaciones en posiciones fiscales de ejercicios anteriores		1		41		15
Reducciones en posiciones fiscales de ejercicios anteriores		(22)		(31)		(15)
Liquidaciones		(7)		(8)		(19)
Saldo a 31 de diciembre	\$	392	\$	397	\$	379
Gastos por intereses brutos relacionados con beneficios fiscales no reconocidos		2	\$	10	\$	8
Total saldo de intereses devengados a 31 de diciembre	\$	152	\$	153	\$	141

Otis desarrolla su actividad mundialmente y, por consiguiente, Otis o una o más de sus filiales presenta declaraciones del impuesto sobre beneficios en la jurisdicción federal estadounidense y en diversas jurisdicciones estatales y extranjeras.

En el tráfico mercantil ordinario, Otis podría estar sujeta a inspección por parte de las autoridades fiscales de todo el mundo, incluidas las principales jurisdicciones como Austria, Bélgica, Brasil, Canadá, China, Francia, Alemania, Hong Kong, India, Italia, Japón, México, Países Bajos, Portugal, Rusia, Corea del Sur, España, Suiza, Reino Unido y Estados Unidos. Salvo algunas excepciones, Otis ya no está sujeta a inspecciones fiscales relacionadas con impuestos federales, estatales y locales estadounidenses y no estadounidenses sobre beneficios con respecto a los ejercicios anteriores a 2010.

Una filial de Otis incurso en litigios en Bélgica recibió una decisión favorable del tribunal de apelación en 2018. Las Autoridades Fiscales Belgas recurrieron la decisión ante el Tribunal de Casación (el equivalente del Tribunal Supremo en Bélgica). El 4 de diciembre de 2020, el Tribunal de Casación anuló la decisión del tribunal de apelación y reenvió el caso al tribunal de apelación para su reconsideración. Se desconoce cuánto tiempo transcurrirá para que se dicte la decisión del tribunal de apelación. Se han provisionado totalmente los correspondientes impuestos e intereses.

En el tráfico mercantil ordinario, hay una incertidumbre inherente a la cuantificación de nuestras posiciones de impuestos sobre beneficios. Evaluamos nuestras posiciones del impuesto sobre beneficios y registramos beneficios fiscales para todos los ejercicios sujetos a examen de acuerdo con la evaluación por la dirección de los hechos, circunstancias e información disponibles en la fecha de presentación de la información. Es razonablemente posible que en los próximos 12 meses se produzca una horquilla de un aumento de 20 millones de dólares a una reducción de 360 millones de dólares en los beneficios fiscales no reconocidos y una horquilla de un aumento de 5 millones de dólares a una reducción de 150 millones de dólares en los correspondientes intereses a consecuencia de las posiciones fiscales inciertas, periodos impositivos prescritos, o la reevaluación de las posiciones fiscales inciertas existentes derivadas de la promulgación de leyes, directrices reglamentarias o de otro tipo o la evolución de las inspecciones, en los recursos o en los tribunales.

Véase la Nota 22, «Pasivos Contingentes» para un análisis detallado de las posiciones fiscales inciertas, incluidas en la horquilla mencionada, relacionadas con la litigación en curso con respecto a determinadas deducciones reclamadas en Alemania.

Nota 17: Costes de Reestructuración

Hemos adoptado medidas de reestructuración para mantener una estructura de costes competitiva. Los gastos surgen generalmente de las indemnizaciones por despido relacionadas con reducciones de plantilla y, en menor medida, de los costes de salida de instalaciones y extinción de contratos de arrendamiento relacionados con la consolidación de oficinas e instalaciones de fabricación.

Durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, registramos unos costes de reestructuración antes de impuestos que ascendían a 56 millones de dólares, 77 millones de dólares y 54 millones de dólares, respectivamente, para las medidas de reestructuración nuevas y existentes. En nuestros segmentos de explotación registramos los siguientes gastos de reestructuración:

<i>(en millones de dólares)</i>	2021	2020	2019
Nuevos Equipos	\$ 23	\$ 30	19
Servicios	33	47	35
Total	\$ 56	\$ 77	77

Los gastos de reestructuración contraídos en los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019 se relacionan principalmente con las medidas adoptadas durante 2021, 2020 y 2019 y se registraron de la siguiente forma:

<i>(en millones de dólares)</i>	2021	2020	2019
Coste de los productos y servicios vendidos	\$ 22	\$ 22	19
Generales, de ventas y administración	34	55	35
Total	\$ 56	\$ 77	54

Medidas de Reestructuración. Durante 2021, registramos unos costes de reestructuración de 41 millones de dólares destinados a las medidas de reestructuración adoptadas en 2021, que consisten en 13 millones de dólares en Coste de los productos y servicios vendidos y 28 millones de dólares en Gastos generales, de ventas y administración. Durante 2021, registramos unos costes de reestructuración de 13 millones de dólares destinados a las medidas de reestructuración adoptadas en 2020, que consisten en 9 millones de dólares en Coste de los productos y servicios vendidos y 4 millones de dólares en Gastos generales, de ventas y administración. Durante 2021, hemos registrado también unos costes de reestructuración de 2 millones de dólares destinados a las medidas de reestructuración adoptadas en 2019 y con anterioridad a dicho ejercicio.

Nuestro objetivo es concluir en 2022 la mayor parte de las medidas de reestructuración restantes adoptadas en 2021 y 2020.

En la tabla siguiente se resumen el saldo acumulado y la utilización con respecto a las medidas de reestructuración de 2021 y 2020, que corresponden principalmente a los costes por despidos:

(en millones de dólares)	Medidas 2021		Medidas 2020	
Provisiones para reestructuración a 31 de diciembre de 2020	\$	—	\$	42
Costes de reestructuración		41		13
Costes de utilización, costes cambiarios y otros costes		(19)		(30)
Saldo a 31 de diciembre de 2021	\$	22	\$	25

En la tabla siguiente se resumen los costes previstos, contraídos y restantes correspondientes a las medidas de reestructuración 2021 y 2020 por segmentos:

(en millones de dólares)	Costes Previstos		Costes Contraídos durante 2020		Costes Contraídos durante 2021		Costes restantes a 31 de diciembre de 2021	
Nuevos Equipos	\$	15	\$	—	\$	(14)	\$	1
Servicios		33		—		(27)		6
Total Medidas 2021	\$	48	\$	—	\$	(41)	\$	7
Nuevos Equipos	\$	36	\$	(29)	\$	(7)	\$	—
Servicios		48		(42)		(6)		—
Total Medidas 2020	\$	84	\$	(71)	\$	(13)	\$	—

Nota 18: Instrumentos Financieros

Suscribimos instrumentos derivados principalmente con fines de gestión de riesgos, incluidos los derivados designados como instrumentos de cobertura de conformidad con la ASU 820, *Medición del Valor Razonable*. Operamos a escala internacional y, en el tráfico mercantil ordinario, estamos expuestos a las fluctuaciones de los tipos de interés, los precios de las materias primas y los tipos de cambio. Estas fluctuaciones pueden aumentar los costes de financiación, inversión y explotación de la actividad. Podemos utilizar instrumentos derivados, incluidos los swaps, opciones y contratos a plazo, para gestionar determinadas exposiciones a los tipos de cambio, precios de las materias primas y tipos de interés.

La media del importe nominal de los contratos de divisas que cubren las operaciones en divisas fue de 3.300 millones de dólares y 3.000 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente. La media del importe nominal de los contratos que cubren las compras de materias primas fue de 16 millones de dólares y 0 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente.

En la tabla siguiente figura un resumen del valor razonable de los instrumentos derivados y su presentación en los Balances de Situación Consolidados a 31 de diciembre:

(en millones de dólares)	Clasificación en el Balance de Situación	2021	2020
Derivados designados como Instrumentos de cobertura de flujos de efectivo:			
	Activos Derivados:		
Contratos de divisas	Otros activos corrientes	\$ 7	\$ 9
Contratos de divisas	Otros activos	1	4
	Total activos derivados	\$ 8	\$ 13
	Pasivos Derivados:		
Contratos de divisas	Pasivos acumulados	\$ (3)	\$ (7)
Contratos de divisas	Otros pasivos a largo plazo	—	(4)
	Total pasivos derivados	\$ (3)	\$ (11)
Derivados no designados como Instrumentos de cobertura de flujos de efectivo:			
	Activos Derivados:		
Contratos de divisas	Otros activos corrientes	\$ 23	\$ 23
Contratos de divisas	Otros activos	5	10

	Total activos derivados	\$	28	\$	33
	Pasivos Derivados:				
Contratos de divisas	Pasivos acumulados	\$	(11)	\$	(24)
Contratos de divisas	Otros pasivos a largo plazo		(2)		(8)
	Total pasivos derivados	\$	(13)	\$	(32)

Derivados designados como Instrumentos de cobertura de flujos de efectivo

El importe de las ganancias o (pérdidas) atribuibles a la actividad de los contratos de divisas reclasificadas desde Otros ingresos (pérdidas) globales acumulados fueron irrelevantes durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019, respectivamente.

En la tabla siguiente se presenta el efecto de las relaciones de cobertura de flujos de efectivo en Otros ingresos (pérdidas) globales acumulados a 31 de diciembre de 2021 y 2020.

(en millones de dólares)	31 de diciembre de	
	2021	2020
Ganancias (pérdidas) registradas en Otros ingresos (pérdidas) globales acumulados	\$ 7	\$ 4

La Sociedad utiliza el método de correspondencia de términos críticos para evaluar la eficacia de cobertura de los derivados con respecto a los compromisos en firme. Por consiguiente, las partidas cubiertas y los derivados designados como instrumentos de cobertura son sumamente eficaces.

Presumiendo que continúan las condiciones de mercado actuales, está previsto reclasificar una ganancia de 4 millones de dólares antes de impuestos desde Otros ingresos (pérdidas) globales acumulados a Coste de los productos vendidos para reflejar los precios fijos obtenidos de la cobertura de divisas en los próximos 12 meses. A 31 de diciembre de 2021, todos los contratos de derivados representados como coberturas de flujos de efectivo vencerán en diciembre de 2024.

Coberturas de la Inversión Neta

Tenemos saldos de deuda a largo plazo denominados en divisas que constituyen coberturas de la inversión neta. Los cambios en el valor de estas coberturas de la inversión neta debido a pérdidas o ganancias cambiarias se difieren como ajustes por conversión de divisas en la partida Otros ingresos (pérdidas) globales en los Estados de Ingresos Globales Consolidados, y se mantendrán en Otros ingresos (pérdidas) globales acumulados hasta que la inversión cubierta se haya vendido o sustancialmente liquidado. Evaluamos trimestralmente la eficacia de la coberturas de inversión neta.

En septiembre de 2020, emitimos instrumentos negociables denominados en euros por importe de 420 millones de euros. Los instrumentos negociables denominados en euros, mientras permanecen en circulación, constituyen una cobertura de la inversión neta para nuestras inversiones en empresas europeas y se consideraban eficaces a 31 de diciembre de 2020. Durante el ejercicio 2021, hemos amortizado íntegramente los instrumentos negociables denominados en euros, por lo que, a 31 de diciembre de 2021, ya no hay una cobertura de la inversión neta relacionada. Durante los ejercicios 2021 y 2020, hemos reconocido unas ganancias de 16 millones de dólares y unas pérdidas de 18 millones de dólares, respectivamente, relacionadas con esta cobertura de la inversión neta en la partida Otros ingresos (pérdidas) globales.

Tenemos una deuda a largo plazo denominada en yenes japoneses por importe de 21.500 millones de yenes, que constituye una cobertura de la inversión neta para nuestras inversiones en empresas japonesas. A 31 de diciembre de 2021, la cobertura de la inversión neta se considera eficaz. Durante el ejercicio 2021, hemos reconocido unas ganancias de 10 millones de dólares relacionadas con esta cobertura de la inversión neta en la partida Otros ingresos (pérdidas) globales.

Derivados no designados como Instrumentos de cobertura de flujos de efectivo

El efecto neto de los derivados no designados como Instrumentos de cobertura de flujos de efectivo en la partida Otros ingresos (gastos) netos de las Cuentas de Resultados Consolidadas fue el siguiente:

(en millones de dólares)	Ejercicio cerrado a 31 de diciembre de			
	2021		2020	
Contratos de divisas	\$	9	\$	(4)
			\$	(9)

Nota 19: Mediciones del Valor Razonable

De conformidad con lo dispuesto en la ASC 820: *Mediciones del Valor Razonable*, en las tablas siguientes figura la clasificación jerárquica de valoración de activos y pasivos que se contabilizan a su valor razonable y se valoran con carácter recurrente y no recurrente en nuestros Balances de Situación Consolidados a 31 de diciembre de 2021 y 2020:

(en millones de dólares)	31 de diciembre de 2021			
	Total	Nivel 1	Nivel 2	Nivel 3
Mediciones del valor razonable recurrentes:				
Valores de renta variable	\$ 25	\$ 25	\$ —	\$ —
Activos derivados	36	—	36	—
Pasivos derivados	(16)	—	(16)	—

(en millones de dólares)	31 de diciembre de 2020			
	Total	Nivel 1	Nivel 2	Nivel 3
Mediciones del valor razonable recurrentes:				
Valores de renta variable	\$ 59	\$ 59	\$ —	\$ —
Activos derivados	46	—	46	—
Pasivos derivados	(43)	—	(43)	—

Técnicas de Valoración. Nuestros valores de renta variable incluyen las inversiones en renta variable que se negocian en mercados activos, ya sea a escala nacional o internacional, y se miden a su valor razonable utilizando los precios de cierre de las acciones procedentes de mercados activos. Las pérdidas o ganancias al valor razonable relacionadas con nuestros valores de renta variable se contabilizan en los ingresos netos. Entre nuestros activos y pasivos derivados se incluyen los contratos de divisas y de materias primas que se valoran a su valor razonable utilizando modelos internos basados en datos de entrada de mercado observables como los tipos de cambio a plazo, los tipos de interés, nuestro propio riesgo de crédito y los riesgos de crédito de nuestras contrapartes.

A 31 de diciembre de 2021, no había ningún impacto significativo en el valor razonable de nuestros pasivos derivados debido a nuestro propio riesgo de crédito. Asimismo, basándonos en nuestra evaluación de los riesgos de crédito de nuestras contrapartes, no había ningún impacto negativo significativo en nuestros activos derivados.

Los valores razonables de la parte corriente de los instrumentos financieros de la Sociedad no contabilizados a su valor razonable se aproximaban a sus valores en libros debido al carácter de corto plazo de la parte corriente. El valor razonable de las cuentas a cobrar, incluidos los bonos de financiación de clientes a cobrar, netos, que se emitieron a largo plazo, se calculó utilizando los valores descontados de sus flujos de efectivo relacionados a tipos de interés que reflejan las características de las contrapartes, incluida su ubicación geográfica. El riesgo específico de los clientes, incluido el riesgo de crédito, ya se tiene en cuenta en el valor en libros de dichas cuentas a cobrar. Nuestra deuda a largo plazo, descrita en la Nota 10, «Deudas con Entidades de Crédito y Líneas de Crédito», se mide a su valor razonable utilizando los precios de cierre de los bonos obtenidos de mercados activos.

En la tabla siguiente figuran los importes en libros y los valores razonables de los instrumentos financieros que no se contabilizan a su valor razonable en nuestros Balances de Situación Consolidados a 31 de diciembre de 2021 y 2020:

(en millones de dólares)	31 de diciembre de 2021		31 de diciembre de 2020	
	Importe en Libros	Valor Razonable	Importe en Libros	Valor Razonable
Cuentas a cobrar a largo plazo, netas	\$ 65	\$ 63	\$ 65	\$ 62
Bonos de financiación de clientes a cobrar, netos	77	76	128	126
Deudas con entidades de crédito a corto plazo	(24)	(24)	(701)	(701)
Deuda a largo plazo (excluidos los arrendamientos y otros)	(7.296)	(7.420)	(5.300)	(5.717)
Pasivos a largo plazo (incluida la parte corriente)	(253)	(240)	(263)	(234)

Los pasivos a largo plazo (incluida la parte corriente) a 31 de diciembre de 2021 incluyen cuentas a pagar a RTX por importe de 239 millones de dólares para el reembolso de los pagos de impuestos que RTX está obligada a pagar tras la Separación como resultado del TMA.

En las tablas siguientes figura la clasificación jerárquica de valoración de activos y pasivos que no se contabilizan a su valor razonable en los Balances de Situación Consolidados a 31 de diciembre de 2021 y 2020:

(en millones de dólares)	31 de diciembre de 2021			
	Total	Nivel 1	Nivel 2	Nivel 3
Cuentas a cobrar a largo plazo, netas	\$ 63	\$ —	\$ 63	\$ —
Bonos de financiación de clientes a cobrar, netos	76	—	76	—
Deudas con entidades de crédito a corto plazo	(24)	—	(24)	—
Deuda a largo plazo (excluidos los arrendamientos y otros)	(7.420)	—	(7.420)	—
Pasivos a largo plazo (incluida la parte corriente)	(240)	—	(240)	—

(en millones de dólares)	31 de diciembre de 2020			
	Total	Nivel 1	Nivel 2	Nivel 3
Cuentas a cobrar a largo plazo, netas	\$ 62	\$ —	\$ 62	\$ —
Bonos de financiación de clientes a cobrar, netos	126	—	126	—
Deudas con entidades de crédito a corto plazo	(701)	—	(701)	—
Deuda a largo plazo (excluidos los arrendamientos y otros)	\$ (5.717)	—	(5.717)	—
Pasivos a largo plazo (incluida la parte corriente)	(234)	—	(234)	—

Nota 20: Garantías

La Sociedad proporciona servicio y garantía con respecto a sus productos además de las políticas habituales de servicio y garantía. Los cambios en el importe en libros de las garantías de servicio y producto durante los ejercicios cerrados a 31 de diciembre de 2021 y 2020 son los siguientes:

(en millones de dólares)	2021	2020
Saldo a 1 de enero	\$ 25	\$ 27
Garantías	3	12
Liquidaciones realizadas	(9)	(14)
Otros	1	—
Saldo a 31 de diciembre	\$ 20	\$ 25

La Sociedad proporciona determinadas garantías financieras a terceros. A 31 de diciembre de 2021, Otis cuenta con cartas de crédito contingente con un posible pago máximo que asciende a 154 millones de dólares. Acumulamos los costes relacionados con las garantías cuando existe la probabilidad de que se haya incurrido en una responsabilidad y el importe se pueda estimar razonablemente. Los costes que es más probable que se contraigan se acumulan partiendo de una evaluación de los hechos disponibles actualmente, y en caso de que en una horquilla de estimaciones no exista ningún importe con mayor probabilidad de generarse, se acumula el mínimo. De conformidad con el Tema 460 de la ASC del FASB: *Garantías*, registramos estas responsabilidades a su valor razonable. A 31 de diciembre de 2021, Otis ha determinado que no existe ningún coste estimado probable en virtud de estas garantías.

En relación con la Oferta Pública de Adquisición, la Sociedad ha suscrito determinados acuerdos, en virtud de los cuales bancos terceros han acordado proporcionar garantías financieras a la CNMV por un importe igual al precio total original de la Oferta Pública de Adquisición de 1.630 millones de euros, como exige el Código de Adquisiciones de España. El 12 de noviembre de 2021, las garantías financieras proporcionadas a la CNMV se rescindieron previo ingreso en una cuenta de depósito en garantía de un importe equivalente al precio total de la Oferta Pública de Adquisición. Véase la Nota 10, «Deudas con Entidades de Crédito y Líneas de Crédito», para más información acerca de los Bonos en Euros emitidos para financiar la Oferta Pública de Adquisición.

Nota 21: Arrendamientos

La ASU 2016-02, *Arrendamientos (Tema 842)* y las modificaciones relacionadas con ella (en conjunto, «Norma Contable de Arrendamientos») establece un modelo de derecho de uso (“DdU”) según el cual un arrendatario debe registrar un activo por DdU y una obligación por arrendamiento en el Balance Consolidado con respecto a todos los arrendamientos con una duración superior a 12 meses. Los arrendamientos se dividen en financieros u operativos, y esta clasificación afecta al modelo de reconocimiento de gastos en la Cuenta de Resultados Consolidada.

Suscribimos contratos de arrendamiento para el uso de inmuebles, vehículos y otros equipos en régimen de arrendamiento financiero y operativo. Determinamos si una operación contiene un arrendamiento desde el inicio. Los arrendamientos operativos se incluyen en los epígrafes de Activos por DdU en arrendamientos operativos, Pasivos acumulados y Pasivos por arrendamientos operativos de nuestros Balances de Situación Consolidados. Los arrendamientos financieros no se consideran significativos en nuestros Balances de Situación Consolidados ni en las Cuentas de Resultados Consolidadas. Aplicamos el recurso práctico a los

arrendamientos de corta duración, en virtud del cual no se reconoce un activo de DdU ni una obligación por arrendamiento y los gastos se reconocen de forma lineal a lo largo del periodo de duración del arrendamiento.

Los activos por DdU representan nuestro derecho a utilizar un activo subyacente durante el periodo de vigencia del arrendamiento y los pasivos por arrendamientos representan nuestra obligación de realizar el pago de las rentas pactadas en el contrato de arrendamiento. Los activos por DdU y los pasivos por arrendamientos se reconocen en la fecha de entrada en vigor y se calculan sobre el valor actual de los pagos que se deban abonar durante la vigencia del contrato. Dado que la mayor parte de nuestros arrendamientos no prevén un tipo de interés implícito, utilizamos el coste incremental de endeudamiento basado en la información disponible en la fecha de inicio del arrendamiento para determinar el valor actual de los pagos por el arrendamiento, y utilizamos el tipo implícito cuando sea fácilmente determinable. Determinamos el coste incremental de endeudamiento por medio de fuentes del mercado, que incluyen tipos de sectores afines. Nuestros activos por DdU de arrendamientos también incluyen los anticipos, pero no los incentivos. Algunos de nuestros arrendamientos incluyen pagos variables, cuya variabilidad se basa en cambios en situaciones o circunstancias que se produzcan después del inicio del periodo de arrendamiento. No incluimos los pagos variables en los activos por DdU y los pasivos por arrendamientos, al no considerarse fijos, y se reconocen en el periodo en el que se incurren. Los gastos variables por arrendamientos y los gastos por arrendamientos derivados de contratos de corta duración no son un componente significativo del gasto por arrendamientos. Nuestros arrendamientos tienen por lo general un periodo de vigencia restante de 1 a 20 años y algunos incluyen opciones para su prórroga. La mayoría de nuestros arrendamientos con opciones de prórroga tienen una duración de hasta cinco años, con la posibilidad de finalizar el arrendamiento en un año. El ejercicio de las opciones de renovación del arrendamiento es totalmente discrecional por nuestra parte y nuestros activos por DdU y pasivos por arrendamientos reflejan únicamente las opciones sobre las que tenemos una certeza razonable de que las vamos a ejercer. El gasto por arrendamientos se reconoce de manera lineal a lo largo del periodo de vigencia del arrendamiento.

El gasto por arrendamientos operativos en los ejercicios finalizados el 31 de diciembre de 2021, 2020 y 2019 fue de 147 millones de dólares, 148 millones de dólares y 152 millones de dólares, respectivamente. La Sociedad realizó ajustes irrelevantes en la información recogida en la nota al pie de los gastos de arrendamientos operativos en 2020 y 2019, que no afectaron a los importes contabilizados en las Cuentas de Resultados Consolidadas correspondientes a los ejercicios cerrados a 31 de diciembre de 2020 y 2019.

A continuación, figura información complementaria de flujos de efectivo relacionados con arrendamientos operativos en los ejercicios finalizados el 31 de diciembre de 2021, 2020 y 2019:

<i>(en millones de dólares)</i>	2021	2020	2019
Efectivo pagado con respecto a los importes incluidos para el cálculo de los pasivos por arrendamientos operativos:			
Flujos de efectivo operativos de arrendamientos operativos	\$ (154)	\$ (162)	\$ (134)
Arrendamientos operativos sin movimientos de efectivo:			
Activos por DdU obtenidos a cambio de pasivos por arrendamientos operativos	135	126	157

Los activos por DdU y los pasivos por arrendamientos operativos se reflejan en nuestros Balances de Situación Consolidados de la forma siguiente:

<i>(en millones de dólares)</i>	31 de diciembre de	
	2021	2020
Activos por DdU en arrendamientos operativos	\$ 526	\$ 542
Pasivos acumulados	\$ 181	\$ 167
Pasivos por arrendamientos operativos	336	367
Total pasivos por arrendamientos operativos	\$ 517	\$ 534

Información complementaria relacionada con arrendamientos operativos:				
	31 de diciembre de			
	2021	2020		
Duración Media Ponderada Restante del Arrendamiento (en años)	4,4	5,0		
Tasa de Descuento Media Ponderada	2,6 %	2,9 %		

Los vencimientos no descontados de los pasivos por arrendamientos operativos, incluidas opciones de prórroga de los arrendamientos sobre las que haya certeza razonable de ser ejercidas, a 31 de diciembre de 2021, son los siguientes:

<i>(en millones de dólares)</i>		Total
2022	\$	171
2023		136
2024		102
2025		52
2026		32
Posteriormente		52
Total pagos por arrendamientos no descontados		545
Menos: intereses imputados		(28)
Total pagos por arrendamientos descontados		\$ 517

Nota 22: Pasivos contingentes

Salvo por lo indicado en cualquier otro lugar, si bien no podemos predecir el resultado final de acuerdo con la información de que disponemos en este momento, no creemos que la resolución de ninguno de los asuntos siguientes vaya a tener un efecto adverso significativo sobre nuestra posición competitiva, los resultados de las operaciones, los flujos de efectivo o la situación financiera. Además de los importes específicos que se indican más adelante, cuando hemos registrado acumulaciones de las contingencias de pérdida respecto de otras cuestiones que se describen más adelante, los importes en total no son significativos. Como norma general, los costes legales se imputan en el periodo en el que se ocasionan.

Cuestiones medioambientales. Como ya se ha declarado anteriormente, las operaciones de la Sociedad están sujetas a las normativas medioambientales establecidas por las autoridades con competencia sobre dichas operaciones. La Sociedad ha provisionado los costes de actividades de reparación medioambiental, incluidos costes de investigación, reparación, operación y mantenimiento y garantías de desempeño, y periódicamente revisa los importes de estos costes. La dirección cree que la probabilidad de incurrir en pérdidas significativas cuyo valor exceda de las cantidades provisionadas es remota. El pasivo existente por obligaciones medioambientales era de 12 millones de dólares a 31 de diciembre de 2021 y 31 de diciembre de 2020, y está incluido principalmente en Otros pasivos a largo plazo en los Balances de Situación Consolidados.

Procedimientos judiciales.

Litigios por Impuestos Alemanes

Como ya se ha indicado anteriormente, hemos estado implicados en un procedimiento administrativo de comprobación iniciado por la Oficina Tributaria alemana, con relación a la aplicación de beneficios fiscales de alrededor de 215 millones de euros (aproximadamente 243 millones de dólares a 31 de diciembre de 2021) que realizamos en 1998 en relación con una reorganización de la estructura corporativa de nuestras operaciones en Alemania. En la auditoría que se llevó a cabo, la Oficina Tributaria alemana concluyó que esos beneficios fiscales no eran aplicables. Según nuestros cálculos, los intereses asociados a dichos beneficios fiscales suponen una cantidad adicional aproximada de 118 millones de euros (aproximadamente 134 millones de dólares a 31 de diciembre de 2021).

El 3 de agosto de 2012 se presentó una demanda en el Tribunal Fiscal local alemán (Berlín-Brandemburgo). En 2015 nuestra antigua matriz, UTC, realizó pagos en concepto de impuestos e intereses a las autoridades fiscales alemanas por valor de 275 millones de euros (aproximadamente 300 millones de dólares) con el fin de evitar que siguieran generándose intereses hasta la resolución final del litigio. En marzo de 2016 el Tribunal Fiscal local alemán desestimó la demanda y recurrimos esta decisión ante el Tribunal Fiscal Federal alemán. Después de celebrada una vista el 24 de julio de 2018, el Tribunal Fiscal Federal alemán devolvió los autos al Tribunal Fiscal local alemán para la revisión de su decisión. El 7 de diciembre de 2020, el Tribunal Fiscal local alemán falló contra la Sociedad. Hemos presentado un recurso ante el Tribunal Fiscal Federal y esperamos un fallo sobre nuestro recurso para el primer trimestre de 2022. No obstante, no hay garantía de que el Tribunal Fiscal Federal alemán lo admita a trámite o, si lo hace, que falle a favor de la Sociedad, y de que la resolución de la Oficina Tributaria alemana queda finalmente ratificada.

De acuerdo con el TMA, la Sociedad sigue teniendo el pasivo asociado a los intereses restantes, y ha registrado una provisión para intereses de 45 millones de euros (aproximadamente 50 millones de dólares a 31 de diciembre de 2021), neta de pagos y otras deducciones, incluida en la cuenta de Pasivos acumulados de los Balances de Situación Consolidados a 31 de diciembre de 2021. En el caso de que RTX y la Sociedad obtengan decisión favorable en este litigio, las cantidades que se perciban se repartirán entre RTX y la Sociedad de acuerdo con lo previsto en el TMA.

Cuestiones relativas al amianto

Como se ha indicado con anterioridad, intervenimos como parte demandada en demandas interpuestas por lesiones personales como resultado de la exposición a amianto. Aunque nunca hemos fabricado componentes que contengan amianto y ya no incorporamos amianto en nuestros productos actuales, algunos de nuestros

productos históricos han contenido componentes fabricados por terceros que incorporaban amianto. Una mayoría considerable de estas demandas relativas al amianto ha sido desestimada sin obligación de ningún pago o bien estaban cubiertas total o parcialmente por pólizas de seguro u otras formas de protección. Otros casos fueron objeto de litigio y se resolvieron sin reembolso de seguro. Las cantidades implicadas en las demandas por amianto no fueron significativas, ni individualmente ni en conjunto, en los periodos finalizados a 31 de diciembre de 2021 y 31 de diciembre de 2020.

La cuantía estimada del pasivo total para la resolución de todos los litigios por amianto en curso o de posible interposición futura hasta 2059 oscila entre 22 millones y 45 millones de dólares a 31 de diciembre de 2021, y 23 millones y 45 millones de dólares a 31 de diciembre de 2020. Debido a que ninguna cantidad dentro de estos rangos es más probable que otra, hemos registrado la cantidad mínima de 22 millones de dólares y 23 millones de dólares a 31 de diciembre de 2021 y 2020, respectivamente, incluida principalmente en la cuenta de Otros pasivos a largo plazo de nuestros Balances de Situación Consolidados. Las cantidades se reflejan antes de impuestos, sin descuento, y excluyen los gastos de defensa jurídica de la Sociedad de las demandas por amianto (que seguirán imputándose en el periodo en que se ocasionen). Asimismo, la Sociedad tiene derecho a recibir de compañías de seguros una indemnización por recobros probables relacionados con amianto por un valor aproximado de 5 millones de dólares, que está registrada principalmente en Otros activos en nuestros Balances de Situación Consolidados a 31 de diciembre de 2021 y 31 de diciembre de 2020.

Demanda colectiva certificada

El 12 de agosto de 2020 se interpuso una demanda colectiva certificada (Geraud Darnis et al. contra Raytheon Technologies Corporation et al.) en el Tribunal de Distrito de Estados Unidos para el Distrito de Connecticut contra Otis, Raytheon Technologies Corporation («RTX») y Carrier, y cada uno de sus consejeros, y diversos planes de retribución diferida e incentivos. El 13 de septiembre de 2021, los demandantes presentaron una demanda modificada contra las tres sociedades demandadas únicamente. Los demandantes eran antiguos empleados de UTC y sus filiales actuales y antiguas, incluidas Otis y Carrier. En ella se reclama indemnización dineraria por daños, así como un fallo declaratorio y medidas judiciales no dinerarias, en la que se alegaba disminución del valor de los incentivos a largo plazo y la retribución diferida concedidos bajo planes de retribución diferida no cualificados, supuestamente causada por la fórmula utilizada para calcular los ajustes de esos incentivos y retribución diferida de RTX, Carrier y Otis tras la separación de Carrier y Otis y la siguiente combinación de UTC y Raytheon Company. Otis cree que las alegaciones contra la Sociedad no tienen fundamento. En este momento, Otis no puede predecir el resultado, ni tampoco la pérdida o posible rango de pérdidas, si procede, que pudieran resultar de esta demanda.

Otros. Como ya se ha indicado con anterioridad, tenemos compromisos y pasivos contingentes relacionados con procedimientos judiciales, programas de autoseguro y cuestiones que tienen lugar como parte de la actividad ordinaria. Provisionamos las contingencias de acuerdo con una serie de resultados posibles. Si ninguna cantidad de esa serie es más probable que otra, provisionamos la cantidad más baja. Aunque no es posible determinar la resolución final de cada uno de estos conflictos y si van a resolverse de acuerdo con lo que nosotros creemos, pensamos que el resultado de esos litigios, individualmente o en conjunto, no va a tener un efecto adverso significativo sobre nuestra actividad, la situación financiera, los flujos de efectivo o los resultados de nuestras operaciones.

Como ya se ha indicado con anterioridad, en algunos países europeos se han presentado demandas relativas a sobrecostos por ascensores y escaleras mecánicas relacionadas con procedimientos civiles por cártel, que hemos provisionado de acuerdo con nuestra evaluación de esas demandas. Aunque no es posible determinar la resolución final de cada uno de estos conflictos y si van a resolverse de acuerdo con lo que nosotros creemos, la experiencia relativa a esta clase de demanda en el pasado no ha sido significativa para la actividad, la situación financiera, los flujos de efectivo o los resultados de las operaciones, si bien el resultado futuro de estas demandas no puede determinarse.

Como ya se ha indicado con anterioridad, como parte del ejercicio ordinario de nuestra actividad, la Sociedad es también parte demandada o implicada en numerosas demandas, pleitos y procedimientos judiciales, en curso o que podrían iniciarse de forma inminente. Estos conflictos se basan a menudo en supuestos incumplimientos de contrato, responsabilidad derivada del producto, garantía, supuestas infracciones regulatorias o en materia medioambiental, de salud o de seguridad, de empleo, de propiedad intelectual o industrial o relacionadas con leyes fiscales u otras leyes. En algunos de estos procedimientos se reclama a la Sociedad y sus filiales el pago de importantes indemnizaciones dinerarias y podrían dar lugar a sanciones, multas, indemnizaciones por valor igual o superior al de los daños alegados u otras medidas no dinerarias. No creemos que estas controversias vayan a tener un efecto adverso significativo sobre nuestra posición competitiva ni sobre los resultados de nuestras operaciones, flujos de efectivo o situación financiera.

Nota 23: Información Financiera por Segmentos

Nuestras operaciones se clasifican en dos segmentos de explotación: Nuevos Equipos y Servicios. A través del segmento de Nuevos Equipos, diseñamos, fabricamos, vendemos e instalamos una amplia gama de ascensores de pasajeros y de carga, así como escaleras mecánicas y pasillos móviles para edificios residenciales y comerciales y proyectos de infraestructura. El segmento de Servicios realiza servicios de mantenimiento y reparación para nuestros productos y para los de otros fabricantes, así como servicios de modernización para actualizar ascensores y escaleras mecánicas. Los segmentos de explotación se basan generalmente en la estructura gerencial de la Sociedad, la forma en que la dirección asigna los recursos, evalúa el rendimiento y toma decisiones estratégicas y operativas.

Información por segmentos. A continuación figura la información por segmentos correspondiente a los ejercicios cerrados a 31 de diciembre:

(en millones de dólares)	Ventas Netas			Beneficio de explotación		
	2021	2020	2019	2021	2020	2019
Nuevos Equipos	\$ 6.428	\$ 5.371	\$ 5.648	\$ 459	\$	\$ 393
Servicios	7.870	7.385	7.470	1.762	1.611	1.603
Total segmentos	14.298	12.756	13.118	2.221	1.929	1.996
Gastos corporativos generales y otros ⁽¹⁾	—			(113)	(290)	(182)
Total	\$ 14.298	\$ 12.756	\$ 13.118	\$ 2.108	\$ 1.639	\$ 1.814

⁽¹⁾ La disminución de los Gastos corporativos generales y otros durante 2021 en comparación con 2020 es motivada principalmente por los cargos por deterioro de los activos fijos por importe de 71 millones de dólares y los costes de licencias relacionados por importe de 14 millones de dólares en 2020, así como unos gastos no recurrentes inferiores en relación con la Separación y costes compartidos por importe de 106 millones de dólares en 2021 en comparación con 2020.
Los activos totales no se reflejan para cada segmento ya que no se presentan al Responsable de la Toma de Decisiones de Explotación o no son revisados por este.

Ventas Externas Geográficas. Las ventas netas geográficas se atribuyen a las regiones geográficas en función de su lugar de origen. A excepción de Estados Unidos y China, no ha habido países significativos a título individual cuyas ventas excedieran del 10 % de las Ventas netas durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019.

(en millones de dólares)	Ventas Netas Externas			Activos de Larga Duración		
	2021	2020	2019	2021	2020	2019
Operaciones en Estados Unidos	\$ 3.700	\$ 3.462	\$ 3.594	\$ 336	\$ 309	\$ 295
Operaciones Internacionales						
China	2.877	2.135	2.113	111	113	105
Otros	7.721	7.159	7.411	327	352	321
Total	\$ 14.298	\$ 12.756	\$ 13.118	\$ 774	\$ 774	\$ 721

A continuación, figuran las Ventas Netas por Segmentos desglosadas por tipo de producto y servicio durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019:

(en millones de dólares)	2021	2020	2019
Ventas netas desglosadas por tipo			
Nuevos Equipos	\$ 6.428	\$ 5.371	\$ 5.648
Mantenimiento y Reparación	6.472	6.047	6.120
Modernización	1.398	1.338	1.350
Total Servicios	7.870	7.385	7.470
Total	\$ 14.298	\$ 12.756	\$ 13.118

Principales Clientes. No ha habido clientes que individualmente representaran el 10 % o más de las Ventas netas consolidadas de la Sociedad durante los ejercicios cerrados a 31 de diciembre de 2021, 2020 y 2019.

Nota 24: Hechos Posteriores

El 14 de enero de 2022, la Sociedad reembolsó sus bonos con tipo de interés variable por importe de 500 millones de dólares con vencimiento en 2023, al valor nominal, utilizando efectivo disponible e instrumentos de deuda a corto plazo. Véase la Nota 10, «Deudas con Entidades de Crédito y Líneas de Crédito», para más información acerca de la deuda a largo plazo.

OTIS WORLDWIDE CORPORATION
ANEXO II - Valoración y Aprobación de Cuentas con Reservas
Periodo de tres años finalizado el 31 de diciembre de 2021
(en millones de dólares)

Provisión para Cuentas de Dudoso Cobro y Pérdidas Crediticias Previstas

Saldo a 31 de diciembre de 2018	\$	84
Provisión cargada a resultados		26
Cuentas de dudoso cobro dadas de baja		(19)
Otros		(8)
Saldo a 31 de diciembre de 2019		83
Impacto de la adopción de la norma relativa a pérdidas crediticias		28
Provisión para pérdidas crediticias previstas		40
Cancelaciones en la provisión para pérdidas crediticias previstas		(20)
Otros		30
Saldo a 31 de diciembre de 2020		161
Provisión para pérdidas crediticias previstas		37
Cancelaciones en la provisión para pérdidas crediticias previstas		(15)
Otros		(8)
Saldo a 31 de diciembre de 2021	\$	175

Beneficios fiscales sobre beneficios futuros - Provisión Correctiva

Saldo a 31 de diciembre de 2018	\$	29
Adiciones con cargo a gastos por impuestos sobre beneficios		28
Reducciones con abono a gastos por impuestos sobre beneficios		—
Otros ajustes		(2)
Saldo a 31 de diciembre de 2019		55
Adiciones con cargo a gastos por impuestos sobre beneficios		63
Reducciones con abono a gastos por impuestos sobre beneficios		(13)
Otros ajustes		137
Saldo a 31 de diciembre de 2020		242
Adiciones con cargo a gastos por impuestos sobre beneficios		30
Reducciones con abono a gastos por impuestos sobre beneficios		(10)
Otros ajustes		(15)
Saldo a 31 de diciembre de 2021	\$	247

ANEXO 15

Certificado de legitimación acreditativo de que las acciones de ZOSA de las que Otis es titular indirecto han sido inmovilizadas con ocasión de la formulación de la Oferta y de la ausencia de cargas o gravámenes sobre las acciones



Certificado de Legitimación

Valores representados por medio de anotaciones en cuenta
(R.D.-L. 4/2015, de 23 octubre y R.D. 878/2015, de 2 octubre)

Sucursal de Cuenta: 6984

Certificado número: 721474413102021

Código cuenta Valores: 0182698498007214744

Fecha de Expedición: 13 de octubre de 2021

Fecha de Validez: Hasta la fecha de liquidación de la Oferta Pública de Adquisición de las acciones de ZARDOYA OTIS, S.A. por parte de Opal Spanish Holdings (OSH) anunciada el 23 septiembre 2021 (la "OPA") o de las operaciones de compraventa forzosa si se cumplieran los requisitos previstos en el artículo 47 del Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores.

Titular/es

NIF/CIF

ALDER HOLDINGS SAS

P00026713

Código de Valor	Clase de Valor y emisión	Núm. Valores	Valor Nominal
ES0184933812	(A)ZARDOYA OTIS	235.314.731	23.531.473,10€

Número de Acciones

235.314.731

- **Derechos reales limitados u otros gravámenes:** No existen cargas
- **Finalidad de Expedición:** Acreditar la inmovilización de las acciones con motivo de la OPA ante la Comisión Nacional del Mercado de Valores.
- **Observaciones:** Y para que así conste, a petición del interesado y en cumplimiento del Art. 14 del Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores y de los artículos 19 y siguientes del Real Decreto 878/2015, de 2 octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial, se expide el presente Certificado de conformidad con el registro contable de valores representados por medio de anotaciones en cuenta.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
P.P.

Fdo. Fernando García Rojo

Notas:

1. Los valores a los que se refiere este certificado quedarán inmovilizados hasta la fecha de validez salvo que sea devuelto en fecha anterior.
2. Los certificados caducarán por el transcurso del plazo de vigencia en ellos establecido, que no podrá exceder de los plazos establecidos en el Real Decreto 878/2015, de 2 octubre.

ANEXO 16

Carta de compromiso de no pignoración de las acciones de ZOSA titularidad indirecta de Otis

**A LA COMISIÓN NACIONAL DEL MERCADO DE
VALORES**

ALDER HOLDINGS SAS, sociedad anónima simplificada de nacionalidad francesa con domicilio social en Tour Defense Plaza, 23-27 rue Delariviere Lefoullon, Puteaux, 92800, Francia y código LEI 549300GIKXCGOVL10U87 ("**Alder**"), debidamente representada por D. Bradley G. Thompson

DECLARA

1. Que Alder, filial íntegramente participada de OTIS WORLDWIDE CORPORATION ("**OWC**"), es titular de 235.314.731 acciones de ZARDOYA OTIS, S.A. ("**ZOSA**"), representativas del 50,02% de su capital social.
2. Que Alder ha inmovilizado, en virtud del certificado de legitimación emitido por Banco Bilbao Vizcaya Argentaria, S.A. con fecha 13 de octubre de 2021, las acciones de ZOSA de las que es titular hasta la finalización de la oferta pública voluntaria de adquisición de acciones de ZOSA (la "**OPA**") formulada por Opal Spanish Holdings, S.A.U., filial íntegramente participada de OWC.
3. Que Alder se compromete a no pignorar ninguna acción de ZOSA hasta que no finalice el período de aceptación de la OPA.

En Avon, CT, a 15 de febrero de 2022

**TO THE SPANISH SECURITIES MARKET
COMMISSION**

ALDER HOLDINGS SAS, a French simplified stock company, with corporate address at Tour Defense Plaza, 23-27 rue Delariviere Lefoullon, Puteaux, 92800, France and LEI code number 549300GIKXCGOVL10U87 ("**Alder**"), duly represented by D. Bradley G. Thompson

STATES

1. That Alder, a company wholly-owned by OTIS WORLDWIDE CORPORATION ("**OWC**"), holds 235,314,731 shares in ZARDOYA OTIS, S.A. ("**ZOSA**"), representing 50.02% of its share capital.
2. That Alder has blocked its ZOSA shares pursuant to the blocking certificate issued by Banco Bilbao Vizcaya Argentaria, S.A. on October 13, 2021, through completion of the tender offer for shares of ZOSA (the "**Tender**") issued by Opal Spanish Holdings, S.A.U., a company wholly-owned by OWC.
3. That Alder hereby undertakes not to pledge any share of ZOSA until the acceptance period for the Tender ends.

In Avon, CT, on February 15, 2022



Mr. Bradley G. Thompson

ANEXO 17

Informe de valoración de ZOSA elaborado por Deloitte Financial Advisory, S.L.U.



Valoración independiente
de las acciones de Zardoya Otis, S.A.

22 de febrero de 2022

Financial Advisory 

22 de febrero de 2022

Otis Worldwide Corporation

1 Carrier Place, Farmington, Connecticut
06032, USA

OPAL Spanish Holdings, S.A.

Calle Suero de Quiñones, 34-36
28002, Madrid - España

Deloitte Financial Advisory, S.L.U.

Torre Picasso
Plaza Pablo Ruiz Picasso 1
28020, Madrid
Tel (+34) 91 514 50 00

www.deloitte.es

Estimados Señores,

Adjuntamos nuestro informe (el “Informe”) en relación con nuestro trabajo de valoración en calidad de experto independiente sobre Zardoya Otis, S.A. (“Zardoya Otis”, la “Sociedad” o la “Sociedad Afectada”), que junto con sus sociedades dependientes forma el Grupo Zardoya Otis (el “Grupo” o también “Zardoya Otis”), en relación con la oferta pública de adquisición (la “OPA” o la “Oferta”) de tipo voluntario que ha presentado sobre las acciones de Zardoya Otis, OPAL Spanish Holdings, S.A. (“OSH”), sociedad íntegramente participada en última instancia por Otis Worldwide Corporation (“Otis Worldwide”, el “Oferente”, el “Cliente” o “Ustedes”).

En el contexto del procedimiento de autorización de la Oferta, Otis Worldwide solicitó a Deloitte Financial Advisory, S.L.U. (“Deloitte”) la preparación de un informe en el que se proporcione una valoración atendiendo a los criterios de valoración indicados en el artículo 10 del Real Decreto 1066/2007, de 27 de julio, sobre el Régimen de las Ofertas Públicas de Adquisición de Valores (“RD 1066/2007”) y en el artículo 137.2 del texto refundido de la Ley del Mercado de Valores (“LMV”) aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre. De acuerdo con el apartado 2 del citado artículo de la LMV, el Oferente debe presentar el Informe de valoración independiente de Zardoya Otis como parte de la documentación de la transacción contemplada.

Para la preparación del Informe, hemos realizado las revisiones, análisis y averiguaciones que hemos considerado necesarias y apropiadas a las circunstancias y hemos tenido en cuenta las condiciones generales de carácter económico, de mercado y la situación de los negocios y financiera de Zardoya Otis que se desprenden de su información financiera publicada, así como nuestra experiencia en la valoración y procesos de fusión y adquisición en general.

En particular, hemos utilizado información pública incluyendo: las Cuentas Anuales auditadas disponibles más recientes del Grupo a 30 de noviembre de 2020 junto con la información financiera y no financiera que la acompaña y las presentaciones trimestrales hasta el 30 de noviembre de 2021, publicada ésta última el 28 de enero de 2022, así como el informe de la Sociedad de Reunión con Inversores semestral de 10 de junio de 2021; e información no pública incluyendo el presupuesto para el ejercicio 2022 aprobado por el Consejo de la Sociedad el 13 de diciembre de 2021 y las proyecciones financieras preparadas por Zardoya Otis en el contexto de su ejercicio anual de análisis de test de deterioro para la elaboración de las cuentas anuales correspondientes al ejercicio 2021 (pendiente de formulación). En este sentido, debe señalarse que Zardoya Otis no ha hecho público en los últimos ejercicios ningún plan estratégico en el que se describan las líneas directrices de sus negocios, aunque se incluyen explicaciones sobre la evolución de sus actividades con detalle sobre las líneas que lo componen en las sucesivas presentaciones de resultados trimestrales.

Nuestro trabajo se ha basado en información financiera pública y no pública de Zardoya Otis facilitada por nuestro Cliente, en particular por parte de la dirección de Desarrollo de Negocio de Otis Worldwide (la “Dirección de Otis Worldwide”) y por parte de determinados directivos (Presidente, Consejero Delegado y Director Financiero) de Zardoya Otis (la “Dirección de Zardoya Otis”), así como en información obtenida de otras fuentes públicas relevantes. Además, hemos mantenido reuniones y conferencias telefónicas con el Oferente y la Dirección de Zardoya Otis en las que hemos discutido cuestiones relativas a la evolución de los negocios de la Sociedad, a la formulación de la OPA y otros asuntos que se han considerado relevantes o necesarios para completar nuestra valoración.

En cualquier caso, debemos señalar que nuestras conclusiones dependen de que la información que hemos considerado esté completa y sea precisa en todos sus aspectos y que, el alcance de nuestro trabajo de valoración no nos permite aceptar la responsabilidad por la fiabilidad, exactitud o integridad de la información considerada.

Asimismo, debe considerarse que parte de nuestro análisis está basado en estimaciones de flujos de caja futuros y otra información prospectiva que, por su naturaleza, está sujeta a incertidumbre y podría no materializarse como se ha previsto.

Deloitte no ha llevado a cabo, y no se le ha solicitado que lleve a cabo, una auditoría de la información facilitada para el desarrollo del trabajo, ni ha sometido dicha información a ningún proceso de verificación, no asumiendo por tanto ninguna responsabilidad acerca de la fiabilidad, integridad y exactitud de la información. Nuestro trabajo tampoco ha consistido en un proceso de Due Diligence ni trabajo similar que permita la evaluación de la situación financiera, legal, fiscal, laboral, registral, contable, medioambiental, técnica, operativa o de otro tipo de Zardoya Otis.

Nuestro trabajo es de naturaleza independiente y no supone ninguna recomendación a la dirección del Oferente, a sus accionistas o a terceros en relación con la posición que deberían tomar respecto a la OPA formulada, ni tampoco tiene por objeto analizar la conveniencia de las estrategias de negocio actuales o pasadas de Otis Worldwide, ni las razones de la operación en relación con otras estrategias de negocio o transacciones por las que hubiera podido optar.

Nuestro Informe ha sido preparado exclusivamente para su utilización por parte de nuestro Cliente atendiendo a los métodos de valoración establecidos en los artículos 10 del RD 1066/2007 y 137.2 de la LMV. Deloitte autoriza su puesta a disposición de la Comisión Nacional del Mercado de Valores ("CNMV") para que, una vez autorizada la citada OPA, se adjunte como información complementaria al folleto que se ponga a disposición de los accionistas de Zardoya Otis y se incluye un resumen en el folleto de la OPA siguiendo lo establecido legalmente.

Hemos preparado el Informe única y exclusivamente para el objetivo y el contexto descritos y, en consecuencia, nuestro Informe no podrá utilizarse ni considerarse adecuado por Ustedes, ni terceras partes (incluidos los accionistas de Otis Worldwide) para propósitos diferentes a los descritos.

Deloitte no ha prestado servicios de auditoría a Otis Worldwide ni a Zardoya Otis ni a las sociedades de sus grupos, si bien ha prestado otros servicios de consultoría y asesoramiento a Otis Worldwide distintos al presente Informe, y confirmamos que ninguno de ellos supone un conflicto de independencia, una vez ha realizado los pertinentes procedimientos de comprobación a este respecto. Nuestros honorarios asociados al presente Informe son fijos e independientes del resultado de la OPA formulada, y se han estimado en función del equipo necesario y la experiencia de sus profesionales.

El Informe describe el propósito, uso y alcance de nuestro trabajo de valoración, las metodologías empleadas y los resultados de nuestro trabajo. El detalle del trabajo realizado para llegar a nuestra conclusión de valor se incluye en el Informe adjunto, por lo que esta carta deberá considerarse conjuntamente con dicho Informe. Asimismo, nuestro Informe deberá utilizarse considerando su contenido íntegro y no podrán utilizarse extractos del mismo, excepto aquellos incorporados en el folleto citado anteriormente.

Hemos mostrado el presente informe a Ustedes, quienes nos han hecho los comentarios que han considerado oportunos y hemos recibido una carta de manifestaciones, en la cual nos confirman que, en los aspectos que sean de su conocimiento, no han identificado ningún error u omisión que pueda afectar significativamente a la conclusión de nuestro trabajo, así como que la información proporcionada por Ustedes es veraz y completa. Hemos incorporado algunos de sus comentarios a este Informe en los aspectos que hemos estimado adecuados.

Atentamente,

Jesús F. Valero

Deloitte Financial Advisory, S.L.U.

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Glosario

%	Porcentaje	INE	Instituto Nacional de Estadística
€/EUR	Euro	ISP	Carteras de Contratos (<i>"Independent Service Provider"</i>)
#	Número de ""	IVA	Impuesto sobre el Valor Añadido
20XXE	Año Estimado	Kd	Coste de los recursos ajenos
B	Beta	KPI	Indicadores clave de rendimiento (<i>"Key Performance Indicator"</i>)
BI	Beta apalancada	LE / P	Última estimación (<i>"Last Estimate"</i>) / Presupuesto (Plan)
Bu	Beta desapalancada	LMV	Ley del Mercado de Valores
BCE	Banco Central Europeo	LRP	Plan de largo alcance (<i>"Long Range Plan"</i>)
BINs	Bases Imponibles Negativas	LTM	Últimos 12 meses (<i>"Last twelve months"</i>)
c.	<i>Circa</i> (aproximadamente)	m€/M€	Miles de euros / Millones de euros
CapEx	Inversiones en activo fijo	m\$/M\$	Miles de dólares / Millones de dólares
CAPM	Capital Asset Pricing Model	NIIF	Normas Internacionales de Información Financiera
Capital IQ	S&P Global Market Intelligence	NOPLAT	Beneficio operativo neto menos impuestos
CCAA	Cuentas Anuales	n.a.	No aplica
CEO	Director ejecutivo (<i>"Chief Executive Officer"</i>)	n.d.	No disponible
CNMC	Comisión Nacional de los Mercados y la Competencia	OCDE	Organización para la Cooperación y el Desarrollo Económicos
CNMV	Comisión Nacional del Mercado de Valores	OMS	Organización Mundial de la Salud
CNY	Yuan chino	Pay-out (%)	Ratio de pago de dividendo sobre beneficio
COGS	Coste de los bienes vendidos (<i>"Cost of Goods Sold"</i>)	OPA	Oferta Pública de Adquisición
DBK	Observatorio Sectorial DBK (Informa D&B)	PIB	Producto Interior Bruto
DFC	Descuento de flujos de caja	PM	Prima de riesgo de mercado
DFN	Deuda Financiera Neta	RD	Real Decreto
EBIT	Beneficio de Explotación antes de Intereses e Impuestos	Rf	Tasa libre de riesgo (<i>"Risk free"</i>)
EBITDA	Beneficio antes de Amortizaciones, Intereses e Impuestos	S.A. / S.L.	Sociedad Anónima / Sociedad Limitada
EEFF	Estados Financieros	TACC	Tasa Anual de Crecimiento Compuesto
EIU	The Economist Intelligence Unit	UE	Unión Europea
EV	Enterprise Value, Valor del Negocio	UGE	Unidad Generadora de Efectivo
EqV	Equity Value, Valor de las Acciones	UNE	Una Norma Española
FCL	Flujo de caja libre	USD	Dólar estadounidense
FEEDA	Federación Empresarial Española de Ascensores	VAN	Valor Actual Neto
FEPYMA	Federación Española de Asociaciones de Pequeña y Mediana Empresa de Ascensoristas	UTC	United Technologies Corporation
FMI	Fondo Monetario Internacional	VT	Valor terminal o residual
G (%)	Tasa de crecimiento a perpetuidad	VTC	Valor teórico contable
		VWAP	Cotización media ponderada por volumen (<i>"Volume Weighted Average Price"</i>)
		WACC	Coste medio ponderado de capital

Resumen ejecutivo

Introducción

Otis Worldwide ha formulado una Oferta Pública de Adquisición sobre la totalidad de las acciones de Zardoya Otis, sociedad anónima cotizada de nacionalidad española

Si bien los términos y características detallados de la Oferta estarán contenidos en el folleto explicativo que se publicará tras la obtención de la correspondiente autorización, a continuación resumimos los principales asuntos que contextualizan nuestro trabajo:

- El Oferente es Opal Spanish Holdings, S.A.U., sociedad española íntegramente participada por Highland Holdings S.à r.l., que, a su vez, está íntegramente participada por Otis Elevator Company, que, a su vez, está íntegramente participada por Otis Worldwide Corporation, sociedad constituida de conformidad con las leyes de Delaware, Estados Unidos.
- A 31 de mayo de 2021, Otis Worldwide era titular, de manera indirecta a través de Alder Holdings SAS, de 235.279.377 de acciones de Zardoya Otis, todas ellas de la misma clase y con los mismos derechos de voto que el resto de acciones de la Sociedad, que representaban el 50,01% de su capital social. Con posterioridad y hasta la fecha de emisión de este Informe, Otis Worldwide ha adquirido 35.354 acciones adicionales de Otis (33.000 acciones el día 28 de septiembre de 2021 y 2.354 acciones el día 6 de octubre de 2021, en ambos casos a 7,00 euros por acción en ejecución de una orden sostenida de compra que se mantuvo hasta el día 7 de octubre de 2021), siendo titular a esta fecha de 235.314.731 acciones, que representan el 50,02%.
- El 5 de octubre de 2021, Otis Worldwide transmitió a Highland Holdings S.à r.l., la totalidad de las acciones representativas del capital de OSH por 60.000€ correspondientes a su valor nominal.
- Por su parte, Zardoya Otis es una sociedad anónima cotizada de nacionalidad española, con domicilio social en Madrid y cuyo capital social asciende a 47.046 miles de euros, dividido en 470.464.311 acciones de 0,1 euros de valor nominal cada una de ellas, pertenecientes a una misma clase y con los mismos derechos de voto. La totalidad de las acciones de Zardoya Otis se encuentran admitidas a negociación en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia. Tiene como actividad principal la fabricación e instalación de ascensores y escaleras mecánicas, el mantenimiento de los mismos y la exportación de aparatos para su instalación en el extranjero. Las plantas de fabricación se localizan en Madrid, San Sebastián y Vigo.
- A 30 de noviembre de 2021, Zardoya Otis era titular de 533.655 acciones propias en autocartera, representativas del 0,11% de su capital social.
- La Oferta, de carácter voluntario, se dirige a la totalidad del capital social de Zardoya Otis, si bien se excluyen de la Oferta las acciones titularidad de Otis Worldwide, que han quedado inmovilizadas para no aceptar la Oferta. Los términos de la Oferta, incluido el precio de la oferta (el “Precio de la Oferta”) son los mismos para todas las acciones de Zardoya Otis a las que está dirigida la misma. Otis Worldwide tiene intención de promover la exclusión de negociación de las acciones de Zardoya Otis de las Bolsas de Valores.
- La Oferta se formula como una compraventa de acciones. La contraprestación inicialmente ofrecida por el Oferente a los titulares de las acciones de Zardoya Otis consistía en un precio en efectivo de 7,00 euros por acción. En consecuencia, el importe total máximo a satisfacer por Otis Worldwide era de 1.646.294.538 euros.

Introducción

El importe, tras el acuerdo irrevocable alcanzado con Euro-Syns y la deducción de los dividendos a cuenta comunicados, ha quedado fijado en 7,07 euros por acción con efectos desde el 6 de enero de 2022

- El 7 de octubre de 2021, este importe quedó fijado en 6,93 euros por acción como consecuencia del dividendo a cuenta de los resultados del ejercicio 2021 que la Sociedad abonó el 11 de octubre de 2021. El Consejo de Administración de Zardoya Otis acordó el pasado 13 de diciembre de 2021 distribuir el tercer dividendo a cuenta de los resultados del ejercicio comprendido entre el 1 de diciembre de 2020 y el 30 de noviembre de 2021 por un importe de 0,076 euros que fue abonado el 10 de enero de 2022.
- El 20 de diciembre de 2021, OSH ha suscrito un contrato con Euro-Syns, S.A., accionista titular de un 11,19% de Zardoya Otis, por el que Euro-Syns se comprometió irrevocablemente a aceptar la OPA con la totalidad de sus acciones a un precio de 7,21 euros por acción, precio que incorpora una mejora de 21 céntimos de euro.
- El precio de la OPA tras el ajuste de ambos dividendos quedó fijado en 7,07 euros por acción con efectos a partir del 6 de enero de 2022.
- Conforme a los términos de la Oferta, si Zardoya Otis realizase o declarase cualquier distribución de dividendos o reservas, devolución de capital o cualquier otro tipo de distribución a sus accionistas, ya sea ordinaria; extraordinaria, a cuenta o complementaria, el precio de la Oferta se reducirá en una cantidad equivalente al importe bruto por acción de la distribución.
- El rango de valores que se presenta en nuestra conclusión ha sido calculado después de los dividendos abonados por la Sociedad y antes de cualquier otra distribución de dividendos, reservas, devolución de capital o cualquier otro tipo de distribución a sus accionistas, por lo que resulta comparable con el precio aumentado de la Oferta de 7,07 euros por acción.

Conclusión del Informe

Resultados obtenidos en función de los métodos y su respectiva relevancia, analizados en el informe considerando tanto el RD 1066/2007 como el artículo 137.2 de la LMV

Valor estimado de Zardoya Otis, S.A.

Metodología principal

Descuento de Flujos de Caja

6,59 – 7,21

Otras metodologías

Cotización media ponderada de los últimos seis meses (23/03/2021 – 22/09/2021)

5,60

Múltiplos de compañías cotizadas comparables

6,10 - 7,45

Valor Teórico Contable - A 30 de noviembre de 2020

0,87

Valor Teórico Contable - A 30 de noviembre de 2021 (cifras no auditadas)

0,91

Contraprestaciones en los 12 meses previos

7,07

Valor Liquidativo

Inferior a los otros métodos

Dentro del contexto y objetivos definidos en el presente Informe y sobre la base de los análisis realizados, aplicando los métodos indicados en el artículo 10 del RD 1066/2007 y en el artículo 137.2 del texto refundido de la Ley del Mercado de Valores, en nuestra opinión, el valor de Zardoya Otis se sitúa entre 6,59 y 7,21 euros por acción, siendo el que resulta de la aplicación del método de Descuento de Flujos de Caja. De acuerdo con nuestro entendimiento de Zardoya Otis, el sector, la actividad y sus características específicas, no hemos considerado relevantes otros métodos de valoración distintos de los utilizados en el informe.

Para poder concluir acerca del rango de valor, hemos evaluado los resultados de los métodos seleccionados teniendo en cuenta los méritos individuales de cada uno y la cantidad y la calidad de los datos disponibles, considerando como más relevante los resultados obtenidos de la aplicación del método del Descuento de Flujos de Caja, por ser generalmente aceptado y porque nos permite apreciar mejor la captura de las posibles expectativas acerca de la potencial capacidad de Zardoya Otis para generar retornos para sus accionistas en el futuro. En el Informe se justifica la respectiva relevancia de los demás métodos utilizados.

La contraprestación de la Oferta ascendía, en la fecha del Anuncio de la OPA, el 23 de septiembre de 2021, a 7,00 euros por cada acción de Zardoya Otis, importe que se ha visto modificado como consecuencia del acuerdo irrevocable alcanzado con Euro-Syns, S.A. el 20 de diciembre de 2021 y ha acordado incrementar el precio inicial anunciado de la Oferta de 7,00 euros por acción hasta 7,21 euros por acción en efectivo (ajustable por cualquier dividendo o distribución declarado y pagado con posterioridad al 22 de septiembre de 2021), de tal manera que el precio resultante a partir del 6 de enero de 2022 (fecha ex-dividendo) es de 7,07 euros por acción. El rango de valores que se presenta en nuestra conclusión ha sido calculado después de esos dividendos y antes de cualquier otra distribución de dividendos, reservas, devolución de capital o cualquier otro tipo de distribución a sus accionistas, por lo que resulta comparable con el precio aumentado de la Oferta de 7,07 euros por acción.

Objetivo y procedimientos del trabajo de valoración

Objetivo y procedimientos del trabajo de valoración

Nuestro trabajo ha consistido en preparar, como experto independiente, un informe de valoración en el contexto de la OPA para su consideración a los efectos del artículo 137.2 de la LMV y del RD 1066/2007

Objetivo

De acuerdo con lo dispuesto en el RD 1066/2007, Ustedes presentaron el 23 de septiembre de 2021 a la CNMV el Anuncio Previo de una OPA de carácter voluntario sobre la totalidad de las acciones del capital social de Zardoya Otis, si bien se excluirán de la misma el 50,018% de las acciones de Zardoya Otis que posee de manera indirecta Otis Worldwide que se han inmovilizado hasta que se complete la Oferta, con una contraprestación de 7,00 euros por acción en efectivo (6,86 euros por acción ex-dividendos) que se incrementó el 21 de diciembre de 2021 hasta 7,21 euros por acción en efectivo (7,07 euros por acción ex-dividendos).

El Oferente considera que la contraprestación ofrecida cumple con los requisitos del artículo 137.2 de la LMV mediante su pago en efectivo y la justificación contenida en este informe de valoración.

Adicionalmente, el Oferente aporta este informe de valoración con el fin de acogerse al procedimiento de excepción de OPA de exclusión previsto en el artículo 11.d del RD 1066/2007 siempre que alcance a resultados de la Oferta voluntaria un 75% del capital con derecho a voto de la Sociedad.

Consecuentemente, Deloitte ha sido contratado por Ustedes para la realización de un informe de experto independiente sobre el valor de las acciones de Zardoya Otis, siguiendo los métodos de valoración del artículo 10 del RD 1066/2007 para su consideración a los efectos de lo previsto en los artículos 9 y 11.d del RD 1066/2007 y atendiendo a los métodos y criterios del artículo 137.2 de la LMV para justificar el precio ofrecido.

De conformidad con lo previsto en los artículos 10 del RD 1066/2007 y 137.2 de la LMV, el Precio de la Oferta no podrá ser inferior al mayor que resulta entre el precio equitativo al que se refiere el artículo 9 del RD 1066/2007 y el que resulte de tomar en cuenta, de forma conjunta y con justificación de su respectiva relevancia, los métodos contenidos en dichos artículos, que se desarrollan en este Informe.

Objetivo y procedimientos del trabajo de valoración

Nuestra conclusión de valor se refiere a las condiciones de mercado, económicas, financieras y de otro tipo, de Zardoya Otis al 22 de febrero de 2022

Fecha de valoración y fecha del Informe

Este informe está fechado el 22 de febrero de 2022 y es una actualización del fechado el 14 de octubre de 2021. Si bien nuestra fecha de valoración es 30 de noviembre de 2021 (la “Fecha de Valoración”), fecha de los últimos estados financieros no auditados disponibles, hemos tenido en cuenta la información sobre las proyecciones financieras, el avance de resultados del cuarto trimestre de 2021, así como los hechos y circunstancias relevantes hasta la fecha de nuestro Informe, por lo que las conclusiones que se muestran en el mismo son válidas al 22 de febrero de 2022 (la “Fecha del Informe”).

Cabe resaltar que cualquier cambio significativo o información nueva adicional sobre las condiciones económicas, cambios en el mercado o de las operaciones y resultados de la Sociedad Afectada, diferentes a los conocidos a la Fecha del Informe, podría significar potencialmente un cambio en las conclusiones de valoración incluidas del presente Informe.

Deloitte se exime de cualquier compromiso u obligación de informar a cualquier persona sobre las modificaciones de cualquier hecho o cuestión que afecte a esta valoración de los que pudiera tener conocimiento después de la Fecha del Informe y no asumimos ninguna obligación respecto de la actualización, revisión o confirmación de esta opinión en base a las circunstancias, desarrollos o eventos que tengan lugar después de la misma.

Alcance del trabajo de valoración

Deloitte ha realizado las revisiones, análisis y averiguaciones que ha considerado necesarias y apropiadas a las circunstancias, con el objetivo de cumplir con lo establecido en el artículo 10 del RD 1066/2007 y en el 137.2 de la LMV. En nuestros análisis hemos tenido en cuenta las condiciones generales de carácter económico, de mercado y la situación financiera de Zardoya Otis, así como nuestra experiencia en la valoración de negocios y compañías en general.

En la realización de nuestro trabajo nos hemos basado en información pública y no pública facilitada por el Oferente y por la Sociedad, así como en fuentes sectoriales, macroeconómicas y de mercado y discusiones con la Dirección de Otis Worldwide y con la Dirección de Zardoya Otis.

Entre la información no pública que hemos utilizado destacamos:

- Las proyecciones financieras del Grupo que cubren el período 2021 a 2025 preparadas por la Dirección de Otis Worldwide en el contexto de la OPA (las “Proyecciones OW”);
- El presupuesto de la Sociedad para el ejercicio 2022;
- Las explicaciones facilitadas por la Dirección de Zardoya Otis en relación con la información prospectiva que se detalla en la Nota 6 de sus Cuentas Anuales consolidadas del ejercicio 2020 y que, como nos han confirmado, se incorporarán igualmente en sus cuentas anuales del ejercicio 2021 y respecto del impacto económico de determinados asuntos como ciertos litigios pendientes, el desarrollo de la nueva planta de San Sebastián, los

Objetivo y procedimientos del trabajo de valoración

Nuestro Informe ha sido elaborado principalmente a partir de información aportada por las direcciones de Otis Worldwide, Zardoya Otis e información pública de la Sociedad Afectada

Alcance del trabajo de valoración (cont.)

compromisos adquiridos por la Sociedad con sus empleados y otros asuntos ligados a la disponibilidad de activos no comprometidos con el negocio;

- Las proyecciones financieras facilitadas por la Dirección de Zardoya Otis para el periodo 2022 – 2025 (las “Proyecciones ZO”);
- El detalle de las adquisiciones de compañías (incluyendo las acordadas aún no completadas) desde el 30 de noviembre de 2020 así como la estimación de la Dirección de Zardoya Otis de sus impactos en las Proyecciones ZO.

En cuanto a la información pública que hemos empleado, queremos destacar la siguiente:

- Información financiera y económica disponible en:
 - Medios de información digitales y escritos, como S&P Capital IQ, Merger Market, Bloomberg LP, Thomson Reuters;
 - Informes específicos de la industria/sector publicados por DBK “Sectores – Ascensores 2019/2018/2017”, Alimarket “Elevación” y 6Wresearch “Morocco Elevator and Escalator Market 2019-2025”;
 - Informes de analistas de las casas de análisis que cubren la acción: Kepler Cheuvreux, Exane BNP Paribas, GVC Gaesco Valores, Banco Santander, JB Capital Markets, Renta 4 y CaixaBank BPI;
 - Página web de Zardoya Otis y de su sociedad matriz Otis Worldwide Corporation, de sus competidores ThyssenKrupp Elevator AG, KONE Oyj y Schindler Holding AG así como de sus filiales españolas, Kone Elevadores, S.A. y Schindler, S.A., respectivamente.

Asumimos que la información obtenida de fuentes públicas u otras fuentes incluida la facilitada por el Cliente, sus opiniones y declaraciones es fiable.

Nuestro trabajo no ha incluido la realización de una auditoría, revisión o compilación de la información financiera obtenida de fuentes públicas o que nos ha proporcionado el Cliente o la Sociedad y, por tanto, no expresaremos una opinión de auditoría ni otro tipo de garantía en relación con dicha información. Nuestro trabajo tampoco ha consistido en la realización de una Due Diligence, ni trabajo similar que permita evaluar la situación contable, financiera, fiscal, comercial, legal, laboral, registral, medioambiental, técnica, operativa o de otro tipo.

En este sentido, debemos señalar que la Dirección de Otis Worldwide nos ha confirmado que no tiene conocimiento de ningún acontecimiento, circunstancia u otra información relevante que no haya sido comunicada y pudiera afectar significativamente a las conclusiones de nuestro Informe.

En nuestro trabajo de valoración hemos realizado, fundamentalmente, los procedimientos que se resumen a continuación:

- Análisis general de la situación actual del sector, así como de la situación macroeconómica y regulatoria a la que está sujeta el Grupo;
- Análisis de las cuentas anuales consolidadas del Grupo correspondientes a los ejercicios 2016, 2017, 2018, 2019 y 2020, junto con sus correspondientes informes de auditoría. No hemos dispuesto de las cuentas anuales consolidadas del Grupo para el ejercicio 2021 dado que, tal y como nos ha confirmado la dirección de la Sociedad, no disponen de ellas a la Fecha del Informe;

Objetivo y procedimientos del trabajo de valoración

Hemos considerado las proyecciones financieras elaboradas por la Dirección de Zardoya Otis que incluyen los presupuestos aprobados para el ejercicio 2022 de la Sociedad así como la información de mercado disponible

Alcance del trabajo de valoración (cont.)

- Análisis del informe financiero correspondiente al segundo semestre de 2021, con cierre a 30 de noviembre;
- Análisis de la información pública periódica presentada por la Sociedad, en particular, las presentaciones a inversores de febrero y mayo de 2019, octubre y julio de 2020 y junio de 2021; las presentaciones a la Junta General de Accionistas de mayo de 2019, junio de 2020 y mayo de 2021; los informes trimestrales correspondientes al primer, segundo, tercer y cuarto trimestres de 2020 y 2021; y los informes financieros semestrales correspondientes al primer y segundo semestre de 2020 y 2021 junto con sus notas explicativas;
- Lectura y análisis de informes de analistas emitidos durante el período de 24 meses anterior a la Fecha del Informe;
- Análisis de los hechos relevantes, de la información privilegiada y las comunicaciones al mercado de Zardoya Otis pertinentes para nuestras conclusiones;
- Análisis de la relevancia de las distintas metodologías de valoración recogidas en el artículo 10 del RD 1066/2007 y en el 137.2 de la LMV, atendiendo a la calidad y cantidad de información disponible y considerando la situación de resultados de las operaciones de Zardoya Otis, su situación financiera y las perspectivas futuras manifestadas;
- Cálculo del valor teórico contable a partir de los balances de situación que se incluyen en las cuentas anuales del Grupo correspondientes al 30 de noviembre de 2020 y en el informe semestral a 30 de noviembre de 2021;
- Análisis de la conveniencia o no de utilizar la metodología del valor liquidativo;
- Análisis de la cotización media ponderada de la acción de Zardoya Otis en los 60 meses anteriores al 23 de septiembre de 2021;
- Análisis de OPAs y transacciones precedentes sobre acciones de Zardoya Otis;
- Análisis de las Proyecciones OW considerando el desempeño histórico de Zardoya Otis, y las estimaciones de evolución futura del negocio, para el periodo 2021 – 2025.
- Análisis de la información prospectiva facilitada por la Dirección de Zardoya Otis y que se corresponde con las Proyecciones ZO.
- Análisis de las diferencias entre las Proyecciones OW y las Proyecciones ZO.
- Análisis y contraste de las hipótesis Proyecciones ZO y OW, consideradas en las Proyecciones Base, mediante la consideración de los escenarios macroeconómicos actualizados a la fecha de elaboración de nuestro estudio y evaluación de su impacto en las líneas de negocio de la Sociedad, atendiendo a las hipótesis clave y objetivos subyacentes que nos han transmitido tanto la Dirección de Otis Worldwide como la Dirección de Zardoya Otis, teniendo en cuenta la información financiera histórica publicada por la Sociedad Afectada y la facilitada por su dirección, la información pública disponible del mercado en el que opera y la de sus potenciales competidores, así como la que se puede extraer de informes de analistas bursátiles que siguen esta acción.

Objetivo y procedimientos del trabajo de valoración

Se han analizado las proyecciones financieras elaboradas por las direcciones de Zardoya Otis y de Otis Worldwide para el periodo 2021-2025

Alcance del trabajo de valoración (cont.)

- Análisis de la consistencia en la aplicación de criterios contables en la preparación de las Proyecciones ZO y OW con especial atención a los epígrafes con potencial impacto en el flujo de caja estimado, en particular, la dotación a la amortización de inmovilizado material e inmaterial en relación con los volúmenes de activos mantenidos por la Sociedad en el periodo de proyección.
- Análisis de la información de detalle facilitada por la Dirección de Zardoya Otis en relación con ciertos asuntos con potencial impacto en la valoración relativos a litigios pendientes, en particular el recurso judicial interpuesto por Zardoya Otis en Marruecos, y el relativo al recálculo de la multa impuesta por la Comisión Nacional de los Mercados y la Competencia (“CNMC”); el impacto estimado derivado de la construcción de la nueva fábrica en San Sebastián y de los compromisos post-empleo contraídos por la Sociedad con sus empleados; y la identificación y valoración de activos no afectos al negocio.
- Comparación de los márgenes proyectados por la Dirección de Zardoya Otis con los obtenidos históricamente por la Sociedad en los 5 ejercicios anteriores, los esperados por la Dirección de Otis Worldwide y los considerados por los analistas bursátiles que siguen la acción.
- Contraste de hipótesis clave de las proyecciones que tienen un alto grado de incertidumbre, como son la presión competitiva en la renovación de contratos y el margen EBITDA por la confianza en el éxito sobre las medidas propuestas por la Dirección de Zardoya Otis mediante la implantación de un plan de crecimiento y transformación y mejora de la productividad para recuperar, al menos parcialmente, el margen histórico.
- Teniendo en cuenta los asuntos descritos en los párrafos anteriores, hemos preparado unas proyecciones financieras (las “Proyecciones Base”) que son las que hemos considerado para llevar a cabo nuestros análisis de valoración y posterior conclusión. Estas Proyecciones Base se han elaborado a partir de las Proyecciones ZO a las que se han incorporado la información adicional que se incluía en las Proyecciones OW que no estaba recogida en las Proyecciones ZO, relativas, en particular, al CapEx de mantenimiento y las adquisiciones de carteras (ISP), y sobre las que se ha ajustado la inversión necesaria en el fondo de maniobra durante el periodo de proyección y, la dotación a la amortización de inmovilizado material e inmaterial y el tipo impositivo para el pago de impuestos.
- Contraste con la Dirección de Zardoya Otis acerca de las perspectivas de negocio y las consideraciones financieras que se han descrito, de los que se han derivado las Proyecciones Base se encuentran alineados con sus perspectivas en el entorno actual y con las comunicaciones que han hecho al mercado. En particular, la Dirección de Zardoya Otis nos ha confirmado que no existen activos inmovilizados no afectos a la explotación u ociosos a efectos de la valoración distintos de los considerados, ni pasivos contingentes por procedimientos legales, ni litigios de carácter material adicionales a los ya recogidos como provisiones en el balance de la Sociedad y que las provisiones constituidas y recogidas en los estados financieros de 30 de noviembre de 2021 son suficientes y no excesivas.
- Análisis de otra información de carácter público, particularmente la relativa a los parámetros de valoración (tasa de descuento y tasa de crecimiento a perpetuidad).

Objetivo y procedimientos del trabajo de valoración

Nuestro estudio, si bien se basa en la información compartida por parte de Otis Worldwide y se ha contrastado con Zardoya Otis, es independiente

Alcance del trabajo de valoración (cont.)

- Aplicación de los criterios y parámetros para la determinación del rango de valor correspondiente a las Proyecciones Base, y análisis de sensibilidad considerando variaciones en los parámetros de valoración (tasa de descuento y tasa de crecimiento a perpetuidad);
- Evaluación de los parámetros de valoración empleados por Zardoya Otis en el ejercicio de test de deterioro que se recogen en sus cuentas anuales correspondientes al ejercicio 2020 y su posible utilización en el contexto de nuestro estudio de valoración.
- Análisis de compañías comparables cotizadas y de información pública disponible de transacciones precedentes sobre otras compañías del sector;
- Identificación de hechos posteriores a la Fecha de Valoración hasta la Fecha del Informe y su tratamiento a efectos de nuestra conclusión.

Nuestro estudio, es independiente y se ha basado en la información compartida por las direcciones de Otis Worldwide y Zardoya Otis, así como de aquella información pública disponible del Grupo, sus competidores y el grupo de compañías comparables identificadas junto con otras visiones sobre las perspectivas de evolución de Zardoya Otis y del mercado a la Fecha de Valoración.

Objetivo y procedimientos del trabajo de valoración

Consideramos que la información a la que hemos tenido acceso y aquella otra que hemos elaborado es suficiente para la preparación de este Informe

Consideraciones generales

Queremos señalar que, debido al carácter incierto que tiene cualquier información basada en expectativas futuras, podrían producirse diferencias entre las proyecciones y los resultados reales que, eventualmente, pudieran ser significativos e incidir en las conclusiones de este Informe.

En consecuencia, no asumiremos responsabilidad alguna que de ello se derive, ni tampoco en cuanto a la necesaria actualización de las proyecciones que habría de realizarse como consecuencia de aquellos hechos y circunstancias que se produzcan después de la Fecha del Informe. El hecho de que hagamos uso de dicha información no puede interpretarse como una garantía de su cumplimiento.

La realización de una estimación técnica del valor de un activo o negocio parte de ciertas asunciones, tanto en los métodos aplicados, como en las hipótesis asumidas en el cálculo del flujo de caja generado a futuro por el mismo. Por otra parte, quisiéramos destacar que no existe un único método estándar o universal que proporcione un valor irrefutable de un activo o negocio, habida cuenta de que entre los elementos a valorar se encuentran, entre otros muchos de carácter material y objetivo, la capacidad de gestión de un equipo y las características y evoluciones del mercado. Asimismo, debe tenerse en consideración que en el contexto de un mercado abierto pueden existir precios diferentes para un mismo negocio debido a factores externos como el poder de negociación entre las partes o a distintas posibilidades de materialización de economías adicionales (sinergias).

Adicionalmente, debe tenerse en cuenta que la decisión sobre la OPA formulada o cualquier otra operación relacionada dependerá de diversos factores que no están ligados con el trabajo sobre el que se basa este Informe y los asuntos que en él se presentan. Por estos motivos, cualquier estimación de valor debe entenderse en su contexto y siempre como un marco de referencia, sin que sea posible asegurar que ni las potenciales partes interesadas ni terceros estén necesariamente de acuerdo con las conclusiones de nuestro trabajo.

El resultado de nuestro trabajo no puede interpretarse como una fairness opinion (en la que se evalúa si los términos de una transacción son justos o razonables, “fair”), ni expresa una opinión acerca del precio al que debería estar cotizando la Sociedad Afectada. También quisiéramos señalar que nuestro trabajo no supone una evaluación ni una inspección de ningún activo o pasivo concreto (ni contingente ni de ninguna otra clase).

Deloitte no ha llevado a cabo ninguna evaluación jurídica de la información empleada, habiendo asumido que Otis Worldwide conoce y ha cumplido todas sus obligaciones legales, así como que todos los consentimientos y aprobaciones gubernamentales, regulatorios o de otra índole se mantendrán u obtendrán sin efectos adversos para Zardoya Otis.

En cualquier caso, consideramos que la información de la Sociedad Afectada a la que hemos tenido acceso y aquella otra que hemos elaborado es suficiente para la preparación de este Informe.

Descripción del Grupo, industria y economía

Zardoya Otis

Visión general del Grupo

Zardoya Otis surgió de la fusión en 1972 entre Schneider Otis y Zardoya, S.A., siendo la compañía del sector de elevación con mayor cuota y margen EBITDA en España en 2019¹

Descripción del Grupo

Zardoya Otis tiene como principal actividad la fabricación e instalación de aparatos elevadores, el mantenimiento de los mismos y la exportación de aparatos para su instalación en el extranjero. Se encuentra constituida y con domicilio social en Madrid, con sus oficinas principales domiciliadas en la calle Golfo de Salónica 73. Actualmente cotiza en las Bolsas de Madrid, Barcelona, Bilbao y Valencia.

A fecha de este Informe, Otis Worldwide Corporation es titular del 50,02% de las acciones de la Sociedad a través de la sociedad de nacionalidad francesa, Alder Holdings, S.A.S. Por su parte, Euro-Syns, S.A., empresa holding del grupo familiar Zardoya, es su segundo accionista, ostentando el 11,19% de las acciones del Grupo.

La participación de Alder Holdings, S.A.S. en Zardoya Otis se encuentra registrada en sus cuentas anuales correspondientes al ejercicio 2020

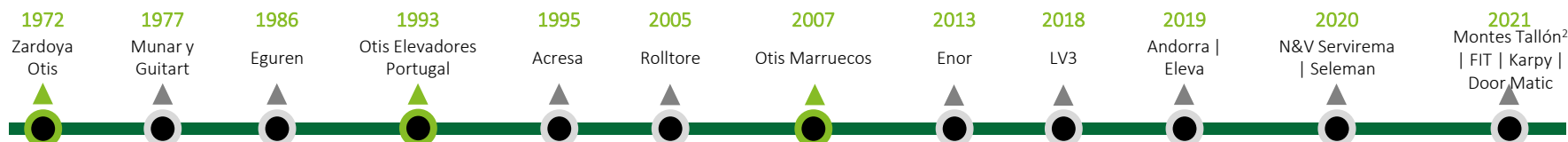
preparadas bajo principios contables generalmente aceptados en Francia por un valor de 967.460 miles de euros (que se corresponde con 4,11 euros por acción de Zardoya Otis).

En la actualidad opera en España (gestionando también Andorra y Gibraltar), donde cuenta con una cuota de mercado en las actividades de instalación, mantenimiento y reparación de ascensores cercana al 25%¹ lo que le convierte en el líder del sector, Portugal (cuya filial, Otis Elevadores, Lda., se constituyó en 1993) y Marruecos (desde 2007 a través de Otis Maroc, S.A.).

Principales magnitudes por geografía para el año 2021

Año 2020 (m€)	Ventas	Resultado de explotación	Activo	Pasivo
España	740.145	168.749	n.d.	n.d.
Portugal	63.895	22.028	n.d.	n.d.
Marruecos	19.182	719	n.d.	n.d.
Eliminaciones – intragrupo	(16.752)	(4.320)	-	-
Consolidado	806.470	187.176	726.558	295.005

Historial de adquisiciones relevantes del Grupo Zardoya Otis



Nota 1: de acuerdo con el informe de DBK: Sectores – Ascensores 2019.

Nota 2: adquisición del porcentaje de participación minoritario restante tras la adquisición de la participación dominante llevada a cabo en 2011.

Visión general del Grupo

Zardoya Otis está presente geográficamente en España, Portugal y Marruecos

Descripción del Grupo (cont.)

Zardoya Otis se encuentra integrada verticalmente en tres líneas de negocio: “Nuevas instalaciones”, “Servicios” de mantenimiento (que incluye los servicios de reparación y modernización, junto con los contratos de mantenimiento y puertas automáticas) y “Exportaciones”. Para la fabricación de los correspondientes equipos, dispone de 3 centros situados en Madrid, San Sebastián y Vigo, así como una red comercial y de asistencia técnica. Adicionalmente cuenta con un centro de I+D en Leganés (Madrid).

Evolución de ventas por línea de negocio

Datos de ventas (M€)	2016	2017	2018	2019	2020	2021
Nuevas Instalaciones	75	89	99	116	112	119
Servicios	501	505	509	518	510	512
Exportación Neta	170	184	177	169	164	175
Total	746	778	784	802	786	807

Fuente: Cuentas anuales auditadas, informe de revisión limitada de la Sociedad e información proporcionada por la Dirección de Zardoya Otis.

En cuanto a la cartera de productos del Grupo, ésta engloba una amplia gama de ascensores (tanto para el mercado residencial, comercial, hotelero, médico e industrial, agrupados en la familia de productos *Gen2*, como focalizados en rascacielos, que corresponden al catálogo *SkyRise* y *Skybuild*), escaleras mecánicas (que se identifican bajo la marca *Link*), andenes, plataformas, así como puertas automáticas y sillas salva-escaleras.

La digitalización de sus productos es una de las líneas estratégicas del Grupo y se expresa a través de las iniciativas Otis Worldwide Signature Service y Otis Worldwide One y suponen cambios en la gestión del tráfico y movilidad de los usuarios (apoyándose en el sistema propietario *CompassPlus*) y en la interacción de los mismos con los aparatos (a través de la aplicación *eCall*).

Para el desarrollo, fabricación, comercialización y mantenimiento de estos equipos, el Grupo cuenta con el apoyo de Otis Worldwide Corporation, mayor grupo mundial de su industria, con una facturación al cierre de 2021 de 14.298 millones de dólares, alrededor de 2,1 millones de unidades en mantenimiento y cerca de 70.000 empleados distribuidos en unas 1.400 sucursales y oficinas.

El Grupo es parte, junto con Otis Worldwide Elevator Company, de un contrato de asistencia técnica “*Intellectual Property License Agreement*” renovado en 1999 que permite a Zardoya Otis utilizar las marcas y tener acceso a las actividades de Investigación y desarrollo global de producto. El coste de dicho contrato supone un royalty entre el 2,1% y el 3,5% de las ventas a clientes finales. En la relación con su grupo, además de las ventajas competitivas que supone, deben considerarse las limitaciones que tiene Zardoya Otis en su crecimiento, cuya actividad se ve referenciada básicamente a los mercados en los que actualmente opera (aún incluyendo el negocio exportador). Por tanto, en nuestro análisis, de acuerdo con las conversaciones mantenidas con nuestro Cliente, consideramos que Zardoya Otis va a seguir operando en condiciones similares a las actuales y que, consecuentemente, su actividad continuará dependiendo básicamente de esta vinculación que obedece a estrategias y políticas comunes del grupo Otis Worldwide.

Visión general del Grupo

La mayor parte de los ingresos del Grupo proviene de los contratos de mantenimiento

Descripción del Grupo (cont.)

Los mercados geográficos donde está presente de forma más relevante, España y Portugal, son mercados maduros (cuentan con unos índices de densidad de ascensores por cada mil habitantes entre los mayores del mundo) que, a su vez, hacen que presenten un mercado relevante de mantenimiento, aunque con gran presión competitiva por su fragmentación entre las cuatro grandes compañías y un elevado número de pequeñas y medianas empresas, que se ve soportado por el entorno regulatorio (tanto por las cuestiones de seguridad como por las relativas a la accesibilidad) y por la antigüedad del parque actual (con una media superior a los 20 años en el caso de España).

Consecuentemente, la estrategia para el mantenimiento de cuota de mercado en el atractivo segmento de mantenimiento pasa por los correspondientes ajustes al margen y una actividad de adquisición continuada de carteras y compañías.

Evolución del margen EBITDA y variación en ventas (Zardoya y sector en España)

(%)	2016	2017	2018	2019	2020	2021
Margen EBITDA Zardoya	30,5%	28,4%	26,6%	26,0%	26,4%	25,9%
% Var. ventas Zardoya	1,9%	4,3%	0,8%	2,3%	(2,0%)	2,6%
% Var. ventas sector España	3,3%	3,0%	5,3%	(0,3%)	(0,4%)	n.d.

Fuente: Federación Empresarial Española de Ascensores (FEEDA) y DBK (*Sectores – Ascensores 2019*).

El mix de ingresos del Grupo, en el que cerca de dos tercios proviene del negocio de Servicios (que es, por su propia naturaleza esencial) proporciona un modelo de negocio resiliente, en el que la pandemia causada por el virus SARS-CoV-2 (Covid-19) ha tenido un impacto limitado, de tal manera que en sus estados financieros intermedios correspondientes al periodo de seis meses finalizado el 31 de mayo de 2021, la Sociedad informó que *“durante el primer semestre no se han producido impactos significativos a causa de la Covid-19 en la actividad del Grupo”*, tendencia que se sigue observando a 30 de noviembre de 2021.

Evolución del número de ascensores en la cartera de mantenimiento

Ejercicio	Ascensores	Variación
2011	268.915	n.a.
2012	270.082	0,43%
2013	284.940	5,50%
2014	284.418	(0,18%)
2015	283.626	(0,28%)
2016	285.586	0,69%
2017	285.840	0,12%
2018	288.467	0,92%
2019	293.746	1,83%
2020	294.333	0,30%
2021	296.106	0,60%

Nota*: variación sobre la cartera del tercer trimestre de 2020.

Fuente: información pública del Grupo.

Visión general del Grupo

El negocio en el que opera la Sociedad, con un reducido nivel de inversión en activos fijos y circulante, permite la ausencia de endeudamiento financiero neto y un *pay-out* de c.100%

Descripción del Grupo (cont.)

En cuanto al negocio de Nuevas Instalaciones, éste muestra la ciclicidad y volatilidad propia de su principal subyacente, la evolución de la vivienda nueva.

La actividad exportadora del Grupo se ha visto reforzada por las recientes inversiones realizadas en su planta de San Sebastián.

Por otra parte, la relativamente escasa necesidad de inversión en activos fijos, junto con la gestión llevada a cabo sobre el capital circulante, han permitido una política financiera que supone la ausencia de endeudamiento financiero (el que se recoge en el balance de situación de la Sociedad a la Fecha de Valoración corresponde a la aplicación de la normativa contable NIIF 16 Arrendamientos) y una política de dividendos con un *pay-out* de prácticamente el 100%.

Evolución de los principales KPIs de resultados

Resultados (M€)	2016	2017	2018	2019	2020	2021
Beneficio antes de Impuestos	208	201	191	187	186	190
Rdo. atribuido a la entidad	153	153	146	141	141	146
EBITDA pre NIIF 16	228	221	209	209	208	209
Cash-Flow operativo	163	164	162	172	174	158
Dividendos brutos	148	150	151	151	128	133
Posición financ. neta (caja neta)	49	53	46	33	50	61
Pay-out ratio	97%	98%	103%	107%	91%	91%

Nota: la cifra de EBITDA de los ejercicios 2020 y 2021 ha sido calculada considerando el impacto de 12,1 y 13,3 millones de euros, respectivamente, de mayor amortización derivado de la aplicación de la "NIIF-16 Arrendamientos", que supuso la eliminación de la diferenciación anterior entre arrendamientos financieros y operativos, que es sustituida por un modelo único en el que se reconocen todos los alquileres en el balance como si fueran compras financiadas, y que supone que los gastos antes operativos ahora se registren como más amortización y gasto financiero.

Visión general del Grupo | Balance de situación

Históricamente la Sociedad presenta masas patrimoniales sin variaciones significativas que reflejan una actividad recurrente consolidada y homogénea

Miles de euros	2016	2017	2018	2019	2020	2021
Inmovilizado material	60.601	60.093	62.126	61.542	64.134	67.452
Activos por arrendamiento	-	-	-	-	28.516	24.189
Activos intangibles	185.459	177.749	172.308	170.770	156.852	143.246
Fondo de comercio	145.444	146.551	153.077	161.208	161.078	162.312
Activos financieros no corrientes	8.107	8.843	8.359	10.010	8.009	6.833
Activos por impuestos diferidos	23.205	23.994	24.197	23.474	22.833	22.666
ACTIVO NO CORRIENTE	422.816	417.230	420.067	427.004	441.422	426.698
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Activos financieros corrientes	1.409	224	263	147	106	331
Efectivo y equivalentes	62.344	60.854	56.445	50.589	57.886	67.041
ACTIVO CORRIENTE	286.734	296.141	303.367	281.876	293.105	299.860
TOTAL ACTIVO	709.550	713.371	723.434	708.880	734.527	726.558
Capital social	47.046	47.046	47.046	47.046	47.046	47.046
Prima de emisión	37.472	306	306	306	306	305
Reservas	260.247	305.233	305.910	300.933	295.856	307.606
Acciones propias en cartera	-	-	-	(2.572)	(8.087)	(3.053)
Ganancias acumuladas	152.626	152.744	145.731	140.550	140.404	144.651
Dividendos pagados a cuenta	(73.819)	(75.274)	(75.274)	(75.243)	(68.161)	(67.696)
Diferencias de conversión	(5)	(489)	(10)	62	(25)	(98)
Participaciones no dominantes	14.009	11.426	10.646	11.852	10.473	2.792
PATRIMONIO NETO	437.576	440.992	434.355	422.934	417.811	431.553
Provisiones	8.370	10.084	10.731	8.663	11.040	12.763
Pasivos por arrendamiento	-	-	-	-	17.696	13.431
Pasivos financieros a largo plazo	3.850	2.648	1.843	5.828	5.003	2.675
Pasivos por impuestos diferidos	26.792	24.263	23.672	24.947	22.658	19.148
PASIVO NO CORRIENTE	39.012	36.995	36.246	39.438	56.397	48.017
Provisiones	13.137	10.661	10.240	10.455	11.721	11.491
Pasivos por arrendamiento	-	-	-	-	10.820	10.894
Pasivos financieros a corto plazo	10.746	5.350	9.255	11.417	3.466	3.688
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Pasivos por impuesto corriente	3.072	7.856	9.377	8.420	5.204	5.502
PASIVO CORRIENTE	232.962	235.384	252.833	246.508	260.319	246.988
TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Históricamente la Sociedad presenta unos balances de situación con masas patrimoniales sin variaciones significativas que reflejan una actividad recurrente consolidada y homogénea así como la continuidad de la política financiera del Grupo.

Desde 2016, fecha de última ampliación de capital (liberada con cargo a reservas voluntarias de libre disposición), no ha habido cambios en el capital social de Zardoya Otis, el cual está representado por 470.464.311 acciones de 0,10 euros de valor nominal cada una de ellas, íntegramente suscritas y desembolsadas.

A la Fecha de Valoración, la Sociedad mantenía en autocartera 533.655 títulos, lo cual suponía una participación del 0,11% del capital social

En relación con este epígrafe, debe señalarse que la Junta General Ordinaria de Accionistas de Zardoya Otis, S.A. celebrada el 23 de mayo de 2018, concedió autorización al Consejo de Administración para la adquisición directa o indirecta de acciones propias de Zardoya Otis, S.A. hasta el 2% de las acciones de la Sociedad durante un periodo de cinco años a contar desde el 23 de mayo de 2018, con unos precios mínimos y máximos de donde han resultado las siguientes transacciones:

Fecha	# de acciones	Importe total	Precio medio
Octubre 2020	477.144	2.510.104,66	5,26
Noviembre 2020	1.121.594	6.296.233,56	5,61
Diciembre 2020	939.562	5.487.475,66	5,84
Febrero 2021	656.781	3.726.183,18	5,67
Marzo 2021	159.057	882.105,84	5,55
Abril 2021	371.413	1.999.994,93	5,38

Nota 1: el precio mínimo total pagado por la compra de acciones propias fue de 5,07 €/acción el 28/10/2020.

Nota 2: el precio máximo total pagado por la compra de acciones propias fue de 5,98 €/acción el 2/12/2020.

Fuente: Cuentas anuales auditadas e Informe de revisión limitada de la Sociedad.

Deloitte Financial Advisory, S.L.U.

Visión general del Grupo | Balance de situación

Desde julio de 2020 la Sociedad ha distribuido un dividendo entre 0,06 y 0,076 euros por acción

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El propósito de la Sociedad no es transmitir en el mercado las acciones propias que adquiera, sino utilizarlas como contraprestación en operaciones de adquisición de sociedades y de incremento de su participación en filiales vía canje de acciones.

En la Junta de Accionistas celebrada el 19 de mayo de 2021 (en segunda convocatoria) se acordó la distribución del Resultado del ejercicio 2020, que ascendió a 141,7 millones de euros, de los que se destinaron a Reservas 41,7 millones de euros y a Dividendos 100,0 millones de euros. En relación con el ejercicio 2021, se han distribuido a cuenta dividendos por importe de 0,072€ en junio, de 0,074€ en octubre y de 0,076€ en enero de 2022.

Trimestre	Fecha	Bruto	Trimestre	Fecha	Bruto
Cuarto	10/01/22	0,076€	Cuarto	10/01/19	0,080€
Tercero	11/10/21	0,074€	Tercero	10/10/18	0,080€
Segundo	09/07/21	0,072€	Segundo	10/07/18	0,080€
Primero	09/04/21	0,070€	Primero	10/04/18	0,080€
Cuarto	11/01/21	0,068€	Tercero	10/01/18	0,080€
Tercero	09/10/20	0,065€	Segundo	10/10/17	0,080€
Segundo	10/07/20	0,060€	DDPPE(*)	10/07/17	0,079€
Primero	09/04/20	0,080€	Primero	10/04/17	0,080€
Cuarto	10/01/20	0,080€			
Tercero	10/10/19	0,080€			
Segundo	10/07/19	0,080€			
Primero	10/04/19	0,080€			

(*) Distribución dineraria parcial de la prima de emisión.

Fuente: Cuentas anuales auditadas e Informe de revisión limitada de la Sociedad.

Deloitte Financial Advisory, S.L.U.

Visión general del Grupo | Balance de situación

El Grupo cuenta con fábricas y oficinas situadas en Madrid, Vigo y San Sebastián

Miles de euros	2016	2017	2018	2019	2020	2021
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TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Inmovilizado material

El saldo de Inmovilizado material corresponde fundamentalmente al valor registrado amortizado de los terrenos y construcciones donde se encuentran los centros de producción del Grupo: fábrica de Leganés (incorporada en 2008), y la parcela y construcciones situadas en el Polígono Tecnológico y Logístico de Valladares (Vigo), que eran propiedad del Grupo Ascensores Enor adquirido en 2013 y la fábrica de San Sebastián recientemente actualizada y ampliada.

Conforme a las explicaciones de la Dirección de Zardoya Otis, la fábrica de San Sebastián no producía ni producirá todos los ascensores del Grupo, teniendo las actuaciones en la planta por objeto fundamental mejorar la logística y la eficiencia, manteniendo una capacidad productiva y una presencia geográfica en condiciones en línea con el histórico. Hasta finales de 2020 la inversión realizada con este fin ascendía a 9,2 millones de euros, a los que añadió otros 5,4 millones de euros en 2021.

La Sociedad dispone de activos inmobiliarios no operativos que corresponden básicamente a los terrenos en los que se encontraba la antigua fábrica de San Sebastián.

Activos y pasivos por arrendamiento

El 1 de diciembre de 2019, la Sociedad adoptó la normativa internacional sobre arrendamientos (NIIF 16), registrando los correspondientes derechos de uso sobre inmuebles, equipos y vehículos, por un importe total de 24.189 miles de euros a cierre de 2021.

Visión general del Grupo | Balance de situación

Cuenta con una cartera de contratos de mantenimiento en vigor y fondo de comercio surgidos de las operaciones de adquisición de pequeñas y medianas empresas

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ACTIVO NO CORRIENTE	422.816	417.230	420.067	427.004	441.422	426.698
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Activos financieros corrientes	1.409	224	263	147	106	331
Efectivo y equivalentes	62.344	60.854	56.445	50.589	57.886	67.041
ACTIVO CORRIENTE	286.734	296.141	303.367	281.876	293.105	299.860
TOTAL ACTIVO	709.550	713.371	723.434	708.880	734.527	726.558
Capital social	47.046	47.046	47.046	47.046	47.046	47.046
Prima de emisión	37.472	306	306	306	306	305
Reservas	260.247	305.233	305.910	300.933	295.856	307.606
Acciones propias en cartera	-	-	-	(2.572)	(8.087)	(3.053)
Ganancias acumuladas	152.626	152.744	145.731	140.550	140.404	144.651
Dividendos pagados a cuenta	(73.819)	(75.274)	(75.274)	(75.243)	(68.161)	(67.696)
Diferencias de conversión	(5)	(489)	(10)	62	(25)	(98)
Participaciones no dominantes	14.009	11.426	10.646	11.852	10.473	2.792
PATRIMONIO NETO	437.576	440.992	434.355	422.934	417.811	431.553
Provisiones	8.370	10.084	10.731	8.663	11.040	12.763
Pasivos por arrendamiento	-	-	-	-	17.696	13.431
Pasivos financieros a largo plazo	3.850	2.648	1.843	5.828	5.003	2.675
Pasivos por impuestos diferidos	26.792	24.263	23.672	24.947	22.658	19.148
PASIVO NO CORRIENTE	39.012	36.995	36.246	39.438	56.397	48.017
Provisiones	13.137	10.661	10.240	10.455	11.721	11.491
Pasivos por arrendamiento	-	-	-	-	10.820	10.894
Pasivos financieros a corto plazo	10.746	5.350	9.255	11.417	3.466	3.688
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Pasivos por impuesto corriente	3.072	7.856	9.377	8.420	5.204	5.502
PASIVO CORRIENTE	232.962	235.384	252.833	246.508	260.319	246.988
TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Activos y pasivos por arrendamiento (cont.)

Los pasivos por arrendamiento se valoran al valor actual de los pagos restantes por el arrendamiento, descontados utilizando el tipo incremental de endeudamiento del arrendatario que a 30 de noviembre de 2021 era del 2,81%.

Inmovilizado intangible

Los saldos relativos a los epígrafes Activos intangibles y Fondo de comercio corresponden fundamentalmente al coste de subrogación amortizado de contratos de mantenimiento de aparatos elevadores que se adquieren directamente como cartera de contratos o en el conjunto de una combinación de negocios y al exceso sobre el valor razonable de la participación del Grupo en los activos identificables de dependientes adquiridas, como consecuencia de la aplicación de la normativa NIIF 3 “Combinación de negocios”.

El importe recuperable de las carteras de contratos en el momento de la combinación de negocios se determina en base a proyecciones de flujos de efectivo de presupuestos financieros para un periodo máximo de 15 años.

Desde 2016 el Grupo ha realizado una media de 3 adquisiciones al año, desembolsando unos 10,9 millones de euros anuales, lo que supone unos 3,6 millones de euros por operación.

Visión general del Grupo | Balance de situación

El Grupo no acredita créditos fiscales significativos que puedan impactar en su valor

Miles de euros	2016	2017	2018	2019	2020	2021
Inmovilizado material	60.601	60.093	62.126	61.542	64.134	67.452
Activos por arrendamiento	-	-	-	-	28.516	24.189
Activos intangibles	185.459	177.749	172.308	170.770	156.852	143.246
Fondo de comercio	145.444	146.551	153.077	161.208	161.078	162.312
Activos financieros no corrientes	8.107	8.843	8.359	10.010	8.009	6.833
Activos por impuestos diferidos	23.205	23.994	24.197	23.474	22.833	22.666
ACTIVO NO CORRIENTE	422.816	417.230	420.067	427.004	441.422	426.698
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Activos financieros corrientes	1.409	224	263	147	106	331
Efectivo y equivalentes	62.344	60.854	56.445	50.589	57.886	67.041
ACTIVO CORRIENTE	286.734	296.141	303.367	281.876	293.105	299.860
TOTAL ACTIVO	709.550	713.371	723.434	708.880	734.527	726.558
Capital social	47.046	47.046	47.046	47.046	47.046	47.046
Prima de emisión	37.472	306	306	306	306	305
Reservas	260.247	305.233	305.910	300.933	295.856	307.606
Acciones propias en cartera	-	-	-	(2.572)	(8.087)	(3.053)
Ganancias acumuladas	152.626	152.744	145.731	140.550	140.404	144.651
Dividendos pagados a cuenta	(73.819)	(75.274)	(75.274)	(75.243)	(68.161)	(67.696)
Diferencias de conversión	(5)	(489)	(10)	62	(25)	(98)
Participaciones no dominantes	14.009	11.426	10.646	11.852	10.473	2.792
PATRIMONIO NETO	437.576	440.992	434.355	422.934	417.811	431.553
Provisiones	8.370	10.084	10.731	8.663	11.040	12.763
Pasivos por arrendamiento	-	-	-	-	17.696	13.431
Pasivos financieros a largo plazo	3.850	2.648	1.843	5.828	5.003	2.675
Pasivos por impuestos diferidos	26.792	24.263	23.672	24.947	22.658	19.148
PASIVO NO CORRIENTE	39.012	36.995	36.246	39.438	56.397	48.017
Provisiones	13.137	10.661	10.240	10.455	11.721	11.491
Pasivos por arrendamiento	-	-	-	-	10.820	10.894
Pasivos financieros a corto plazo	10.746	5.350	9.255	11.417	3.466	3.688
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Pasivos por impuesto corriente	3.072	7.856	9.377	8.420	5.204	5.502
PASIVO CORRIENTE	232.962	235.384	252.833	246.508	260.319	246.988
TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Activos financieros no corrientes

El saldo de activos financieros no corrientes recoge fundamentalmente efectos a cobrar de clientes con vencimiento a más de un año (4,3 millones de euros al 30 de noviembre de 2021) y determinadas diferencias entre el valor razonable en la fecha del balance menos el valor actual de la obligación de los activos afectos al plan de remuneración.

Activos y pasivos por impuesto diferido

El Grupo tenía registrados activos por impuesto diferido a 30 de noviembre de 2021 por importe de 22.666 miles de euros, correspondientes a diferencias temporales deducibles por compromisos sociales, provisión para insolvencias, costes demorados y otras provisiones que revertirán en ejercicios futuros.

El saldo por pasivos por impuesto diferido a 30 de noviembre de 2021 corresponde a diferencias temporarias no deducibles generadas por fondos de comercio.

La mayor parte de estos pasivos cuentan con un período de recuperación superior a 12 meses.

Adicionalmente, la Sociedad mantenía pasivos por impuesto corriente por valor de 5.502 miles de euros, los cuales representan la diferencia entre la provisión correspondiente al Impuesto sobre Sociedades y el pago a cuenta del mismo.

Visión general del Grupo | Balance de situación

La evolución de los saldos de existencias, deudores y acreedores ha sido estable durante los últimos ejercicios

Miles de euros	2016	2017	2018	2019	2020	2021
Inmovilizado material	60.601	60.093	62.126	61.542	64.134	67.452
Activos por arrendamiento	-	-	-	-	28.516	24.189
Activos intangibles	185.459	177.749	172.308	170.770	156.852	143.246
Fondo de comercio	145.444	146.551	153.077	161.208	161.078	162.312
Activos financieros no corrientes	8.107	8.843	8.359	10.010	8.009	6.833
Activos por impuestos diferidos	23.205	23.994	24.197	23.474	22.833	22.666
ACTIVO NO CORRIENTE	422.816	417.230	420.067	427.004	441.422	426.698
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Activos financieros corrientes	1.409	224	263	147	106	331
Efectivo y equivalentes	62.344	60.854	56.445	50.589	57.886	67.041
ACTIVO CORRIENTE	286.734	296.141	303.367	281.876	293.105	299.860
TOTAL ACTIVO	709.550	713.371	723.434	708.880	734.527	726.558
Capital social	47.046	47.046	47.046	47.046	47.046	47.046
Prima de emisión	37.472	306	306	306	306	305
Reservas	260.247	305.233	305.910	300.933	295.856	307.606
Acciones propias en cartera	-	-	-	(2.572)	(8.087)	(3.053)
Ganancias acumuladas	152.626	152.744	145.731	140.550	140.404	144.651
Dividendos pagados a cuenta	(73.819)	(75.274)	(75.274)	(75.243)	(68.161)	(67.696)
Diferencias de conversión	(5)	(489)	(10)	62	(25)	(98)
Participaciones no dominantes	14.009	11.426	10.646	11.852	10.473	2.792
PATRIMONIO NETO	437.576	440.992	434.355	422.934	417.811	431.553
Provisiones	8.370	10.084	10.731	8.663	11.040	12.763
Pasivos por arrendamiento	-	-	-	-	17.696	13.431
Pasivos financieros a largo plazo	3.850	2.648	1.843	5.828	5.003	2.675
Pasivos por impuestos diferidos	26.792	24.263	23.672	24.947	22.658	19.148
PASIVO NO CORRIENTE	39.012	36.995	36.246	39.438	56.397	48.017
Provisiones	13.137	10.661	10.240	10.455	11.721	11.491
Pasivos por arrendamiento	-	-	-	-	10.820	10.894
Pasivos financieros a corto plazo	10.746	5.350	9.255	11.417	3.466	3.688
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Pasivos por impuesto corriente	3.072	7.856	9.377	8.420	5.204	5.502
PASIVO CORRIENTE	232.962	235.384	252.833	246.508	260.319	246.988
TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Inversión en capital circulante

Dadas las características de los negocios del Grupo, el peso relativo de la actividad de servicios y la gestión de su dirección, los niveles de inversión en capital circulante se mantienen en volúmenes netos relativamente bajos y constantes en el tiempo.

Miles de euros	2016	2017	2018	2019	2020	2021
Efectos a cobrar a largo plazo ¹	4.706	3.984	3.790	4.454	4.287	4.344
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Capital circulante activo	227.687	239.047	250.449	235.594	239.400	236.832
% sobre ventas	30,5%	30,7%	31,9%	29,4%	30,4%	29,4%
Garantías por servicios y contratos ²	12.699	9.827	7.938	7.481	8.192	5.897
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Capital circulante pasivo	218.706	221.334	231.899	233.697	237.300	221.310
% sobre ventas	29,3%	28,4%	29,6%	27,9%	30,2%	27,4%
Capital circulante neto	8.981	17.703	18.550	11.897	2.100	15.523
% sobre ventas	1,2%	2,3%	2,4%	1,5%	0,3%	1,9%

Nota 1: se trata de efectos a cobrar de clientes con vencimiento a más de un año cuyo saldo se encuentran incorporado en el Balance de Situación de la Sociedad en la cuenta Activos financieros no corrientes.

Nota 2: corresponde fundamentalmente a las obligaciones de desempeño derivadas de la venta a clientes de productos con un periodo de garantía en general con duración inferior al año cuyo saldo se encuentra incorporado en el Balance de Situación de la Sociedad en la cuenta de Provisiones a corto plazo.

Visión general del Grupo | Balance de situación

El Grupo provisiona los gastos relativos a premios por antigüedad y garantías, así como los relacionados con su esquema de remuneración para ejecutivos basado en acciones

Miles de euros	2016	2017	2018	2019	2020	2021
Inmovilizado material	60.601	60.093	62.126	61.542	64.134	67.452
Activos por arrendamiento	-	-	-	-	28.516	24.189
Activos intangibles	185.459	177.749	172.308	170.770	156.852	143.246
Fondo de comercio	145.444	146.551	153.077	161.208	161.078	162.312
Activos financieros no corrientes	8.107	8.843	8.359	10.010	8.009	6.833
Activos por impuestos diferidos	23.205	23.994	24.197	23.474	22.833	22.666
ACTIVO NO CORRIENTE	422.816	417.230	420.067	427.004	441.422	426.698
Existencias	30.545	33.658	33.350	23.174	29.479	29.598
Deudores comerciales y otros	192.436	201.405	213.309	207.966	205.634	202.890
Activos financieros corrientes	1.409	224	263	147	106	331
Efectivo y equivalentes	62.344	60.854	56.445	50.589	57.886	67.041
ACTIVO CORRIENTE	286.734	296.141	303.367	281.876	293.105	299.860
TOTAL ACTIVO	709.550	713.371	723.434	708.880	734.527	726.558
Capital social	47.046	47.046	47.046	47.046	47.046	47.046
Prima de emisión	37.472	306	306	306	306	305
Reservas	260.247	305.233	305.910	300.933	295.856	307.606
Acciones propias en cartera	-	-	-	(2.572)	(8.087)	(3.053)
Ganancias acumuladas	152.626	152.744	145.731	140.550	140.404	144.651
Dividendos pagados a cuenta	(73.819)	(75.274)	(75.274)	(75.243)	(68.161)	(67.696)
Diferencias de conversión	(5)	(489)	(10)	62	(25)	(98)
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PATRIMONIO NETO	437.576	440.992	434.355	422.934	417.811	431.553
Provisiones	8.370	10.084	10.731	8.663	11.040	12.763
Pasivos por arrendamiento	-	-	-	-	17.696	13.431
Pasivos financieros a largo plazo	3.850	2.648	1.843	5.828	5.003	2.675
Pasivos por impuestos diferidos	26.792	24.263	23.672	24.947	22.658	19.148
PASIVO NO CORRIENTE	39.012	36.995	36.246	39.438	56.397	48.017
Provisiones	13.137	10.661	10.240	10.455	11.721	11.491
Pasivos por arrendamiento	-	-	-	-	10.820	10.894
Pasivos financieros a corto plazo	10.746	5.350	9.255	11.417	3.466	3.688
Acreedores comerciales y otros	206.007	211.517	223.961	216.216	229.108	215.413
Pasivos por impuesto corriente	3.072	7.856	9.377	8.420	5.204	5.502
PASIVO CORRIENTE	232.962	235.384	252.833	246.508	260.319	246.988
TOTAL P. NETO Y PASIVO	709.550	713.371	723.434	708.880	734.527	726.558

Provisiones a largo plazo

A 30 de noviembre de 2021, la Sociedad contaba con Provisiones a largo plazo por valor de 12.763 miles de euros, destinadas a premios por antigüedad y esquemas de remuneración basados en acciones.

En relación con este último, en septiembre de 2010 se firmó con entidades del grupo un contrato “Recharge Agreement”, que contemplaba la posibilidad de que ciertos ejecutivos de Zardoya Otis, S.A. se beneficiasen de un plan de incentivos a largo plazo que incluye esquemas de remuneración basada en acciones de Otis Worldwide Corporation.

Provisiones a corto plazo

Las Provisiones a corto plazo a 30 de noviembre de 2021 corresponden a litigios por operaciones con clientes (97 miles de euros), garantías por servicios y contratos (5.897 miles de euros), la garantía asociada, pendiente de pago (1.423 miles de euros) derivada del procedimiento sancionador llevado a cabo por la Comisión Nacional de los Mercados y la Competencia (CNMC) contra varias empresas del sector de los ascensores y provisiones por Cámara de Comercio y otros impuestos (4.075 miles de euros).

Cabe señalar que la provisión por litigios hace referencia a aquellos litigios por riesgos identificados inherentes al negocio del Grupo. Por su parte, la provisión por garantías atiende fundamentalmente a los compromisos por prestaciones gratuitas derivadas de la firma de contratos por parte de las entidades del Grupo, en general con una duración inferior a un año.

Visión general del Grupo | Cuenta de resultados

Los ingresos disminuyeron en 2020 con motivo de la pandemia de la Covid-19, recuperándose en 2021, si bien el resultado de explotación se ha mantenido estable

Miles de euros	2016	2017	2018	2019	2020	2021
Total Ventas	746.041	778.282	784.434	802.407	786.390	806.470
Variación (%)	1,9%	4,3%	0,8%	2,3%	-2,0%	2,6%
Otros Ingresos de Explotación	2.656	1.448	1.542	1.294	1.662	2.213
Materias primas y otros	(228.121)	(257.376)	(264.697)	(273.956)	(248.149)	(270.016)
Gasto por prestaciones a empleados	(241.373)	(246.532)	(254.326)	(262.141)	(268.855)	(268.029)
Amortización y cargos por deterioro	(21.647)	(19.942)	(20.523)	(21.861)	(33.643)	(35.278)
Deterioro de deudores comerciales	-	-	-	-	-	(479)
Otros gastos netos	(51.399)	(54.992)	(58.301)	(58.785)	(51.082)	(47.647)
RESULTADO DE EXPLOTACIÓN	206.157	200.888	188.129	186.958	186.323	187.234
Ingresos financieros	768	621	162	315	230	71
Costes financieros	(173)	(394)	(378)	(208)	(1.080)	(724)
Diferencias de cambio netas	28	70	(66)	(124)	(55)	84
Otras ganancias o pérdidas	1.050	129	3.581	283	172	3.362
RESULTADO FINANCIERO	1.673	426	3.299	266	(733)	2.793
RESULTADO ANTES DE IMP.	207.830	201.314	191.428	187.224	185.590	190.027
Impuesto sobre beneficios	(54.385)	(47.827)	(45.127)	(46.014)	(44.488)	(44.271)
RESULTADO DEL EJERCICIO	153.445	153.487	146.301	141.210	141.102	145.756

La plantilla media se ha incrementado un 6,9% desde el 2016 al 2021, con un incremento del gasto de personal y del coste medio por empleado del 2,1% y 0,8% TACC, respectivamente.

Gastos de personal	2016	2017	2018	2019	2020	2021
Personal (# de empleados)	5.145	5.233	5.476	5.600	5.531	5.498
Gastos (miles de €)	(241.373)	(246.532)	(254.326)	(262.141)	(268.855)	(268.029)
Coste medio (miles de € por empleado)	(46,9)	(47,1)	(46,4)	(46,8)	(48,6)	(48,8)

Los saldos de amortizaciones reflejan en los ejercicios 2020 y 2021 el efecto de la adopción de la NIIF 16, por un importe de 12,1 y 13,4 millones de euros, respectivamente.

Fuente: Cuentas anuales auditadas e Informe de revisión limitada de la Sociedad.

Cuenta de resultados

Las ventas del Grupo han experimentado durante los últimos ejercicios (2016-2021) un crecimiento del 1,6% TACC, habiendo decrecido en el ejercicio 2020 un 2% respecto al ejercicio anterior, motivado por las propias dinámicas de la industria y en cierto modo por la paralización económica general provocada por la pandemia de la Covid-19 y su consiguiente efecto en el segmento de Nuevas instalaciones.

Los costes de materias primas han experimentado un crecimiento del 3,4% TACC durante el periodo comprendido entre los años 2016 y 2021, afectando a los márgenes alcanzados por parte del Grupo. Según explicaciones de la Dirección de Zardoya Otis, se espera que el peso sobre ventas de estos costes disminuya a partir de 2024.

Visión general del Grupo | Cuenta de resultados

En el primer semestre del 2021, aún condicionado por la pandemia de la Covid-19, el Grupo ha conseguido crecer en términos de ingresos manteniendo un margen estable

Cuenta de resultados (cont.)

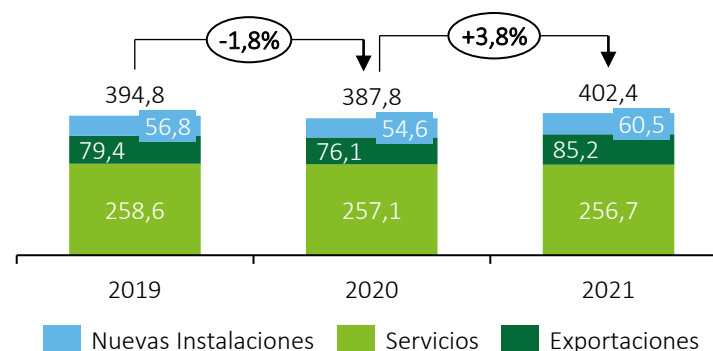
Evolución de ventas del primer semestre del 2021

En el periodo de seis meses terminado el 31 de mayo de 2021, los ingresos de la Sociedad crecieron un 3,80% respecto al primer semestre de 2020 (402,4 frente a 387,8 millones de euros), crecimiento que se ha localizado en España, impulsado por la actividad de Nuevas instalaciones, que ha pasado de 54,6 a 60,5 millones de euros; y las Exportaciones, que se ha incrementado desde 76,1 a 85,2 millones de euros.

Los Servicios de mantenimiento registraron unos ingresos en ese periodo de 256,7 millones de euros (similares a los del mismo periodo del ejercicio anterior, que fueron de 257,1 millones de euros) si bien se esperaba que las cifras a final de año mostrasen cierta mejoría, en tanto que se estaba produciendo una reactivación económica progresiva que se preveía impactase en este segmento por la mayor presencia de trabajadores en oficinas y reactivación del turismo, lo que implicaría mayores niveles de mantenimiento.

Tanto en este primer semestre del 2021, como en el 2020 desde la declaración de la pandemia, se puso de manifiesto que el negocio del Grupo destaca por (i) su visibilidad del negocio a medio y largo plazo, motivada por la amplia cartera de pedidos, (ii) su resistencia a periodos de crisis, (iii) su potencial de crecimiento motivado por unas perspectivas de crecimiento favorecidas por las tendencias macro en vigor (envejecimiento de población y concentración urbana, que suponen factores de demanda para los ascensores y las escaleras mecánicas) y (iv) una capacidad de generación de flujos de caja libre por encima del 68% de su EBITDA a nivel histórico (2016-2020).

Evolución de ventas en los primeros semestres por línea de negocio (M€)



Fuente: informe trimestral correspondiente al tercer trimestre de 2021.

Evolución de ventas acumulada del 2021

Las ventas totales consolidadas a finales de 2021 fueron de 806,5 millones de euros, frente a los 786,4 millones de euros de finales del año anterior, lo que representa un aumento del 2,6%, sustentado por las actividades de Nuevas Instalaciones y Exportación.

El valor de las Nuevas Instalaciones a finales de 2021 fue de 119,2 millones de euros, un 6,1% superior a los 112,4 millones de euros de 2020, representando en 2021 el 14,8% de las ventas totales (14,3% en 2020).

Las ventas consolidadas de Servicios ascendieron a 512,3 millones de euros (510,0 millones de euros a finales de 2020), lo que representa un aumento del 0,5%, en línea con las del año anterior para finales del tercer trimestre.

Visión general del Grupo | Cuenta de resultados

Las ventas totales consolidadas a finales de 2021 muestran un aumento del 2,6% respecto de las de 2020, sustentado por las actividades de Nuevas Instalaciones y Exportación

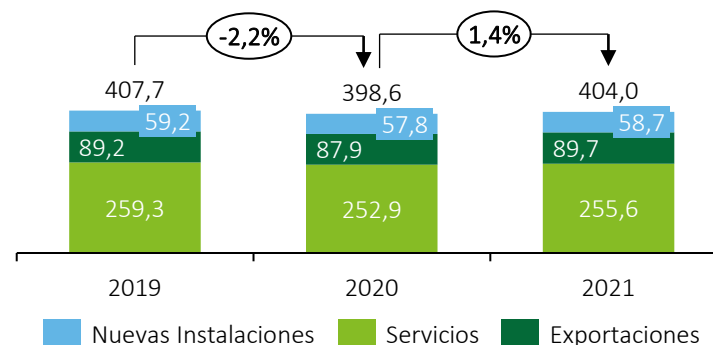
Cuenta de resultados (cont.)

La actividad de Servicios representó el 63,5% de la facturación total del Grupo en 2021 (64,8% en 2020). Los motivos de su menor peso relativo en la cifra de negocios se han debido, de acuerdo con la información publicada por parte de la Dirección de Zardoya Otis, principalmente a la gradual reactivación del turismo que no ha permitido a los hoteles incrementar su capacidad y poner en servicio aparatos y equipos ascensores cuya actividad se había suspendido temporalmente y a las medidas que han impedido la celebración de las juntas de comunidades de propietarios -en las que se toman las decisiones en relación con el mantenimiento de los ascensores- en niveles similares a los que se celebraban antes de la pandemia. Este menor peso se explica adicionalmente por los incrementos en las cifras de nuevas ventas y exportaciones respecto a 2020 (+6,1% y +6,6%, respectivamente).

En el caso de Exportación, a finales de 2021 las ventas netas acumuladas fueron de 174,9 millones de euros, un 6,6% superiores a los 164,0 millones de euros obtenidos en 2020. La tendencia de crecimiento ha sido sólida a lo largo de 2021, con una cifra cercana a los 40 millones de euros en el primer trimestre, que se mantuvo en torno a los 45 millones de euros en cada uno de los trimestres siguientes, comparando de forma favorable con las obtenidas en 2020. Exportación representa el 21,7% de las ventas totales del Grupo en 2021 (20,9% en 2020). Por área geográfica, en Europa aumentaron un 16,6% con respecto a las de 2020, en África un 108% como consecuencia del desarrollo de productos específicos para estos mercados, compensando el descenso de otros mercados, principalmente el de Oriente Medio.

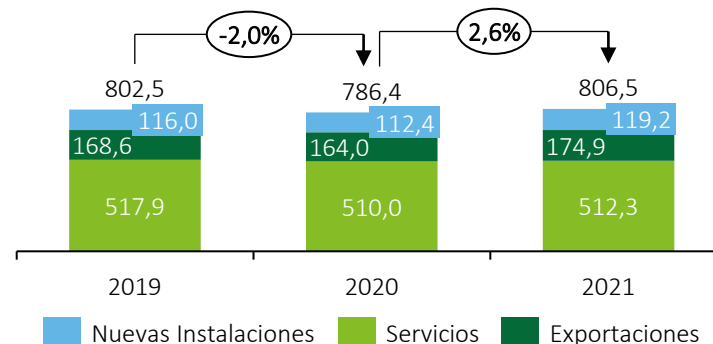
Cabe destacar que las cifras de EBITDA se han mantenido a lo largo del año, a pesar del importante obstáculo que ha supuesto el aumento generalizado de los precios de las materias primas.

Evolución de ventas en los segundos semestres por línea de negocio (M€)



Fuente: análisis Deloitte en base al informe trimestral correspondiente al cuarto trimestre de 2022.

Evolución de ventas acumuladas por línea de negocio (M€)



Fuente: informe trimestral correspondiente al cuarto trimestre de 2022.

Visión general del Grupo | Cuenta de resultados

La presión competitiva del mercado ha ido erosionando el margen histórico del Grupo

Cuenta de resultados (cont.)

Miles de euros	2016	2017	2018	2019	2020	2021
Total Ventas	746.041	778.282	784.434	802.407	786.390	806.470
Otros Ingresos de Explotación	2.656	1.448	1.542	1.294	1.662	2.213
Materias primas y otros materiales	(228.121)	(257.376)	(264.697)	(273.956)	(248.149)	(270.016)
Gasto por prestaciones a empleados	(241.373)	(246.532)	(254.326)	(262.141)	(268.855)	(268.029)
Otros gastos de explotación	(51.399)	(54.992)	(58.301)	(58.785)	(51.082)	(47.647)
Deterioro de deudores comerciales	-	-	-	-	-	(479)
EBITDA	227.804	220.830	208.652	208.819	219.966	222.512
Reclasificación NIIF16*	-	-	-	-	(12.114)	(13.264)
EBITDA pre-NIIF16	227.804	220.830	208.652	208.819	207.852	209.248
Margen EBITDA (%)	30,5%	28,4%	26,6%	26,0%	26,4%	25,9%

- Impacto de la actividad de adquisiciones, en particular las orientadas a la diversificación de nuevos segmentos de negocio, en tanto en cuanto se adquieren pequeñas compañías que pudieran operar con márgenes inferiores a los de Zardoya Otis y que una vez incorporadas aportan crecimiento a largo plazo.

En el periodo pre Covid-19 el Grupo ha venido mostrando un deterioro del margen EBITDA de 427 puntos básicos, tendencia que la Dirección de Zardoya Otis ha intentado mitigar y corregir implantando numerosas medidas operativas, comerciales y de contención de costes. Entre las causas de esta evolución pueden señalarse:

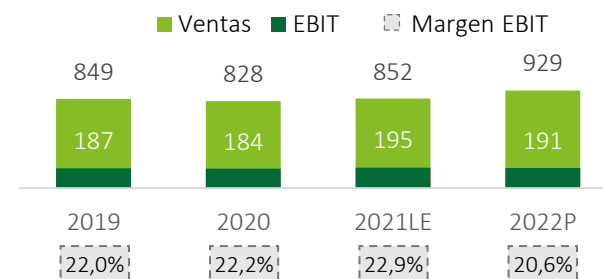
- Cambios en el mix de ingresos con una mayor presencia de Nuevas instalaciones y Exportaciones (que pasan de representar el 36,4% de los ingresos en 2016 al 38,8% en el 2020), cuyo margen es significativamente inferior al del negocio de Servicios (con un margen bruto del 18,9% para Nuevas Instalaciones y Exportaciones frente al 50,5% de Servicios).
- Efecto del entorno de presión competitiva en precios particularmente en las Nuevas instalaciones (que hace que su margen bruto pase del 24,2% en 2016 al 18,9% en el 2020) y que se arrastra a los contratos de mantenimiento (de manera que su margen bruto desciende del 52,7% en el 2016 al 50,5% en el 2020).

Visión general del Grupo | Presupuesto 2022

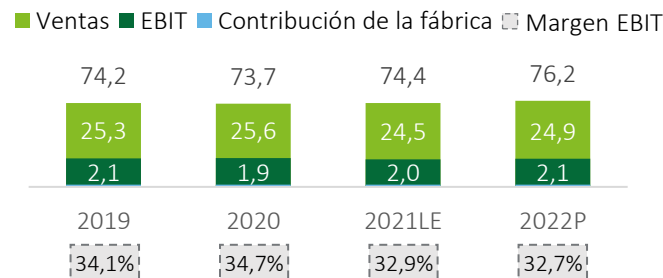
El Consejo de Administración de la Sociedad aprobó con fecha 13 de diciembre de 2021 el presupuesto para 2022

	Crecimiento de ventas	Cartera de Contratos	Productividad
España	- Nuevas Instalaciones +4,1% - Servicios Reparaciones y modernizaciones +23,4% y +20,2%, respectivamente	- Ventas de contratos de mantenimiento +2,7% - Ratio de cancelación 2,9% 11,5 horas por unidad (-3,0%)	- Costes de personal +2,6% (convenio colectivo bajo negociación) - Reducción de costes por hora - Costes generales +2,4% vs 2021 (+3,1 millones de USD) - Inflación +1,6%
Portugal	- Nuevas Instalaciones +6,2% - Servicios Reparaciones y modernizaciones +4,3% y +1,7%, respectivamente - Mantenimiento +1,0%	- Ratio de cancelación 2,5% - Ganancia neta +320 unidades - Conversión +544 unidades	- Costes generales +1,6% vs 2021 - Inflación +1,2% - Crecimiento del PIB +3,1%
Marruecos	- Nuevas Instalaciones +38,5% - Servicios Reparaciones y modernizaciones +39,5% - Mantenimiento +21%	- Ratio de cancelación 3,5% - Ratio de conversión 95% - Contribución de servicios +28%	- Inflación +1,3% - Crecimiento del PIB +5,1%

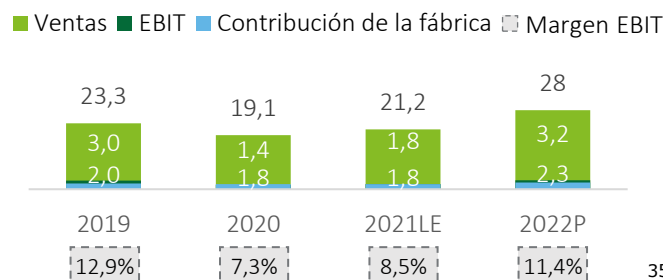
España | Evolución de ventas, EBIT y margen EBIT (M\$)



Portugal | Evolución de ventas, EBIT y margen EBIT (M\$)



Marruecos | Evolución de ventas, EBIT y margen EBIT (M\$)



Fuente: "Plan 2022" del Consejo de Administración de la Sociedad presentado en dólares.

Deloitte Financial Advisory, S.L.U.

Visión general del Grupo | Presupuesto 2022

El presupuesto se prepara de acuerdo con las Normas Internacionales de Información Financiera e incluye el efecto de la aplicación de la NIIF 16

Ajustes Normas Internacionales de Información Financiera

El ajuste a las Normas Internacionales de Información Financiera afecta fundamentalmente a los siguientes epígrafes:

- Otros gastos: 12,1 millones de euros
- Depreciación y amortización: 11,4 millones de euros
- Coste de las actividades de financiación: 0,7 millones de euros.

millones de euros

Presupuesto 2022	Post-NIIF16	Pre-NIIF16
Ventas	883,5	883,5
Otros ingresos	2,1	2,1
COGS	(317,7)	(317,7)
Margen bruto	567,9	567,9
Otros gastos	(54,8)	(66,9)
Deterioro de cuentas por cobrar	(1,7)	(1,7)
Gastos por prestaciones a los empleados	(276,9)	(276,9)
Reestructuraciones	(4,5)	(4,5)
EBITDA NIIF 16	230,1	218,0
Depreciación y amortización	(33,0)	(21,6)
Beneficio operativo	197,1	196,4
Ingresos de las actividades de financiación	0,1	0,1
Coste de las actividades de financiación	(0,7)	0,0
Tipo de cambio	(0,1)	(0,1)
Beneficio antes de resultados extraordinarios	196,4	196,4
Otras ganancias/pérdidas	0,1	0,1
Beneficio antes de impuestos	196,5	196,5
Impuesto sobre las ganancias	(48,3)	(48,3)
Beneficio del ejercicio	148,2	148,2
Participaciones minoritarias	0,7	0,7
Resultado atribuible a la sociedad dominante	147,5	147,5
Tipo impositivo	24,6%	23,5%
CapEx (USD)	15,0	15,0
Flujo de caja (USD)	184,0	184,0

Fuente: "Plan 2022" del Consejo de Administración de la Sociedad.

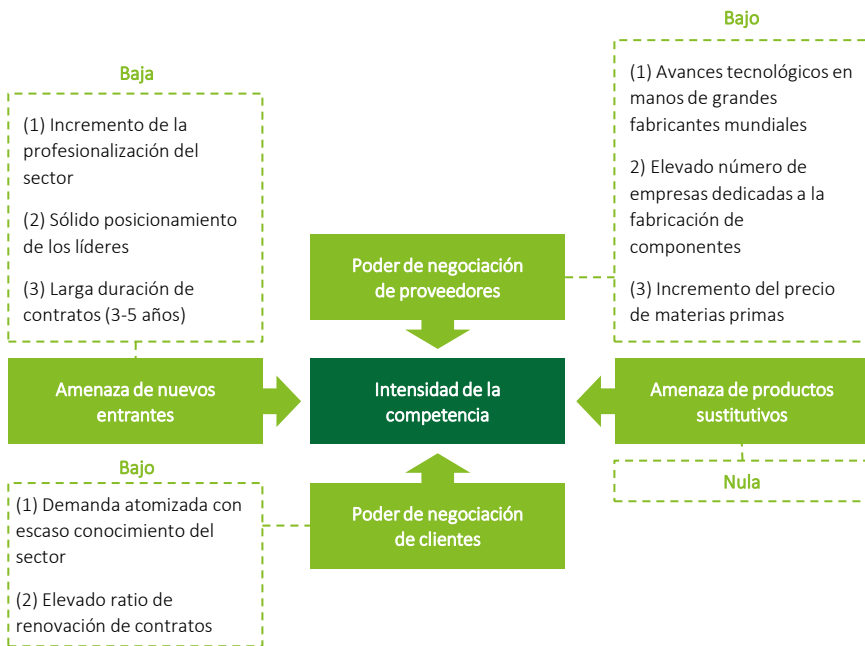
Industria de elevadores

Entorno de mercado

El Grupo opera en el mercado de ascensores y escaleras mecánicas, un sector maduro y concentrado caracterizado por la integración vertical de las principales compañías

Visión general

El mercado global de ascensores se caracteriza por ser una industria madura, que responde a patrones de crecimiento geográficos (ligados a cuestiones demográficas, de urbanización y regulación) y que se estructura empresarialmente de modo similar, con numerosas compañías locales y una sólida cuota de mercado de cuatro grandes multinacionales: Otis Worldwide, Schindler, ThyssenKrupp y Kone. El estrecho vínculo entre las diferentes actividades del negocio ha favorecido la integración vertical (fabricación, instalación y mantenimiento), permitiendo lograr ventajas en términos de producción y una mayor eficiencia a través de economías de escala.



Mercado España

El mercado español presenta la misma estructura de fragmentación entre grandes compañías verticalmente integradas, entre las que se encuentran las filiales de las 4 multinacionales y la compañía nacional Orona, y pequeñas empresas que operan fundamentalmente en el negocio de instalación y mantenimiento (y cuyo número supera las 400 de acuerdo con el informe sectorial publicado por DBK).

En cualquier caso, debe tenerse en cuenta que las empresas deben mantener un ámbito de actuación autonómico o provincial motivado por la regulación autonómica y la necesaria cercanía con el cliente en aras de facilitar y agilizar los servicios de mantenimiento y reparación

La siguiente tabla muestra la rentabilidad extra que el Grupo obtiene en su principal mercado y que le distingue notablemente de todos sus competidores.

Millones de euros	2015	2016	2017	2018	2019	2020	15-20
Ingresos							TACC(%)
Kone Elevadores, S.A.	85	92	99	100	109	102	3,7%
Schindler, S.A.	327	322	338	349	354	282	(2,9%)
ThyssenKrupp Elevadores, S.A.	657	676	678	675	663	610	(1,5%)
Orona Sociedad Cooperativa	611	652	705	741	801	799	5,5%
Zardoya Otis, S.A.	732	746	778	784	802	806	2,3%
Resto	305	320	295	395	306	422	0,1%
Total mercado	2.718	2.808	2.893	3.045	3.036	3.023	2,8%
Margen EBITDA							Media
Kone Elevadores, S.A.	10,6%	10,7%	10,6%	9,4%	7,9%	6,9%	9,4%
Schindler, S.A.	12,8%	12,5%	15,4%	17,0%	15,0%	13,3%	14,3%
ThyssenKrupp Elevadores, S.A.	14,5%	12,6%	11,6%	9,7%	11,8%	10,4%	11,7%
Orona Sociedad Cooperativa	16,5%	15,3%	15,8%	15,4%	15,6%	15,2%	15,6%
Zardoya Otis, S.A.	32,0%	30,5%	28,4%	26,6%	26,0%	25,9%	28,7%

Fuente: análisis Deloitte a partir de información pública de las sociedades y del sector.

Entorno de mercado

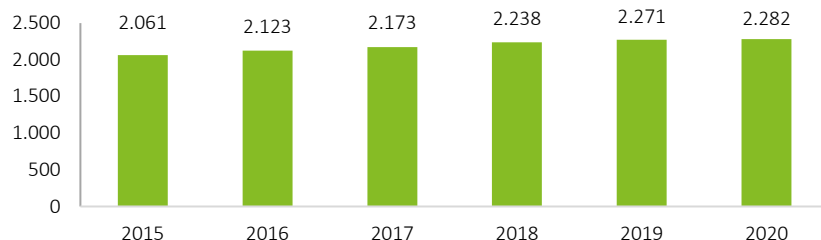
La regulación y las características del sector permiten conseguir una generación de ingresos recurrente y resiliente

Mercado España - Servicios

Los servicios postventa, en tanto que se encuentran sometidos a un marco normativo y regulatorio extendido, permiten a las compañías que operan en el mercado una recurrencia en la generación de ingresos con menor dependencia del ciclo económico. En el Anexo I se presenta un resumen de las principales normas que regulan la actividad en los mercados ibéricos, que se basan en la transposición de Directivas y Reglamentos europeos en materia de fabricación, mantenimiento y accesibilidad.

Facturación del sector de servicios postventa en España (2015 – 2020)

(M€)



Fuente: Federación Empresarial Española de Ascensores (FEEDA) y DBK (*Sectores – Ascensores 2019*).

En 2020, España contaba con un parque de más de 1.100.000 ascensores con una edad media de 20 años, coincidente con la vida útil esperada en la industria, tras los cuales resulta aconsejable un reemplazo de la instalación. Además, durante la vida del sistema es necesario llevar a cabo tareas de actualización y modernización. Para ello, los usuarios suscriben contratos de

prestación de servicios con compañías especializadas, las cuales generalmente coinciden con la empresa instaladora. Dichos contratos suelen tener una duración entre 3 y 5 años prorrogables en la mayor parte de los casos de manera tácita, lo que ha hecho que el porcentaje de renovación de contratos de mantenimiento en España en los últimos años se haya situado en torno al 94%, según los datos de la Comisión Nacional de los Mercados y la Competencia.

Estos datos son indicadores de una potencial bolsa de oportunidad del mercado que puede sostener a una visión positiva respecto del futuro del sector.

Adicionalmente, resulta especialmente relevante la eficiencia que cada uno de los competidores del mercado demuestre en términos de conversión de nuevas instalaciones a contratos de mantenimiento, que se demuestra muy elevada.

Ratio de conversión - Instalación/Mantenimiento

Compañía	
Orona	91,0%
Thyssenkrupp	88,0%
Schindler	84,0%
Zardoya Otis	83,0%
Kone	81,0%
Otros	47,0%
Mercado español	68,0%

Fuente: CNMC (2011).

Por último, cabe destacar que la modernización de las técnicas de mantenimiento a través de digitalización, big data y machine learning, favorecen adicionalmente a las grandes compañías con capacidad de innovación y desarrollo tecnológico.

Entorno de mercado

La venta de Nuevas instalaciones depende de la evolución del sector de la construcción y el *stock* de vivienda nueva no vendida

Mercado España – Nuevas instalaciones

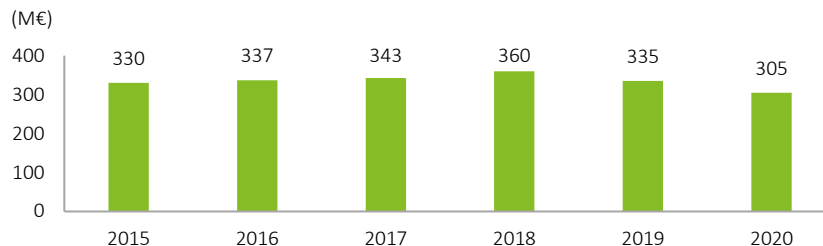
Los principales factores determinantes del desempeño del segmento de Nuevas instalaciones son el *stock* de vivienda y las licencias de obra nueva concedidas.

A raíz de la crisis originada en 2007, el sector inmobiliario en España se contrajo, provocando la creación de un elevado *stock* de vivienda nueva sin vender, así como la disminución de las licencias de obra nueva. En los últimos años, el sector ha experimentado una considerable recuperación, frenada únicamente por la aparición de la Covid-19, si bien se espera que se trate de una ralentización temporal.

De acuerdo con los datos del Ministerio de Transportes, Movilidad y Agenda Urbana, con anterioridad a la pandemia Covid-19, el número de viviendas en bloque según los visados de obra nueva logró recuperarse desde mínimos de 2013 (22.961 viviendas) hasta alcanzar el pasado 2020 las 65.121 viviendas (84.223 viviendas en 2019).

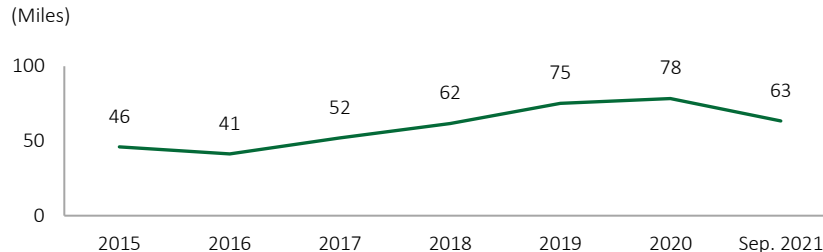
Adicionalmente, debe considerarse que se estima que en España hay más de un millón de edificios que aún no cuentan con ascensor, de los que un 30% podrían ser susceptibles de instalación. No obstante el mercado no ha dado señales en este sentido, excepto por la oportunidad que pudiera generar el destino de alguna partida de las contempladas en el Plan Nacional de Recuperación, Transformación y Resiliencia, ya que en el marco de los planes de ayuda de la Unión Europea (NextGen EU) se incorpora un plan específico de rehabilitación y regeneración urbana con una inversión estimada de 6.820 millones de euros hasta 2023 para activar un sector de la rehabilitación que permita descarbonizar y mejorar la calidad y confort del parque edificatorio para garantizar la sostenibilidad de los edificios en el medio y largo plazo.

Facturación del sector de Nuevas instalaciones en España



Fuente: DBK (*Sectores – Ascensores 2019*) y Federación Empresarial Española de Ascensores (FEEDA).

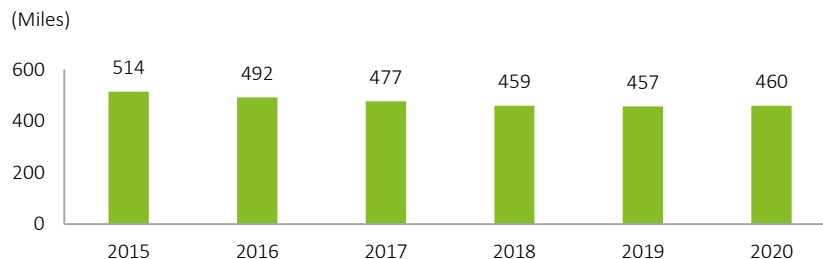
Evolución anual de la construcción de vivienda libre y protegida en España



Nota: las cifras a septiembre de 2021 corresponden a los últimos 9 meses desde el 1 de enero de 2021.

Fuente: Ministerio de Transportes, Movilidad y Agenda Urbana de España.

Evolución del *stock* de nueva vivienda no vendida en España



Fuente: Ministerio de Transportes, Movilidad y Agenda Urbana de España.

Entorno de mercado

Las oportunidades del mercado vienen condicionadas por factores tanto demográficos como de configuración de la vivienda en las ciudades donde desarrolla sus operaciones

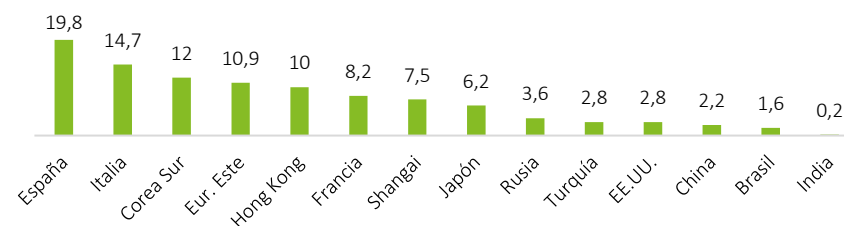
Mercado España – Nuevas Instalaciones (cont.)

Otra característica del mercado español se deriva de la elevada densidad de ascensores (con cerca de 20 ascensores por cada mil individuos), lo que obedece a motivos relativos a la industria constructora, a ciertos factores sociales y principalmente a la fisonomía de la vivienda en las principales ciudades españolas.

Según datos del Banco Mundial, España contaba en 2020 con un porcentaje de población residente en zonas urbanas del 81%, en donde destaca que la oferta se inclina a favor de pisos frente a casas adosadas y unifamiliares. En este sentido, de acuerdo con información publicada por Eurostat a enero de 2022, España se sitúa como el primer país de Europa con mayor porcentaje de población en pisos (66%), muy por encima de la media de la Unión Europea (46%) y de otros países del sur de Europa como Italia (53%), Portugal (47%) o Francia (34%).

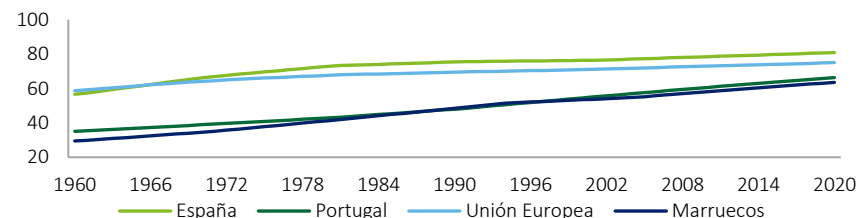
De acuerdo a los datos del Instituto Nacional de Estadística español, el grupo de edad más numeroso en la actualidad en España es el de 40 a 44 años, mientras que si se atiende a la pirámide poblacional del año 2004, el grupo de edad con mayor número de individuos era el de 25 a 29 años. En esta línea, de acuerdo con las proyecciones demográficas realizadas por el INE para el año 2050, el grupo de edad más numeroso en España será el de 70 a 74 años. Dicha proyección demográfica está alineada con las cifras de tasa de dependencia de la tercera edad estimadas por Eurostat, según la cual dicho ratio superará el 52% en 2050 (31% en 2019). El envejecimiento poblacional conllevará la necesidad de incrementar la accesibilidad y la movilidad en ciudades y hogares, motivo por el cual el aumento en la edad media de la población se posiciona como uno de las principales palancas del sector de ascensores.

Número de ascensores por cada mil habitantes (2016)



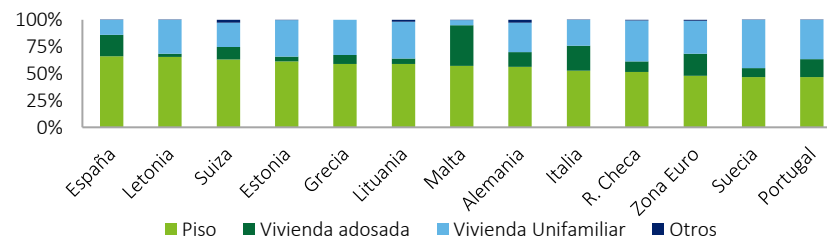
Fuente: Eurostat.

Evolución del porcentaje de población urbana (1960 – 2020)



Fuente: Banco Mundial.

Distribución de la población según tipología de vivienda (2020)



Fuente: Eurostat.

Entorno de mercado

España se ha consolidado como un país exportador a nivel global, con un crecimiento de la facturación de más del 30% en los últimos cinco años

Mercado España - Exportaciones

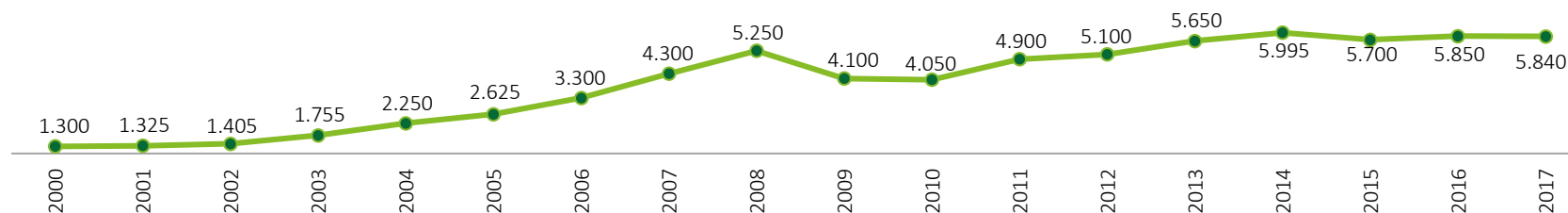
El segmento de las exportaciones cubre todos aquellos equipos elevadores caracterizados por ser de nueva fabricación que no se instalan en el país donde se fabrican, sino que se venden para ser instalados en un país extranjero.

El segmento ha crecido considerablemente en los últimos años, llegando a conformar más de un 14% de la facturación total en España a cierre de 2020, superando así a las nuevas instalaciones en el territorio. De esta forma, España se sitúa en la primera posición del *ranking* global de países exportadores de ascensores y escaleras mecánicas, manifestando su condición líder en el sector.

El significativo crecimiento de este área obedece al incremento de la demanda de equipos elevadores procedente de países con una menor base instalada y compañías locales menos desarrolladas, tales como Arabia Saudí o Qatar; así como países con tal necesidad de nuevos sistemas elevadores que los productores locales no pueden abastecer el total de la demanda, tales como Alemania o Francia.

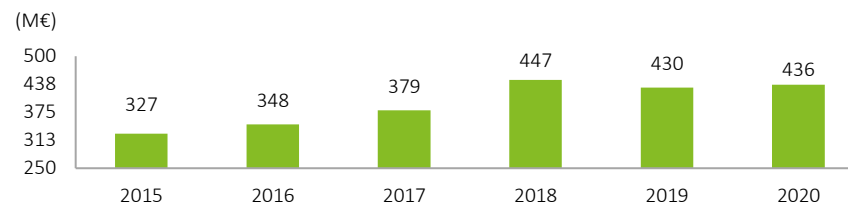
Evolución del comercio internacional de ascensores (2000-2017)

(M\$) TACC 2000 – 2017: **+9,24%**



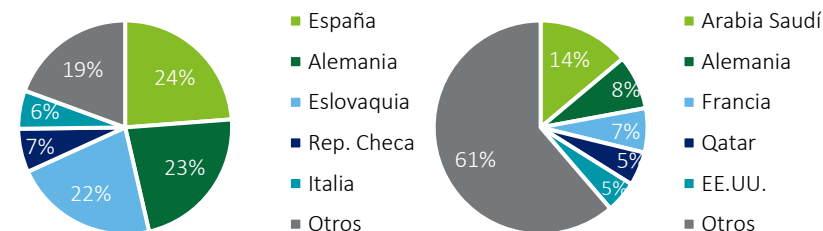
Fuente: DBK (*Sectores – Ascensores 2019*).
Deloitte Financial Advisory, S.L.U.

Facturación del sector de exportaciones de ascensores en España (2015 – 2020)



Fuente: Federación Empresarial Española de Ascensores (FEEDA).

Cuota de exportaciones (izq.) e importaciones (dcha.) de ascensores por país (2018)



Fuente: DBK (*Sectores – Ascensores 2019*).

Entorno de mercado

El mercado portugués encadena tres años consecutivos de crecimiento y se mantienen positivas las expectativas sobre el mercado marroquí

Mercado Portugal

El valor total del mercado de instalación, mantenimiento y reparación de aparatos elevadores en Portugal mantuvo en 2020 la favorable evolución de ejercicios anteriores, situando su cifra de negocio cercana a los 311 millones de euros. Tal y como sucede en el mercado español, el grueso del mercado se compone de las actividades de mantenimiento (70%) frente a las nuevas instalaciones (30%). El parque de ascensores y montacargas instalados en Portugal ascendió a 155.000 unidades en 2019, ubicándose el 37% y el 21% de los equipos en los distritos de Lisboa y Oporto, respectivamente.

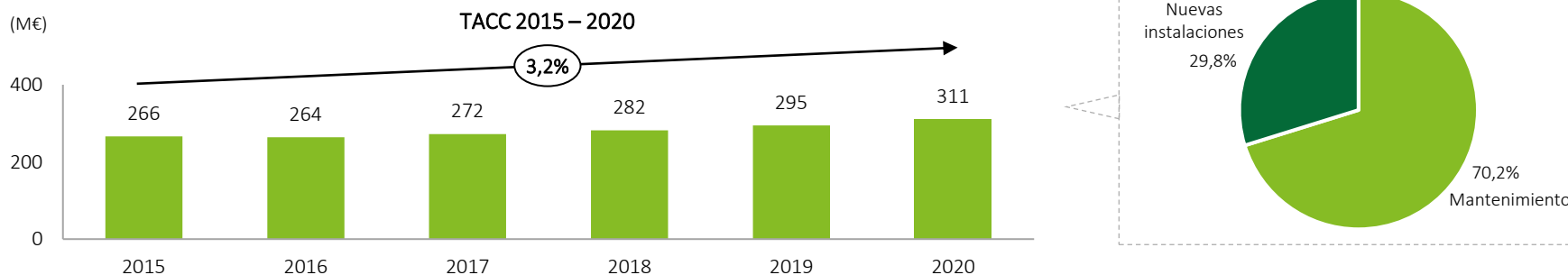
Se trata de un sector concentrado, conformado por 82 compañías de las cuales las 5 primeras empresas cuentan con una cuota de mercado del 75%, alcanzando el 88% en caso de considerar las diez mayores.

Mercado Marruecos

En referencia al mercado marroquí, las nuevas instalaciones de ascensores están experimentando un crecimiento considerable, situándose entre las 30 y las 35 mil unidades anuales, generando la consiguiente cartera de contratos de mantenimiento. Las expectativas para el mercado marroquí son positivas, con una demanda impulsada principalmente por los sectores de fabricación gracias al *Industrial Acceleration Plan*, promovido por el Gobierno marroquí, y servicios de mantenimiento. Las instalaciones ligadas a la expansión de los aeropuertos de Nador y Rabat-Salé, la terminal de gas natural licuado en Jorf Lasfar y el hotel Hilton Rabat son ejemplos de las oportunidades derivadas de los planes de crecimiento y expansión del gobierno marroquí para los próximos años.

No obstante, este mayor crecimiento relativo, seguirá teniendo un tamaño marginal respecto al mercado ibérico.

Evolución de la facturación del mercado de ascensores en Portugal (2015 – 2020) y desglose por negocios (2020)



Fuente: DBK (*Sectores – Ascensores*)

Perspectiva económica general

Perspectiva económica general

El impacto de la pandemia en el sector de la elevación ha sido limitado

Panorama económico

La propagación mundial de la Covid-19 y las medidas adoptadas para mitigar su impacto han llevado a la mayoría de las economías a una paralización de importantes áreas de actividad y, por tanto, a una profunda y repentina caída del PIB. La crisis sanitaria mundial dio paso a una crisis económica mundial, viéndose en la actualidad signos de recuperación en prácticamente todas las economías desarrolladas. Ante la magnitud del problema, las autoridades económicas reaccionaron con actuaciones en ámbitos muy diversos para paliar los graves efectos sanitarios, sociales y económicos de la crisis.

Teniendo en consideración la complejidad de los mercados a causa de la globalización, la incertidumbre ligada a la eficacia de las vacunas ante la aparición de nuevas cepas víricas con mayor transmisibilidad y/o con mayor impacto, las consecuencias definitivas para las diversas industrias dependerán en gran medida de la relajación de las medidas adoptadas por los distintos gobiernos para contener la pandemia y del mantenimiento de los mecanismos de compensación de los impactos causados por la pandemia para favorecer la recuperación; así como de la capacidad de reacción y adaptación de todos los agentes económicos. Por todo ello, a la fecha de emisión de este Informe continúa existiendo cierto nivel de incertidumbre sobre la evolución de las restricciones y limitaciones derivadas de la Covid-19 y por tanto de los posibles impactos que puedan tener las mismas sobre la Sociedad en el medio y largo plazo.

En el sector de la elevación en particular, el impacto de la pandemia ha venido marcado por su relación directa con la construcción de obra nueva y la rehabilitación de edificios. Así, el sector se ha visto afectado negativamente por

el parón repentino de nuevas construcciones durante los meses de confinamiento en las áreas geográficas en las que opera y la posterior reducción de pedidos.

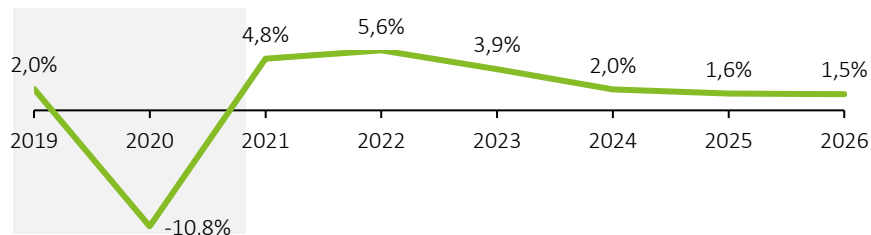
Sin embargo, aunque la pandemia ha ralentizado la instalación de nuevos ascensores, la actividad de mantenimiento no se ha visto afectado significativamente al ser considerada una actividad esencial. Este desigual impacto supone que la crisis derivada de la Covid-19 ha impactado más en aquellas pequeñas y medianas empresas en las que el peso de mantenimiento es menor y su capacidad financiera pudiera haberse visto comprometida.

Por otra parte, al igual que en otros sectores de la economía, la pandemia ha funcionado como catalizador de ciertas tendencias que ya se apreciaban en la industria, tales como la transformación digital hacia la industria 4.0, la descarbonización de la cadena de producción y otras. De forma adicional, el aumento del ahorro de las familias y los fondos europeos (NextGen EU) se estima que sea una oportunidad de crecimiento para el sector.

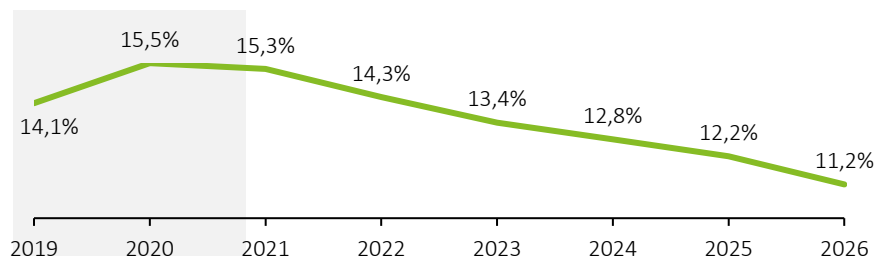
Perspectiva económica general | España

Tras la fuerte caída en el PIB real de España en el año 2020 se esperan unos crecimientos del 4,8% en el año 2021 y del 5,6% en el 2022, acompañados de un repunte de la inflación

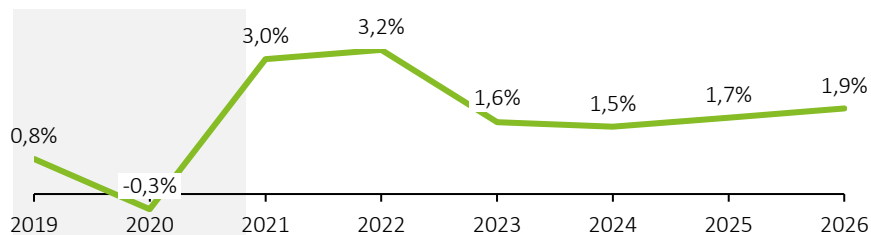
Previsión del PIB Real según consenso (% , 2019, 2026E)



Tasa de desempleo (% , 2019, 2026E)



Inflación (% , 2019, 2026E)



Fuente: AIRef, Banco de España, BBVA Research, Comisión Europea, FMI, Funcas, OCDE y EIU, enero 2022.

Evolución esperada del entorno económico en España

Tras la fuerte caída del PIB real en el ejercicio 2020 como consecuencia de la crisis económica y sanitaria desencadenada por la Covid-19, diversos organismos pronostican un crecimiento del PIB a largo plazo en línea con las estimaciones pre Covid-19.

Así, se estima un crecimiento del PIB real del 4,8% y 5,6% para los ejercicios 2021 y 2022, respectivamente, impulsado por el repunte del consumo privado, recuperación del turismo y un aumento sustancial de la inversión pública financiada principalmente por los fondos del NextGen EU. En el largo plazo, se proyecta un crecimiento del PIB real del 1,5%.

En el cuarto trimestre de 2021 la economía española creció un 2,0% con una subida de tasa interanual del 5,2% según datos provisionales actualizados del INE a 28 de enero de 2022.

Por otra parte, en cuanto a la tasa de desempleo, *The Economist Intelligence Unit* ("EIU") estima que el desempleo en España cierre 2021 en el 15,3% y comience a descender paulatinamente hasta niveles cercanos al 11,2% a largo plazo.

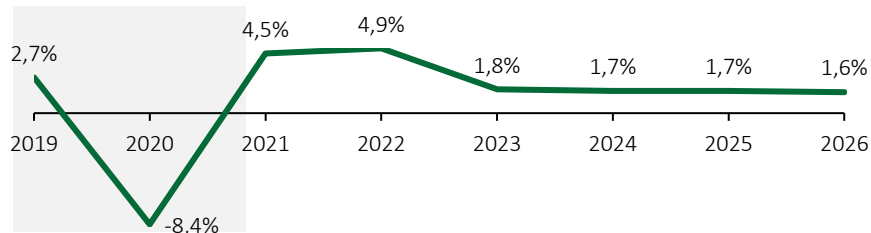
Respecto a la inflación, esta alcanzó el 6,5% en diciembre de 2021, cifra más alta en los últimos 29 años, si bien en términos de inflación subyacente se encontraba en niveles del 2,1%. EIU espera que la inflación permanezca cercana al 3% durante el 2022 debido principalmente a la recuperación del consumo, cuellos de botella en la producción y mayores costes operativos (mayores precios de la energía y las materias primas).

Cabe resaltar que dichas estimaciones están supeditadas a la evolución de la pandemia, la aparición de nuevas cepas víricas y el proceso de vacunación.

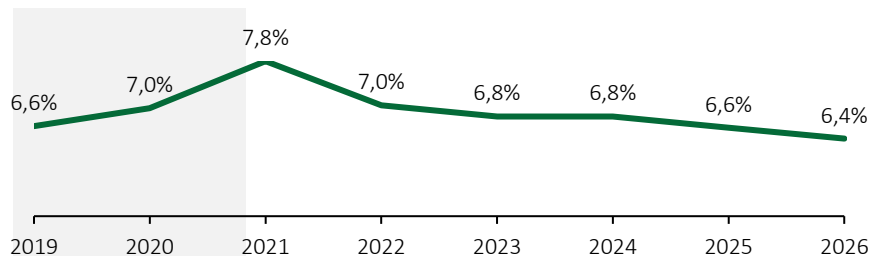
Perspectiva económica general | Portugal

Se estima que Portugal alcance el PIB real pre pandemia en el ejercicio 2022, con una inflación contenida pero creciente a medio plazo

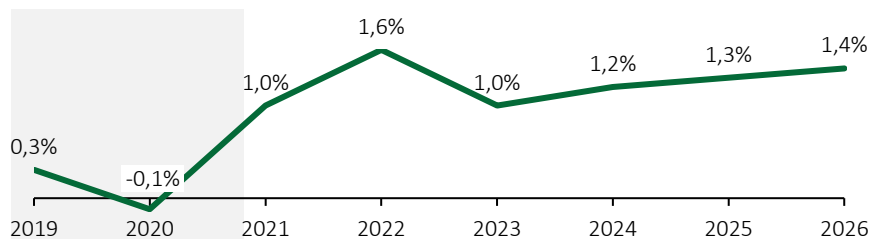
Previsión del PIB Real (% , 2019, 2026E)



Tasa de desempleo (% , 2019, 2026E)



Inflación (% , 2019, 2026E)



Fuente: EIU, enero 2022

Evolución esperada del entorno económico en Portugal

Portugal es uno de los países con menor renta per cápita de la Unión Europea, si bien, desde 2014 el crecimiento anual de la economía portuguesa se había situado por encima del de la Eurozona impulsado principalmente por las exportaciones y el turismo.

El PIB real de Portugal se redujo un 8,4% durante el ejercicio 2020 como consecuencia de la pandemia. De acuerdo con el Mecanismo de Recuperación y Resiliencia de la UE, Portugal recibirá aproximadamente 13 mil millones de euros, el equivalente al 6,0% de su PIB pre pandemia. En este sentido, EIU estima que el crecimiento del PIB real de Portugal se sitúe en el 4,5% y 4,9% para los ejercicios 2021 y 2022, respectivamente, alcanzando los niveles pre pandemia en el año 2022. Para 2026, EIU proyecta una tasa de crecimiento del PIB real del 1,6%.

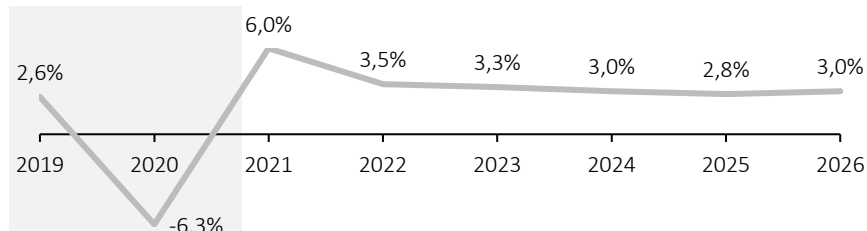
Portugal presenta una tasa de desempleo comparativamente más baja que los países de su entorno y la pandemia apenas ha desencadenado un incremento notable en la misma, estimando EIU que la tasa de paro ascienda hasta el 7,8% en el ejercicio 2021 para después descender hasta el 6,4% en el año 2026.

En cuanto a la inflación, tras la ligera deflación vivida durante el año 2020 como consecuencia de la contracción del consumo y los menores precios del petróleo, de acuerdo con EIU, se estima un crecimiento paulatino de la inflación desde el 1,0% en 2021 hasta el 1,4% en el año 2026.

Perspectiva económica general | Marruecos

Se estima que la economía marroquí recupere su nivel pre pandemia en el 2022, impulsada por un aumento de las exportaciones y una sólida producción agrícola

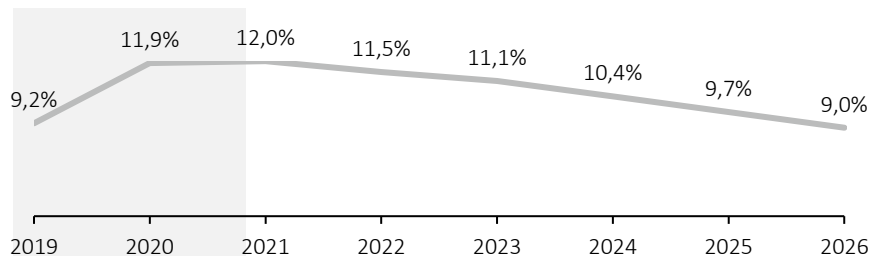
Previsión del PIB Real (% , 2019, 2026E)



Evolución esperada del entorno económico en Marruecos

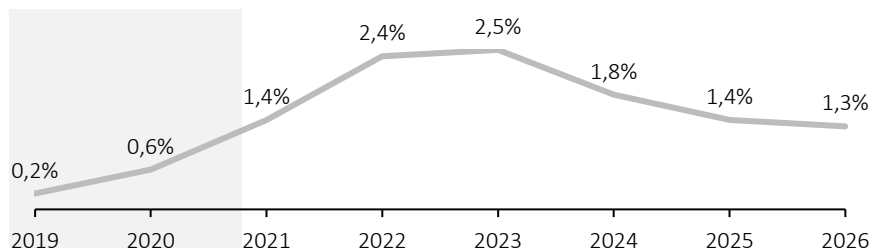
Marruecos sufrió una caída del 6,3% del PIB real en el año 2020. De acuerdo con EIU, se estima que el país crezca a una tasa del 6,0% y 3,5% los años 2021 y 2022, respectivamente. A pesar de ser una de las economías más diversificadas del norte de África y del aumento del turismo y de la industria, sigue dependiendo en gran medida del sector agrícola, así como de las exportaciones a Europa.

Tasa de desempleo (% , 2019, 2026E)

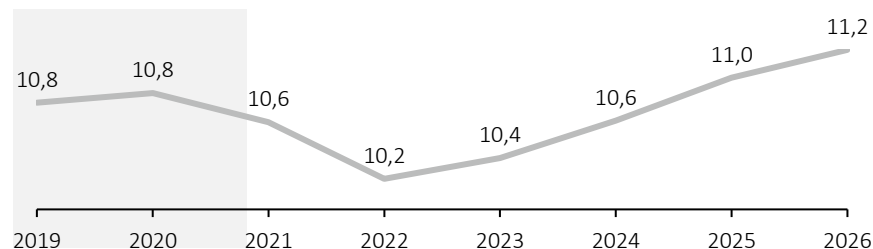


Tras subir los precios un 1,4% de media en 2021, EIU espera que la inflación aumente hasta el 2,4% en 2022. En este sentido, se espera que los problemas de la cadena de suministro mundial continúen al menos hasta mediados de 2022. A medio plazo, este organismo espera un repunte de la inflación debido al aumento en los precios mundiales de la energía, un plan de eliminación gradual de las subvenciones y la depreciación de la moneda. Para el largo plazo, EIU estima una inflación moderada del 1,3%.

Inflación (% , 2019, 2026E)



Tipo de cambio Dírham/Euro (2019, 2026E)



Fuente: EIU, enero 2022 y FMI, octubre 2021

Perspectiva económica general | Materias primas

El incremento del precio de las principales materias primas utilizadas en el sector ha provocado una considerable reducción de los márgenes de fabricantes y distribuidores

Evolución del precio del hierro 2018 – 2021 (USD/Tonelada)



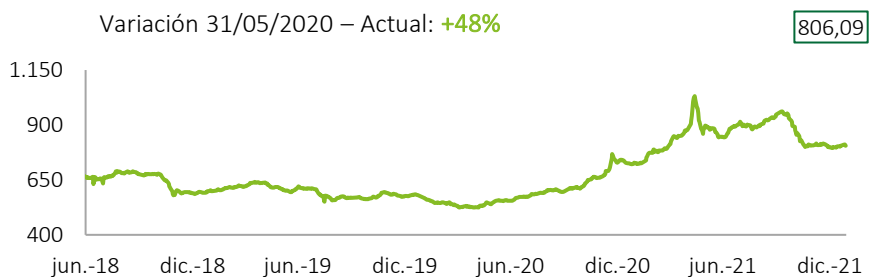
Precio del hierro y del acero

El hierro y el acero son los principales materiales empleados en la fabricación de equipos elevadores, debido a la fiabilidad, seguridad y robustez que aportan a la estructura. Las cabinas de los ascensores actuales incluyen acero inoxidable, con gran resistencia a la corrosión, al calor y la radiación solar.

El progresivo levantamiento de las restricciones, el avance del calendario de vacunación contra la Covid-19, la reapertura de fábricas en China y la vuelta a la actividad provocaron una tendencia alcista en ambas materias desde 2020. Este incremento de precios que se vio acrecentado por las limitaciones en la cadena de suministro (especialmente en el transporte de contenedores y en el abastecimiento de energía), incrementando considerablemente el coste para las empresas del sector y disminuyendo significativamente sus márgenes.

No obstante, durante la segunda mitad de 2021, se viene observando una tendencia negativa en el precio de ambas, especialmente en la primera. A la disminución de la demanda china relacionada con la construcción se suma la decisión de China de disminuir la producción de acero para desarrollar una industria siderúrgica más verde, y la sustitución del hierro por metales de menor calidad, ante el considerable aumento del precio del material.

Evolución del precio del acero 2018 – 2021 (USD/Tonelada)



Evolución del precio del barril de Brent 2018 – 2021 (USD/Barril)



Precio del crudo

Si bien el crudo no constituye una de las principales materias utilizadas por las compañías del sector, se encuentra presente en la mayoría de procesos, bien a través de la energía utilizada en la fabricación de los equipos elevadores, bien como combustible en los continuos desplazamientos que las empresas de mantenimiento, distribución y exportación deben llevar a cabo.

En línea con la reactivación económica global, el precio del crudo ha repuntado significativamente, dando lugar a un severo incremento de los costes de las empresas del sector, el cual se espera que se mantenga en el tiempo, en línea con las condiciones de inflación imperantes actualmente.

Fuente: Bloomberg, Economist Intelligence Unit.

Métodos de valoración

Selección de los métodos de valoración comúnmente aceptados

Consideramos el método del DFC que es el más apropiado para la estimación de la conclusión de valor y disponemos de suficiente información para su aplicación

Para el cálculo del rango en el que se encuentra el valor de las acciones de Zardoya Otis, hemos considerado conveniente incluir los resultados obtenidos de la aplicación del enfoque de ingresos, a través de la metodología del descuento de flujos de caja.

Metodología principal

Descuento de Flujos de Caja

Consideramos que el Descuento de Flujos de Caja (“DFC”), que es el método de mayor aceptación en la comunidad de negocios y en los mercados financieros internacionales, resulta acertado por cuanto es un método dinámico que se basa en el concepto general de que el valor de un negocio equivale al valor presente de los rendimientos futuros generados por su actividad. Su aplicación permite obtener un valor de empresa o negocio mediante la actualización de los flujos de tesorería a generar por dicho negocio y disponibles para los proveedores de capital.

Dado el grado de madurez de los negocios, y la información disponible sobre los mercados y la Sociedad Afectada es posible plantear escenarios probables en relación con los flujos de caja que podrían generar y la tasa de descuento que habría que aplicar para actualizar esos flujos a su valor presente, elementos necesarios para emplear el descuento de flujos de caja como método de valoración. Consecuentemente, entendemos que resulta oportuno emplear un modelo de valoración basado en las características intrínsecas de los negocios (su capacidad para generar flujos de caja y los riesgos asociados a los mismos) y que la información utilizada es suficiente para la aplicación del método.

Otras metodologías

Valor medio del mercado en un determinado periodo

El tamaño relativo y el sector en el que opera la Sociedad permiten considerar el precio medio ponderado como una referencia del valor de las acciones.

En la evaluación de la relevancia de este método hemos tenido en cuenta que los valores que proporciona son significativamente menores de los que hemos obtenido aplicando el método de Descuento de Flujos de Caja en el que confiamos y que nuestro análisis de los informes de analistas que siguen la acción (aún sin ser un método de valoración que consideremos adecuado) nos proporcionan evidencia adicional que nos lleva a descansar en el rango que nos proporciona el Descuento de Flujos de Caja.

Múltiplos de mercado

En nuestro análisis se ha puesto de manifiesto que, en las transacciones identificadas, las características del Grupo o de la operación analizada nos llevan a concluir que el precio no puede conciliarse o ajustarse convenientemente en el cálculo del múltiplo correspondiente y, consecuentemente, hemos descartado este método.

Selección de los métodos de valoración comúnmente aceptados

Las características de Zardoya Otis, su tamaño relativo, presencia geográfica y nivel de resultados hacen que no descansemos en los métodos basados en la comparabilidad

Otras Metodologías (cont.)

En cuanto a la derivación de múltiplos de compañías cotizadas comparables, nos hemos encontrado con que el grupo de comparables puede agruparse en dos categorías o subgrupos (grandes y medianas compañías). De nuestro análisis resulta que los múltiplos son homogéneos dentro de cada categoría, si bien existe, de media, una diferencia notable entre ambas categorías. Lo anterior sugiere la existencia de un patrón ligado al tamaño. No obstante, la situación particular del Grupo, con un tamaño que lo situaría en el subgrupo de medianas empresas pero con un nivel de rentabilidad comparable al del subgrupo de grandes empresas, no responde a este patrón.

En la interpretación del resultado de la aplicación de este método debe considerarse que ni el modelo de negocio, la composición de la cartera de productos y servicios, el tamaño, los mercados y áreas geográficas en las que opera y el margen EBITDA sobre ventas del Grupo son comparables a los de las compañías comparables de la muestra seleccionada. Por tanto, nuestra conclusión no se basa en la aplicación de este método.

Valor Teórico Contable

Consideramos que el VTC únicamente representa una aproximación adecuada al valor de mercado en sectores en los que el balance esté calculado a valor de mercado y en los que no haya diferencias significativas entre los activos y pasivos registrados y sus valores reales, no siendo así en el caso que nos ocupa. Por estos motivos, consideramos que el VTC no es una metodología adecuada para nuestra conclusión de valor.

Valor de la contraprestación en los doce meses previos al anuncio de la Oferta

Desde el 17 de diciembre de 2001, fecha de admisión a negociación de sus acciones, no se ha formulado ninguna OPA sobre Zardoya Otis.

Se han considerado como contraprestaciones pagadas por el Oferente a los efectos de este Informe; el compromiso irrevocable acordado por el Oferente con Euro-Syns, S.A., las compras de acciones realizadas por el Oferente y las compras de autocartera de la propia Sociedad.

Valor Liquidativo

Dada la naturaleza del negocio de Zardoya Otis, en un contexto de liquidación difícilmente obtendría un valor por sus activos superior al que se recoge en la aplicación del DFC, además de surgir pasivos adicionales como en cualquier liquidación. Por tanto, no hemos considerado preciso realizar el cálculo del valor de liquidación ya que los valores resultarán significativamente inferiores al del resto de métodos.

Descuento de Flujos de Caja

Descuento de Flujos de Caja

Es la metodología de mayor aceptación en la comunidad financiera y la que consideramos más adecuada para el caso de Zardoya Otis

El DFC como enfoque de valoración

Consideramos que el Descuento de Flujos de Caja, que es el método de mayor aceptación en la comunidad de negocios y en los mercados financieros internacionales, resulta apropiado por cuanto es un método dinámico que se basa en el concepto general de que el valor de un negocio equivale al valor presente de los rendimientos futuros generados por su actividad. Su aplicación permite obtener un valor de empresa o negocio mediante la actualización de los flujos de tesorería a generar por dicho negocio y disponibles para los proveedores de capital.

Este método supone determinar un período explícito de proyección durante el cual se estiman los flujos de caja libres. Una vez determinados para el período de proyección explícito, se estima el valor terminal, que representa el valor de los fondos generados por el negocio más allá del último ejercicio proyectado.

En particular consideramos este enfoque como más apropiado para llevar a cabo nuestro análisis de valoración de las acciones de Zardoya Otis, en tanto que las Proyecciones Base que resultan del plan de negocio proporcionado por la Dirección de Zardoya Otis y de las consideraciones adicionales añadidas, entendemos que recogen la estimación disponible más fundamentada de la actividad futura de la Sociedad.

En este sentido, hemos estimado el valor por acción de Zardoya Otis mediante la aplicación de este método, habiéndose dividido el proceso de valoración en las siguientes fases:

- Análisis de la información financiera pública de Zardoya Otis publicada hasta el 22 de febrero de 2022.
- Análisis de las proyecciones financieras consolidadas de Zardoya Otis proporcionadas por la Dirección de Otis Worldwide para el periodo comprendido entre 2021 y 2025 (Proyecciones OW), que fueron

preparadas por la dirección de Desarrollo Corporativo de Otis Worldwide y que, según se nos ha informado, sirvieron de base a los efectos de justificar el rango de valoración propuesto para las acciones de Zardoya Otis y obtener la aprobación del Consejo de Administración de Otis Worldwide en septiembre de 2021 para formular la Oferta. Estas proyecciones se elaboraron basándose en información histórica de Zardoya Otis, en las proyecciones para el periodo 2021 a 2024 que se incluyeron en el análisis del test de deterioro que preparó la Dirección de Zardoya Otis en su informe anual de 2020, así como en estimaciones internas facilitadas por otros departamentos internos de Otis Worldwide e información pública disponible.

Estas proyecciones fueron preparadas a partir de la información consolidada por línea de negocio y segmento geográfico, calculándose el correspondiente margen bruto conforme a las hipótesis que reflejan la mejor estimación de la Dirección de Otis Worldwide. Posteriormente, se estimaron los gastos operativos, y el volumen de inversión en activo fijo, capital circulante e incluso actividad de adquisición de carteras necesarias para acometer las ventas proyectadas en línea con las referencias históricas del Grupo.

Debe señalarse que a partir del 1 de diciembre de 2019, el Grupo ha adoptado la NIIF 16, reconociendo los arrendamientos como un activo por derecho de uso y el correspondiente pasivo en la fecha en que el activo arrendado esté disponible para su uso por el Grupo sin embargo, las proyecciones financieras no incluyen el efecto de la NIIF 16, de manera que el DFC parte del EBITDA antes del impacto de dicha normativa contable. Este tratamiento es consistente con la aplicación del método de valoración en tanto que el flujo de caja libre así calculado recoge directamente los

Descuento de Flujos de Caja

Se han analizado las proyecciones llevadas a cabo por la Dirección de Otis Worldwide y de Zardoya Otis

El DFC como enfoque de valoración (cont.)

impactos en caja disponible y resulta más sencillo, no afectando significativamente a la comparabilidad de las cifras respecto de la información histórica del Grupo. En cualquier caso, debe señalarse que el impacto de esta normativa es meramente a efectos de presentación de la información financiera y que no tiene efecto alguno sobre el valor.

- Análisis de las Proyecciones ZO; según nos han informado, estas proyecciones financieras han sido preparadas por la Dirección de Zardoya Otis y no han sido presentadas ni aprobadas por ningún órgano de administración, control o comité. Atendiendo a las explicaciones de la Dirección de Zardoya Otis, las mismas han sido preparadas en su ciclo habitual, basados en el rendimiento pasado y en las expectativas de desarrollo de mercado para un periodo de 5 años (si bien para los tests de deterioro de determinados activos –carteras de clientes– la Dirección de Zardoya Otis considera un periodo de proyección de hasta 15 años), y sin guardar relación específica con la OPA Formulada. De acuerdo con sus explicaciones, la Dirección de Zardoya Otis ha preparado estas proyecciones en el contexto de su proceso de elaboración de sus cuentas anuales correspondientes al ejercicio terminado el 30 de noviembre de 2021 en su proceso habitual de test de deterioro, para el que servirán de base, aplicando criterios, premisas e hipótesis consistentes con los empleados en ejercicios anteriores.

En el proceso de elaboración, la Dirección de Zardoya Otis ha consultado con varios departamentos (operaciones, comercial, RRHH, jurídico, informático y financiero) que revisaron sus estimaciones de ingresos, costes y gastos generales con el fin de proyectar la mejor estimación de las tendencias esperadas durante el periodo.

Dicho proceso de elaboración se realizó desde septiembre hasta noviembre de 2021, cuando el departamento financiero revisó e incluyó la información en los estados financieros anuales.

Estas proyecciones son de la cuenta de resultados y muestran información histórica correspondiente a los periodos 2019, 2020 y 2021; el presupuesto aprobado por el Consejo de Administración de la Sociedad para el ejercicio 2022 y las últimas estimaciones de la Dirección de Zardoya Otis para los ejercicios 2023 a 2025. De acuerdo con las explicaciones de la Dirección de Zardoya Otis, las Proyecciones ZO incorporan los efectos del Plan de Mejora que se puso en marcha hace algo más de 3 años que se describe en la presentación de resultados correspondiente al segundo trimestre de 2021. Este plan se basa en iniciativas tales como la optimización de las rutas de mantenimiento, la adaptación de la estructura de ventas, la identificación de sinergias derivadas de la implantación geográfica y una política de reducción del número de sociedades con el objetivo de eliminar costes de estructura redundantes.

- En nuestro análisis hemos discutido con la dirección de Otis Worldwide las diferencias entre las proyecciones ZO y OW que, de acuerdo con las conversaciones mantenidas, representan su mejor estimación y asumen que cumplen todos los supuestos económicos, legales y comerciales necesarios para el desarrollo de la actividad de la Sociedad, habiendo sido preparadas bajo premisas de mercado. Conforme a sus explicaciones, las diferencias observadas entre ambas proyecciones en relación con los ingresos se corresponden básicamente con el impacto de la eliminación de determinadas operaciones intragrupo que ajusta Otis Worldwide en sus estimaciones. Dicho impacto no afecta significativamente a la estimación de resultados proyectada, siendo las Proyecciones OW y ZO iguales para 2022-2023 y superiores las Proyecciones ZO para 2024-2025, en términos de EBITDA).

Descuento de Flujos de Caja – Proyecciones financieras

Hemos analizado la coherencia y razonabilidad global de las proyecciones incluidas en los planes de negocio compartidos por las direcciones de Zardoya Otis y Otis Worldwide

El DFC como enfoque de valoración (cont.)

Adicionalmente, dichas diferencias se deben a la disponibilidad de determinada información actualizada, al haberse preparado las Proyecciones ZO con posterioridad.

- En la preparación de sus proyecciones financieras, tanto la dirección de Otis Worldwide como la de Zardoya Otis han tenido en cuenta que el impacto de la Covid-19 sobre sus operaciones ha sido limitado y que (i) en los próximos años se recuperará la senda de crecimiento habida en la historia reciente (que se soportaba en un entorno macroeconómico favorable del negocio de construcción, que a su vez era palanca de nuevas instalaciones y consecuentemente de ingresos por servicios) con un crecimiento más apalancado en los servicios y las exportaciones, aunque persistirá la presión competitiva en niveles similares a los actuales, y que (ii) este crecimiento, junto con los planes que ha puesto en marcha en relación con la contención de costes, permitirá recuperar parcialmente sus márgenes.
- En relación con los presupuestos, proyecciones financieras y previsiones aportadas por parte de las direcciones de Otis Worldwide y de Zardoya Otis empleadas en nuestro análisis (Proyecciones ZO y OW), consideramos conveniente destacar que hemos revisado los criterios y premisas sobre los que están basados, así como el detalle de la información pertinente que pudiera afectar al mismo con el objetivo de comprobar su coherencia y consistencia en el contexto de nuestro trabajo de valoración.
- Hemos analizado la coherencia y razonabilidad global de las proyecciones incluidas en los planes de negocio compartidos por las direcciones de Zardoya Otis y Otis Worldwide en su conjunto desde un punto de vista financiero. Teniendo en cuenta nuestro análisis y considerando la evolución histórica de Zardoya Otis, las perspectivas del sector y las conversaciones mantenidas con ambas direcciones sobre las perspectivas y posibilidades de evolución futura del negocio, hemos considerado razonable utilizar las Proyecciones Base, que se derivan de las Proyecciones ZO, OW y los ajustes adicionales incorporados al nivel de inversión en capital circulante, dotación a la amortización y tipo impositivo con el objetivo de formar nuestra opinión en la aplicación de la metodología del Descuento de Flujos de Caja, método que sirve para obtener nuestra conclusión sobre el rango de valor razonable de las acciones de Zardoya Otis.
- Entendimiento de las perspectivas de la industria y de Zardoya Otis atendiendo a informes sectoriales y de analistas, que hemos considerado relevantes que nos ha permitido, en particular, estimar los márgenes EBITDA esperados a perpetuidad los cuales han sido recogidos en el cálculo del valor terminal.

Descuento de Flujos de Caja – Proyecciones financieras

Una vez analizados dichas proyecciones, se determina el valor del negocio y se calcula el valor atribuible a las acciones

El DFC como enfoque de valoración (cont.)

- Estas proyecciones se han elaborado en euros por ser la moneda en la que mayoritariamente opera el Grupo. Las operaciones del Grupo en Marruecos (Otis Maroc S.A.) y en Gibraltar (Zardoya Otis (Gibraltar) Limited), así como las transacciones comerciales de exportación e importación que lleva a cabo, no suponen un impacto significativo de conversión en moneda extranjera, en tanto que su saldo a 30 de noviembre de 2021 ascendía al equivalente en euros de 2,1 millones de euros.
- Una vez estimado el flujo de caja en el horizonte temporal hasta donde se considera que la rentabilidad de los activos se estabiliza, se ha calculado el valor terminal como el valor actual de una renta perpetua.
- Una vez determinado el valor del negocio, se ha calculado el valor atribuible a las acciones considerando los activos y pasivos no incorporados en el flujo de caja libre, principalmente su posición de caja neta (excluyendo el efecto de la aplicación de la NIIF 16 por consistencia con el criterio adoptado en la estimación de los flujos de caja libre) y otros activos y pasivos no operativos reflejados por Zardoya Otis en sus estados financieros.

En este sentido, queremos señalar que el horizonte temporal se extiende hasta el último ejercicio incluido en las proyecciones que se nos han facilitado (2025) y que, considerando la madurez y consistencia que han mostrado los negocios del Grupo en el pasado y las expectativas actuales de evolución macroeconómica, entendemos es suficiente para mostrar un resultado normalizado .

- Los flujos de caja estimados para el período explícito y el valor terminal han sido entonces actualizados aplicando una tasa de descuento, calculada aplicando la metodología del Capital Assets Pricing Model. El detalle del cálculo de la tasa de descuento puede verse más adelante en esta misma sección del Informe.
- En el cálculo del valor actual, hemos asumido que el flujo de caja libre de un determinado período se obtiene de una manera uniforme durante dicho período aplicando, por tanto, periodos medios de descuento.

Descuento de Flujos de Caja – Proyecciones financieras

De acuerdo con las Proyecciones ZO, el Grupo va a consolidar su posición en los mercados en los que opera con un crecimiento alineado con las expectativas de recuperación

Proyecciones Financieras Base

Las Proyecciones Base parten de los ingresos por línea de negocio incluidos en las Proyecciones ZO.

De acuerdo con las conversaciones mantenidas, las principales hipótesis consideradas por la Dirección de Zardoya Otis en la estimación de sus proyecciones incluyen estimaciones macroeconómicas en relación con la tasa de crecimiento del PIB %, la tasa de inflación %, y las perspectivas de la construcción y tasa de desempleo por países (España, Portugal y Marruecos), así como el backlog (cartera pendiente de ejecución), los nuevos pedidos y la capacidad de instalación a la fecha y prevista.

En este sentido, se ha observado que existe una alta relación entre el entorno macroeconómico (PIB) y el nivel de ingresos obtenido por el Grupo en el pasado, habiendo considerado a modo de contraste el “escenario favorable” descrito por Banco de España en su informe trimestral de la economía española de 14 de junio de 2021 que estimaba un crecimiento del PIB del +6,8% en 2021; que se impulsaría hasta el +7% en 2022 por efecto de los fondos NextGenEU, para después acomodarse a un +2,2% en 2023 y posteriormente un +2,0%, en línea con las previsiones del Gobierno).

En este sentido, conviene señalar que el Banco de España anunció el pasado 17 de diciembre de 2021 sus previsiones crecimiento para 2021, 2022 y 2023 que ahora sitúa en su escenario central en 4,5% y 5,4% y 3,9%, respectivamente. En su informe, el Banco de España detalla que su revisión de previsiones se ha debido a sorpresas a la baja en los datos del segundo y tercer trimestre y el menor dinamismo de la actividad en el último trimestre, de acuerdo con los indicadores disponibles, parcialmente atribuido a la mayor persistencia de lo esperado de los cuellos de botella y a los retrasos en la implementación de proyectos financiados por los fondos europeos *NextGenEU*.

Proyecciones Base (M€)

	Histórico	Proyectado			
Flujo de Caja Libre (M€)	2021	2022	2023	2024	2025
Nuevas instalaciones	119,2	133,4	136,1	144,2	152,9
% de variación	6,1%	11,9%	2,0%	6,0%	6,0%
Servicios	512,3	553,1	564,2	575,4	587,0
% de variación	0,5%	8,0%	2,0%	2,0%	2,0%
Exportaciones	174,9	197,0	204,9	213,1	221,6
% de variación	6,6%	12,6%	4,0%	4,0%	4,0%
Ingresos totales	806,5	883,5	905,1	932,8	961,5
% de variación	2,6%	9,6%	2,4%	3,1%	3,1%
Coste de materias primas	(270,0)	(317,7)	(324,9)	(334,9)	(345,2)
Margen bruto	536,5	565,8	580,2	597,9	616,3
% sobre ventas	66,5%	64,0%	64,1%	64,1%	64,1%
Coste de personal	(268,0)	(281,4)	(287,1)	(292,8)	(298,6)
% sobre ventas	(33,2%)	(31,6%)	(31,7%)	(31,4%)	(31,1%)
Otros gastos netos	(59,3)	(66,4)	(68,4)	(69,3)	(70,4)
% sobre ventas	(7,4%)	(7,5%)	(7,6%)	(7,4%)	(7,3%)
Total gastos operativos	(327,3)	(347,8)	(355,5)	(362,1)	(369,1)
EBITDA	209,1	218,0	224,7	235,8	247,2
Margen EBITDA	25,9%	24,7%	24,8%	25,3%	25,7%
Otras ganancias o pérdidas	3,4	-	-	-	-
Amortización y depreciación	(21,9)	(25,5)	(26,5)	(27,5)	(26,7)
EBIT	190,6	192,4	198,2	208,2	220,6
(-) Impuestos	(47,6)	(48,1)	(49,6)	(52,1)	(55,1)
NOPLAT	142,9	144,3	148,7	156,2	165,4
Amortización y depreciación	21,9	25,5	26,5	27,5	26,7
Adquisiciones de carteras (ISP)	(5,5)	(10,2)	(10,5)	(10,8)	(11,1)
Inversiones en activos fijos	(9,5)	(13,3)	(13,6)	(14,0)	(14,4)
Variación de capital circulante	(13,4)	(1,5)	(0,4)	(0,5)	(0,6)
Flujo de Caja Libre (FCL)	136,4	144,9	150,7	158,4	166,0
Periodo de descuento		0,50	1,50	2,50	3,50
Factor de descuento		0,97	0,90	0,84	0,78
Valor presente de los Flujos de Caja Libres		139,9	135,8	133,1	130,1

Nota: la información mostrada para el año 2021 corresponde al cierre reportado por la Dirección de Zardoya Otis.

Descuento de Flujos de Caja – Proyecciones financieras

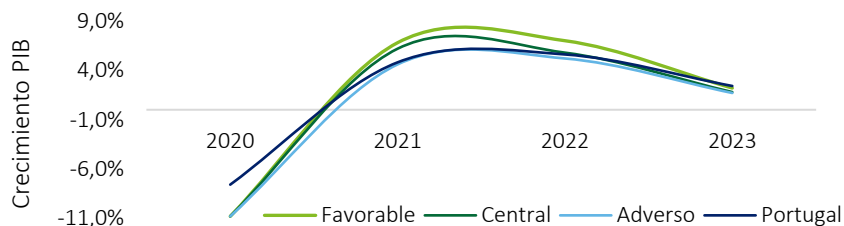
Se ha llevado a cabo un contraste para los negocios de Zardoya Otis en función del contexto macroeconómico

Proyecciones Financieras Base (cont.)

Dado el carácter temporal de alguno de estos asuntos, el impacto desigual que podrían tener sobre el sector y la propia actividad de la Sociedad, cuya dirección ya está considerando los principales impactos que podrían producirse a nivel ingresos (pues está contando con los datos de cartera y pedidos más recientes), y gastos, (al considerar el precio de aprovisionamiento de las principales materias primas y el avance de las negociaciones de su nuevo convenio laboral), hemos considerado que el escenario de la Dirección de Zardoya Otis es compatible con la evolución macroeconómica de recuperación que se mantiene.

Dados los paralelismos en la evolución esperada de los principales mercados del Grupo y la contribución relativa del mercado español, a efectos de realizar nuestro contraste, se ha extrapolado el escenario previsto para España al conjunto de las actividades.

Estimación de escenarios del PIB publicados por el Banco de España y escenario central del Banco de Portugal



Fuente: Banco de España, Informe trimestral de la economía española a junio de 2021 y Banco de Portugal, Proyecciones para el Área Euro actualizadas a 9 de septiembre de 2021.

Con el fin de verificar la razonabilidad de la cifra de ingresos considerada, hemos cuantificado para cada línea de negocio la relación entre las principales palancas de generación de ingresos, habiéndose observado que los ingresos de Nuevas instalaciones y Servicios de mantenimiento, que históricamente representan en torno al 80% de los ingresos del Grupo, tienen un alto grado de correlación con el número de viviendas terminadas¹ y la ratio de verticalidad² (edificios con más de 3 viviendas).

Nuevas Instalaciones

Las Proyecciones ZO contemplan que esta línea de negocio va a seguir consolidando su recuperación durante el ejercicio 2022, con un crecimiento esperado del 11,9% respecto al cierre de 2021 basado principalmente en la senda de recuperación a nivel macroeconómico en España, volviendo a un crecimiento en línea con el mercado para el ejercicio 2023; mientras que en 2024 y 2025 la Dirección de Zardoya Otis espera un aumento adicional teniendo en cuenta la expectativa de crecimiento del sector de la construcción en áreas geográficas relevantes a nivel nacional español (Madrid, principalmente).

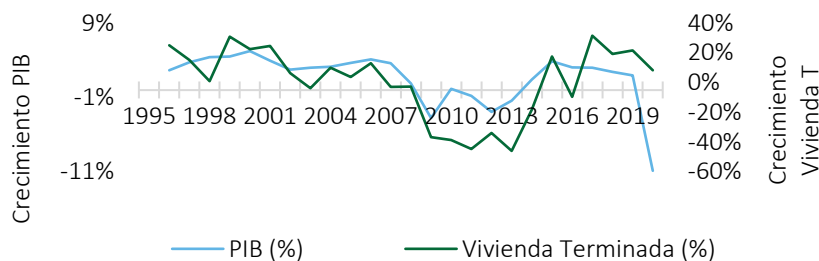
En nuestro análisis de las previsiones de la Dirección de Zardoya Otis en relación con los ingresos por Nuevas Instalaciones, hemos examinado la relación existente entre el PIB español y el número de viviendas terminadas en territorio nacional, concluyendo que el nivel de significancia es alto y estadísticamente significativo (0.82) como para asumir que las viviendas terminadas están altamente ligadas a la evolución del PIB del año anterior, tal como se muestra en el gráfico. Adicionalmente, con la base histórica de datos de la FEEDA, hemos calculado el ratio anual de viviendas terminadas con ascensor, que ascendería al 0.2 (# de ascensores instalados / viviendas por edificio).

Descuento de Flujos de Caja – Proyecciones financieras

La dinámica de crecimiento en Nuevas Instalaciones y Mantenimiento se encuentra correlacionada en un alto grado con el PIB y la construcción de nueva vivienda en altura

Proyecciones Financieras Base (cont.)

Evolución histórica del número de viviendas terminadas y del PIB en España



Fuentes: 1) Ministerio de Fomento y 2) Instituto Nacional de Estadística (INE).

Así, considerando como punto de partida el número de ascensores instalados actualmente en España (1,07 millones)¹ y las previsiones de evolución del PIB para calcular el número de viviendas terminadas, se ha evaluado el potencial desarrollo de las Nuevas instalaciones en España (que incluye nuevas instalaciones y sustitución de ascensores), las cuales se han extrapolado para Zardoya Otis en función de su cuota de mercado actual y esperada para Nuevas Instalaciones. Adicionalmente, a los resultados finales obtenidos se les ha añadido las potenciales sustituciones de ascensores asumiendo que la vida útil de los mismos está en torno a los 20 años, en base a los datos de la FEEDA.

Los resultados de este contraste señalan que la expectativa de crecimiento de ingresos por Nuevas instalaciones resulta de considerar el escenario favorable de crecimiento del PIB y que podrán tener a su vez sustento en el esperado efecto de los planes de rehabilitación y regeneración urbana incorporados en el Plan de ayudas europeas.

Fuente: 1) Federación Empresarial Española de Ascensores (FEEDA).

Mantenimiento y resto de servicios

Para esta línea de negocio, la Dirección de Zardoya Otis considera que el crecimiento esperado en 2022 va a ser del 8,0% respecto al cierre de 2021 basado principalmente en la recuperación a nivel macroeconómico en España, volviendo a un crecimiento en línea con la inflación para el resto del período de proyección manteniendo la cartera existente y ejecutando la cartera de nueva producción orgánica e inorgánica (lo que incorpora las carteras adquiridas y las previstas en las estimaciones de adquisiciones de cartera incluidas en las proyecciones).

Para el contraste de los ingresos proyectados para la línea de servicios hemos segmentado la variación de contratos anual de servicios por categoría, considerando un crecimiento orgánico de obtención de nuevos contratos, un crecimiento inorgánico por adquisición de carteras (ISP), un volumen de recuperaciones y finalmente unas bajas o pérdidas de contratos. Para ello hemos obtenido de Otis Worldwide distintas métricas principales como porcentaje de pérdida de contratos, la cuota de mercado que tienen sobre los nuevos contratos de servicios de ascensores en España o el número de nuevos contratos inorgánicos.

El precio medio de contrato por servicio se ha calculado a partir de los datos históricos reportados por la Sociedad en sus cuentas anuales y en su estimación de presupuesto de 2022.

En base al contraste realizado en relación con los ingresos por Servicios, entendemos que el crecimiento planteado por la Dirección de Zardoya Otis se puede considerar alcanzable siempre y cuando :

- El Grupo continúe consolidando su cuota de mercado mediante la materialización de oportunidades adicionales de compra de carteras de contratos de pequeñas compañías disponibles;

Descuento de Flujos de Caja – Proyecciones financieras

El contraste pone de manifiesto que las proyecciones financieras se han preparado con perspectivas favorables en un escenario de recuperación económica

Proyecciones Financieras Base (cont.)

- Las ventajas competitivas que proporciona el portfolio del Grupo y que se basan en una digitalización del producto permitan una mejora de la ratio de conversión de Nuevas Instalaciones a Servicios de mantenimiento a largo plazo;

La complejidad tecnológica y la actualización normativa permitan al Grupo mantener la ratio de rotación en los niveles actuales con mejoras de eficiencia en términos de horas de mantenimiento por contrato.

Exportaciones

En cuanto a la línea de negocio ligada a la exportación de productos, de acuerdo con las Proyecciones ZO, el crecimiento esperado en 2022 va a ser del 12,6% respecto al cierre de 2021 basado principalmente en la recuperación a nivel macroeconómico estimada en las áreas geográficas en las que tiene presencia Zardoya Otis en la actualidad. A partir de 2022, la senda de crecimiento vendrá marcada igualmente por la evolución macroeconómica en dichas regiones siendo esta más suave de acuerdo con las estimaciones más actualizadas del FMI.

Tras las inversiones en la nueva planta en San Sebastián, que está previsto fabrique y produzca en línea con el histórico (no producía ni producirá todos los ascensores del Grupo) y, por tanto, mantenga su misma posición estratégica dentro del Grupo, se estima una consolidación del crecimiento de los ingresos relacionados con esta rama de actividad del negocio en tanto que va a tener una capacidad productiva similar a la anterior y, por tanto, permitirá a Zardoya Otis mantener su actividad en términos comparables a los actuales y en las mismas áreas geográficas. En este sentido, de acuerdo con las mejoras implementadas en los centros productivos del Grupo, así como las potenciales palancas que se prevé alcance el mercado español en términos de eficiencia y productividad vinculadas con los planes de ayuda europeos, se estima que

puedan mejorar las oportunidades de exportación en el periodo de proyección.

Dada la diversidad de países de destino y la imposibilidad de anticipar la distribución final de las ventas en éstos, con el fin de analizar las proyecciones llevadas a cabo por la Dirección de Zardoya Otis, hemos tenido en cuenta el comportamiento pasado de las exportaciones de la Sociedad en relación con la evolución del PIB diferenciando entre la Unión Europea y en el resto del mundo. Para realizar el contraste al cálculo de exportaciones, hemos construido dos modelos de regresión, respecto de las citadas variables, obteniendo como resultado que el nivel de significancia es elevado y estadísticamente significativo.

Con el objetivo de contrastar las proyecciones consideradas por parte de la Dirección de Zardoya Otis, se ha realizado un análisis para capturar el crecimiento adicional en exportaciones en periodos de alto crecimiento (i.e. crecimiento en exportaciones superior al percentil 75) en comparación con periodos de crecimiento medio, asumiendo que la nueva fábrica permitirá continuar con los niveles de exportación esperados.

Consumo de materias primas – Margen Bruto

Las operaciones de fabricación de la Sociedad conllevan el uso de numerosos componentes metálicos cuyos costes han incrementado notablemente en los últimos meses sin que pueda anticiparse su corrección en el horizonte próximo. De acuerdo con las declaraciones del Consejero Delegado de la Sociedad, la actual situación en la cadena de suministro a nivel global pudiera *“impactar directamente en nuestros costes en aproximadamente un 10%”*. Por tanto, la Dirección de Zardoya Otis ha mantenido esta evolución del coste de las materias primas en su presupuesto de 2022 asumiendo a partir de ese momento que correcciones al alza o a la baja serán transmitidas, íntegramente a los precios de tal manera que no tendrían impacto adicional alguno.

Descuento de Flujos de Caja – Proyecciones financieras

La Sociedad espera un deterioro de su margen en 2022 estimando que, a partir de 2023, el efecto del plan implementado y los aumentos de actividad previstos permitan su recuperación

Proyecciones Financieras Base (cont.)

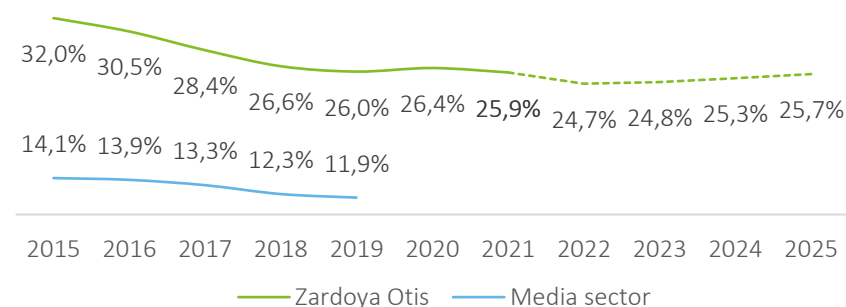
Coste de personal y otros gastos netos - Margen EBITDA

En relación con el coste de personal, se ha asumido un incremento salarial hasta 2023 por encima de la inflación esperada, actualizándose a partir de ese momento el coste medio por empleado en función de las previsiones de inflación a largo plazo para las economías en las que opera la Sociedad, con una mejora en la productividad de la plantilla (146,7 frente a 173,7 miles de euros de ingresos por empleado en 2021 y 2025, respectivamente) en línea con los objetivos marcados por el Plan de Mejora.

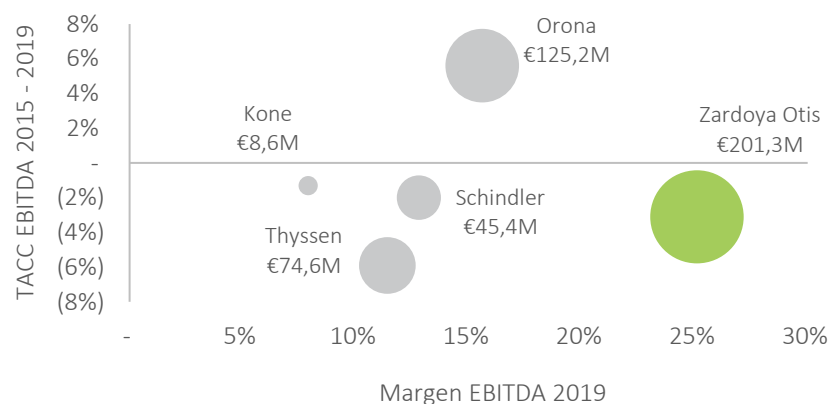
Respecto de los otros gastos netos, que incorporan principalmente los gastos asociados con arrendamientos, transporte y suministros y otros servicios, se ha considerado que su peso sobre ventas durante el periodo de proyección se mantendrá en línea con el histórico para el periodo 2018-2021 (c.7,5% sobre ventas).

El margen EBITDA del Grupo ha sufrido en los últimos años un deterioro de tal manera que en el periodo pre Covid-19 ha pasado desde el 32,0% en el ejercicio 2015 al 26,0% en 2019; margen que después de las medidas adoptadas en el primer año de pandemia en el ejercicio 2021 ha ascendido al 25,9%. En 2022 se espera que los costes de materia prima continúen impactando en la rentabilidad de Zardoya Otis. A partir de 2023 las Proyecciones ZO asumen ligeros incrementos -una vez consolidado el coste de materias primas y asumido el nuevo convenio colectivo que incluye un incremento salarial hasta el 2023- en el periodo proyectado sostenidos por el desarrollo de los nuevos productos, de tal manera que en 2025 la Dirección de Zardoya Otis espera que se alcance un margen del 25,7%, a medida que se materializan los efectos positivos del plan de crecimiento y mejora de la productividad iniciado por la compañía en los últimos años apoyado en iniciativas como la optimización de las rutas de mantenimiento, la adaptación de la estructura comercial y la búsqueda de sinergias con Otis Worldwide y con las compañías adquiridas.

Evolución del margen EBITDA de la Sociedad (2015 – 2025) y el mercado español (2015 – 2019)



Análisis de la posición de la Sociedad en el mercado español en función del margen EBITDA histórico para el periodo 2016 – 2019



Descuento de Flujos de Caja – Análisis del margen EBITDA

Se ha considerado el mantenimiento de los niveles de inversión de activos fijos en línea con las cifras históricas y las perspectivas del mercado

Proyecciones Financieras Base (cont.)

En relación con los niveles de margen EBITDA que presenta la Sociedad, conviene señalar que los mismos se han mantenido de forma consistente en más de 2 veces los que muestran sus competidores en España, característica que se une a su condición de líder en este mercado geográfico. Adicionalmente, debe destacarse que el sector en su conjunto ha venido sufriendo sostenidos ajustes en su margen EBITDA en el periodo anterior a la pandemia. En particular, el de la Sociedad cayó desde el 32,0% que registró en 2016 al 25,9% de 2021. La Dirección de Zardoya Otis confía en que, una vez se absorba el deterioro adicional que se espera produzca la inflación en costes de materias primas anticipada para 2022, la posición competitiva de la Sociedad y el efecto positivo de las medidas del plan implementado, junto con los aumentos de la actividad previstos permitirían ir recuperando el margen poco a poco de tal manera que pasará del 24,7% presupuestado para el 2022 al 25,7% proyectado para 2025.

Respecto de las adquisiciones de carteras e inversiones en activo fijo, se ha partido de las hipótesis consideradas en las Proyecciones OW:

Adquisiciones de carteras (ISP)

Las adquisiciones de cartera (ISP) corresponden a la compra de carteras de contratos, habiéndose proyectado de forma que las mismas permitan mantener el nivel de ingresos por servicios proyectado. La Dirección de Otis Worldwide estima que la inversión destinada a este concepto en el periodo de proyección se mantendrá en el entorno del 1,2% sobre ventas, nivel similar al invertido históricamente por parte de Zardoya Otis durante el periodo 2015-2021 y en línea con las estimaciones a largo plazo de diferentes analistas que siguen la cotización de la Sociedad.

Inversión en activo fijo (CapEx)

A cierre de 2020 la Sociedad había realizado inversiones en la planta de San Sebastián por valor de 9.156 miles de euros, invirtiendo 5.356 miles de euros adicionales en 2021. La Dirección de Otis Worldwide estima que la inversión en maquinaria durante 2022 y el periodo explícito de proyección se sitúe en el entorno del 1,5% sobre ventas, lo que implica que la tasa de retorno sobre el capital invertido durante el periodo de proyección se mantenga en niveles similares a los históricos (media 2015-2021 de 37,1% y media 2022-2025 de 39,9%). La diferencia entre la tasa de retorno histórica y la proyectada se debe entre otros factores al esfuerzo inversor llevado a cabo por Zardoya Otis durante los ejercicios 2020 y 2021.

La inversión en activos fijos durante el periodo explícito de proyección considera un volumen de adquisición de activos de reposición y mantenimiento necesario que permita un volumen de activos fijos razonable para la ejecución de la actividad de la Sociedad, en línea con el histórico, con las estimaciones de la Dirección de Otis Worldwide y de la Sociedad, en particular respecto a la digitalización del portfolio, junto con las perspectivas del consenso de analistas.

Por último, se ha considerado oportuno llevar a cabo un contraste de los cálculos relativos a la dotación a la amortización, la inversión en capital circulante y el tipo impositivo, en base a las siguientes consideraciones:

Amortización

Dado que no hemos dispuesto de un detalle del cálculo de la dotación a la amortización, hemos considerado adecuado corregir su cálculo atendiendo a las vidas útiles informadas en las cuentas anuales de la Sociedad, asumiendo 33 años para Construcciones, 13 años para Maquinaria, Mobiliario accesorios y equipo y CapEx de mantenimiento y 20 años para el Inmovilizado intangible y las Adquisiciones de carteras (ISP).

Descuento de Flujos de Caja – Análisis del margen EBITDA

Se ha ajustado la dotación a la amortización, el nivel de inversión en capital circulante y el tipo impositivo

Proyecciones Financieras Base (cont.)

A continuación se muestra el detalle de la amortización considerada en las Proyecciones OW, ZO y Base:

Dotación a la amortización (M€)	2022	2023	2024	2025	Total
Proyecciones OW	23,3	23,9	24,4	24,8	96,4
Proyecciones ZO	21,6	21,6	21,6	21,6	86,4
Proyecciones Base	25,5	26,5	27,5	26,7	106,3

Las hipótesis asumidas en las Proyecciones Base suponen un mayor escudo fiscal y por tanto un menor pago de impuestos durante el periodo de proyección.

Capital Circulante

Al no disponer de una hipótesis razonada, se ha calculado considerando la estructura alcanzada en 2021, que representa un 1,9% sobre ventas y se encuentra en línea con la posición de capital circulante de la Sociedad en ejercicios anteriores a 2020, que hemos mantenido durante todo el periodo explícito de proyección.

A continuación se muestra el detalle de las variaciones de capital circulante consideradas en las Proyecciones OW y Base:

Variación de capital circulante (M€)	2022	2023	2024	2025	Total
Proyecciones OW	(1,1)	(0,8)	(0,6)	(0,6)	(3,2)
Proyecciones ZO	n.d.	n.d.	n.d.	n.d.	n.d.
Proyecciones Base	(1,5)	(0,4)	(0,5)	(0,6)	(3,0)

Las hipótesis para la proyección de capital circulante consideradas asumen un periodo medio de rotación de existencias de 37 días, un periodo medio de cobro a clientes de 92 días y un periodo medio de pago a proveedores de 38 días, en línea con el cierre de 2021 y con los periodos medios históricos.

Tipo impositivo

Se ha asumido como tipo impositivo para el periodo de proyección el 25%, dado que, tanto a nivel histórico (2015-2021) para la Sociedad como en las consideraciones tenidas en cuenta en las Proyecciones ZO, el mismo se aproxima al tipo impositivo teórico en España, donde se genera aproximadamente el 90% de su negocio. Cabe destacar que, en las cuentas anuales de la Sociedad a 30 de noviembre de 2020 se hace referencia a un tipo impositivo efectivo para España del 20%, si bien, como hemos confirmado con la Dirección de Zardoya Otis, dicho tipo efectivo se refiere al de Zardoya Otis a nivel individual que se produce en tanto en cuanto parte de sus ingresos se generan vía dividendos de sociedades filiales de Zardoya Otis, los cuáles ya han tributado a nivel filial.

A continuación se muestra el detalle de las salidas de caja por pago de impuestos consideradas en las Proyecciones OW, ZO y Base:

Pago de impuestos (M€)	2022	2023	2024	2025	Total
Proyecciones OW	(46,8)	(48,2)	(49,6)	(50,8)	(195,4)
Proyecciones ZO	(48,3)	(50,0)	(52,7)	(55,6)	(206,7)
Proyecciones Base	(48,1)	(49,6)	(52,1)	(55,1)	(204,9)

Nota: las diferencias se deben a la aplicación de un tipo de gravamen diferente (ligeramente inferior en el caso de las Proyecciones OW y ZO). Las salidas de caja por impuestos reales de Zardoya Otis difieren, en tanto que cada proyección parte de un beneficio antes de impuestos diferente y los EBITDAs de las Proyecciones OW son inferiores.

Descuento de Flujos de Caja – Tasa de descuento

Se ha utilizado como tasa de descuento el WACC que resulta de considerar la estructura financiera del Grupo

Determinación de la tasa de descuento

La tasa de descuento (en adelante, “WACC” según su acrónimo en inglés, “coste medio ponderado de capital”) es el factor utilizado para convertir un flujo monetario futuro en su valor actual y refleja el rendimiento requerido por un inversor para realizar una inversión determinada.

Se trata de una tasa prospectiva que representa el rendimiento razonable para el período durante el cual se prevé mantener la inversión. La tasa de descuento debe considerar el valor temporal del dinero, la inflación y el riesgo inherente a la propiedad del activo objeto de valoración.

La tasa WACC se define como el coste promedio de la deuda y de los recursos propios, ponderados en función de sus respectivos pesos en la estructura de financiación objetivo y se calcula atendiendo a la siguiente fórmula general:

$$WACC = K_e \frac{E}{D + E} + K_d \times (1 - t) \frac{D}{D + E}$$

donde:

Ke: Coste de los recursos propios

Kd: Coste de los recursos ajenos

E: Valor de los fondos propios

D: Valor de la deuda

t: Tipo impositivo

En relación con la estimación del coste de los recursos propios, la metodología empleada en nuestro estudio se apoya en la aplicación de la teoría del *Capital Asset Pricing Model* (en adelante, “CAPM”), que es uno de los modelos de valoración de activos más extendidos en el ámbito financiero.

Según el CAPM, la rentabilidad exigida por un inversor a un activo se determinará en función del riesgo sistemático (aquel no eliminable por la diversificación) que implica la inversión en dicho activo.

De acuerdo con este modelo, la rentabilidad de un activo vendrá determinada por la tasa libre de riesgo más una prima adicional que incentive al inversor a asumir un mayor riesgo. Esta prima vendrá determinada a su vez por la rentabilidad esperada de mercado y la beta del activo, que representa la sensibilidad de dicho activo a los movimientos del mercado (riesgo sistemático o no diversificable). De acuerdo con el CAPM, el coste de los recursos propios responde a la siguiente fórmula:

$$K_e = R_f + \beta I \times PM + PP$$

donde:

Ke: Coste de los recursos propios

Rf: Tasa libre de riesgo

βI: Beta apalancada

PM: Prima por riesgo de mercado

PP: Prima por riesgo país

Descuento de Flujos de Caja – Tasa de descuento

Para estimar el coste de capital se ha utilizado el modelo *Capital Asset Pricing Model*

Determinación de la tasa de descuento (cont.)

La proposición formulada así es concordante con los resultados empíricos que muestran mercados relativamente eficientes respecto de la relación entre riesgo (medido a través del coeficiente de volatilidad, “ β ”) y rendimiento; tiene en cuenta los beneficios de la diversificación y presenta un menor nivel de subjetividad que otros métodos alternativos (*Build-up Model*, *Arbitrage Pricing Theory*, *Fama French 3-factor Model* o *Market Derived Capital Pricing Model*). Por su simplicidad y robustez teórica y por superar en aplicabilidad al resto de alternativas, el CAPM es el método generalmente empleado por la comunidad financiera.

Por tanto, nuestro estudio de valoración se basa en los valores que resultan de actualizar los flujos de caja que hemos proyectado con la tasa de descuento calculada aplicando el CAPM, según se describe a continuación.

Dado que los flujos de caja se han proyectado en euros, moneda funcional y de presentación de la Sociedad, se ha calculado consistentemente una tasa de descuento en esta moneda.

En las siguientes secciones explicamos nuestra aproximación general para la estimación de los distintos parámetros que componen la tasa de descuento.

Tasa libre de riesgo y prima de mercado

La tasa libre de riesgo se define como la rentabilidad que ofrece el mercado por una inversión en un activo calificado libre de riesgo crediticio. Se trata de un concepto teórico que asume que en la economía existe una alternativa de inversión que no tiene riesgo para el inversor. La particularidad de esta tipología de activos reside en que teóricamente su rendimiento actual debe de coincidir con su rentabilidad esperada ya que la probabilidad de impago ha de ser, por definición, nula.

No obstante, en la práctica, ante la inexistencia de activos en el mercado completamente exentos de la posibilidad de impago, el uso de bonos gubernamentales como aproximación a una tasa libre de riesgo se ha convertido en una metodología comúnmente aceptada y justificada por la comunidad financiera en su conjunto.

En relación con el plazo, se suele tomar referencias que supongan un adecuado equilibrio entre los bonos a corto plazo (letras, *treasury notes*, etc.) -que en realidad serían los que presentasen un menor riesgo de crédito pero que tienen el inconveniente de ser volátiles a lo largo del ciclo económico- y los bonos a largo plazo -que son mucho más estables pero que incorporan un mayor riesgo de liquidez y soberano-.

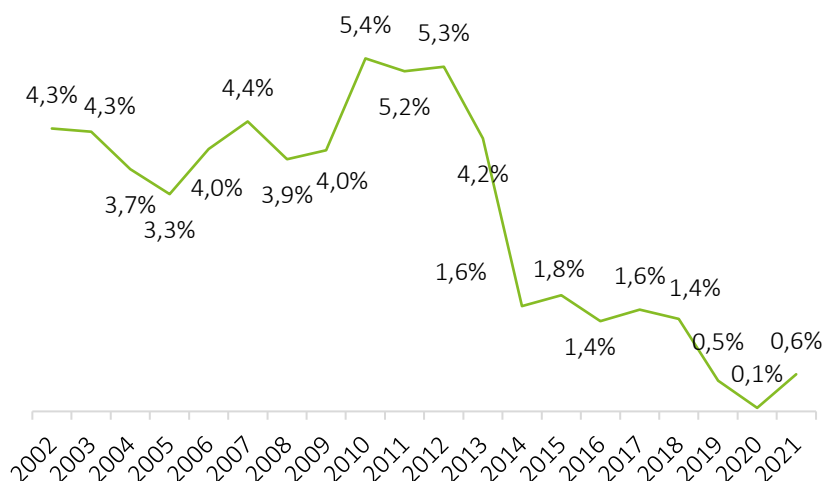
Adicionalmente, debe tenerse en cuenta que las rentabilidades actuales de los bonos soberanos en Europa se encuentran en mínimos históricos como consecuencia de las medidas de política monetaria impulsadas por el Banco Central Europeo (BCE) de compra de deuda pública desde principios de 2015 para estimular la liquidez, el crédito en estas economías y mantener los objetivos de inflación propuestos, de tal manera que se requeriría una “normalización” de las referencias que proporcionan para aislar este efecto ajeno al modelo. El siguiente gráfico ilustra, para el caso del bono español a 10 años, cómo su rentabilidad (yield) se disparó materialmente durante el pico de la crisis de la Eurozona al percibir los inversores que el riesgo soberano del reino de España había aumentado. Desde entonces, la rentabilidad ha decrecido significativamente, de forma que este ajuste se ha prolongado en el tiempo hasta alcanzar a 30 de noviembre de 2021 la cifra de 0,40% en términos nominales.

Descuento de Flujos de Caja – Tasa de descuento

Hemos tenido en cuenta el potencial efecto que las medidas de política monetaria han podido tener en los parámetros de referencia

Determinación de la tasa de descuento (cont.)

Evolución rentabilidad bono español 10 años a 31 de diciembre (2002-2021)



Fuente: análisis interno de Deloitte basado en información proporcionada por S&P Capital IQ.

Los actuales niveles bajos que muestran los bonos soberanos de la zona euro se entiende que se explican fundamentalmente por la política monetaria del BCE, pero también que son resultado de las pobres previsiones sobre el crecimiento en la Eurozona tras la recuperación de las estimaciones pre Covid en 2022-2023 y la expectativa de que los bancos centrales en todo el mundo continúen proporcionando apoyo y liquidez a los mercados financieros en su esfuerzo de estimular la economía.

Por ello, a la hora de estimar la tasa sin riesgo, una parte significativa de reguladores y analistas toman como referencia una perspectiva de medio-largo plazo, considerando medias históricas respecto de periodos pasados que tratan de cubrir ciclos económicos.

En nuestra opinión, esta aproximación es razonable, si bien descansaría en un enfoque histórico que entendemos debe ser contrastado con las perspectivas futuras y, en cualquier caso, debe tratarse consistentemente con otros parámetros del coste de capital, particularmente, la prima de mercado.

Para la estimación de la rentabilidad normalizada del bono español a 10 años, inferimos la rentabilidad normalizada en términos reales desde el 2002, fecha de introducción del euro, restándole a la rentabilidad nominal media del bono español (3,17%) la inflación observada durante ese mismo periodo (1,84%, fuente INE) lo cual arroja una rentabilidad real normalizada de 1,34%. Posteriormente, traducimos esta rentabilidad a términos nominales utilizando las expectativas del consenso de inflación a largo plazo; estimando así que la tasa libre de riesgo de España se encontraría en el 3,2%.

La prima de mercado se define como el retorno adicional sobre el tipo libre de riesgo que un inversor racional exigiría por invertir en activos de renta variable. La suma de ambos parámetros constituye el retorno del conjunto del mercado y para su cálculo se dispone de varias fuentes de evidencia, siendo las principales (i) las que se derivan de información histórica, y (ii) las que se basan en las expectativas de inversores y expertos financieros.

Descuento de Flujos de Caja – Tasa de descuento

La prima de mercado se ha calculado siguiendo un enfoque prospectivo

Determinación de la tasa de descuento (cont.)

Para nuestro trabajo hemos realizado un enfoque prospectivo de la rentabilidad implícita para el accionista en el Ibex 35. Para ello hemos llevado a cabo un descuento de dividendos teniendo en consideración las estimaciones de dividendos, recompra de acciones y estimación de crecimiento de analistas hasta el ejercicio 2023 de las compañías que componen el IBEX 35, resultando en un retorno de mercado del 8,4% (análisis interno de Deloitte basado en información proporcionada por S&P Capital IQ). Esta rentabilidad, una vez sustraída la tasa libre de riesgo presentada anteriormente arroja una prima de mercado de 5,1%.

Tipo impositivo

El tipo impositivo aplicable es el tipo nominal del impuesto de sociedades en base a lo establecido en la Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades, esto es, el 25%.

Beta

Este parámetro mide el riesgo particular del negocio, que es representado por la volatilidad del sector en relación con la media del mercado.

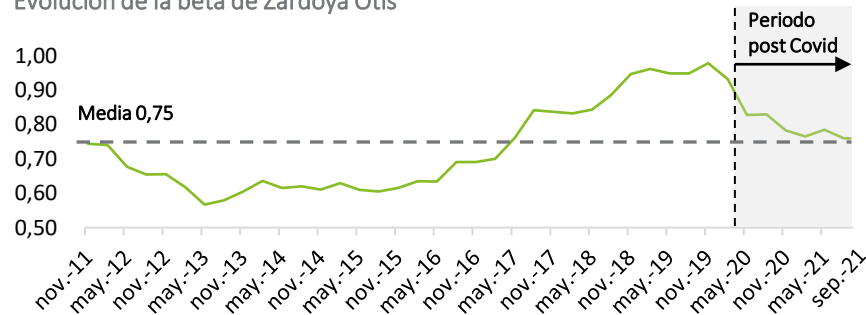
De acuerdo con diversos estudios, típicamente se considera apropiado para el cálculo de betas considerar información mensual relativa a 5 años (60 observaciones), ya que generalmente las regresiones utilizando información mensual presentan errores estándar menores que aquellas que utilizan información semanal o diaria y haberse comprobado que la media del error estándar cae a medida que se aumenta el número de observaciones siendo significativa esta caída a partir de las 40 observaciones.

En tanto que la beta se deriva de la regresión del precio de una acción contra un índice de referencia y estos constan de un número de observaciones limitado, dicha estimación puede incorporar errores estadísticos que diversos

estudios (véase Marshall Blume, “*Betas and their regression tendencies*” o “Tim Ogier, John Rugman Lucinda Spider, “*The real cost of capital*”) han demostrado que pueden ser corregidos mejorando la calidad de los estimados si se ajusta el cálculo original mediante la fórmula: $Beta\ ajustada = B\ raw * P + 1.0 * (1-P)$, donde, P = medida del error de estimación y 1.0 = beta del índice de referencia.

Al ser Zardoya Otis una compañía cotizada dispone de beta observable, siendo su última referencia de beta correlacionada contra el IBEX 35 de 0,76 (beta mensual correspondiente a 5 años informada por S&P Capital IQ al 22 de septiembre de 2021).

Evolución de la beta de Zardoya Otis



Fuente: análisis interno de Deloitte basado en información proporcionada por S&P Capital IQ.

Como se puede observar en el gráfico adjunto, desde la aparición de la Covid-19 la beta de Zardoya Otis se ha situado en niveles de correlación inferiores a aquellos observados en los años anteriores a la pandemia (0,78 en noviembre de 2020 frente a 0,98 en noviembre de 2019). No obstante, si consideramos la beta histórica de la Sociedad durante periodos anteriores, podemos observar como las betas post Covid-19 de la Sociedad se encuentran en línea con las betas observadas (media histórica de 0,75 considerando las betas a cierre de noviembre para el periodo comprendido entre 2011 y 2021).

Descuento de Flujos de Caja – Tasa de descuento

La tasa de descuento aplicada es del 7,2%

Determinación de la tasa de descuento (cont.)

Por tanto, en nuestro cálculo de una tasa de descuento normalizada se ha considerado que la media de las betas históricas de 0,75 representa una buena estimación de la potencial beta a largo plazo de la Sociedad.

Estructura de apalancamiento

El Grupo presenta a la Fecha de Valoración una posición financiera neta positiva, en línea con la estructura de capital que ha venido mostrando históricamente, con la que la Dirección de Zardoya Otis nos ha confirmado que tiene previsto seguir operando y con la que resulta como referencia de otras sociedades de su sector. Hemos analizado la evolución trimestral de la posición financiera neta de las compañías seleccionadas para un periodo de hasta 4 años desde la Fecha de Valoración. En todos los casos se observa que el sector opera sin deuda, financiado únicamente a través de sus operaciones debido a su gran capacidad de generación de caja (para mayor detalle ver Anexo III).

Consecuentemente, entendemos que la estructura de capital que debe utilizarse para el cálculo de la tasa de descuento (estructura financiera objetivo) debe descansar en la dinámica propia del Grupo. Esta asunción es coherente con la estructura de flujos proyectados.

En las cuentas anuales de la Sociedad, a efectos del test de deterioro se utiliza una tasa de descuento que considera la estructura de apalancamiento de la sociedad matriz Otis Worldwide, habiéndonos confirmado la dirección Otis Worldwide que ésta se deriva del proceso de escisión llevado a cabo en marzo de 2020 y que su objetivo es amortizar la deuda en su totalidad con el fin de operar en el medio y largo plazo con una estructura de apalancamiento en línea con la de los comparables de mercado.

Conviene señalar aquí que la deuda financiera que figura registrada en el balance de situación consolidado responde a la compra de participaciones no dominantes pendiente de pago, atendiendo a las condiciones del correspondiente acuerdo de adquisición.

Deloitte Financial Advisory, S.L.U.

Conclusión de la tasa de descuento

Aunque la actividad del Grupo se concentra en España, también mantiene operaciones en otros países que presentan diferencias en sus variables macroeconómicas y perfil de riesgo. Estos riesgos se refieren a: riesgo económico, riesgo de tipo de cambio, riesgo político, riesgo soberano y riesgo de transferencia (entendido como el potencial riesgo de limitar el flujo de capitales por la acción de un gobierno).

En este caso, se ha calculado la prima de riesgo país de Portugal y Marruecos como un promedio del diferencial de bonos y *credit default swap* “CDS” (de acuerdo con Bloomberg), rating (según lo publicado por Aswath Damodaran) y estimaciones de tipo de interés a largo plazo (de acuerdo con Oxford Economics) - disponibles a la Fecha de Valoración.

Para recoger esta cuestión en nuestra valoración, dado que el flujo de caja se ha calculado de manera consolidada, se ha considerado una tasa de descuento, cuyo cálculo se ha realizado considerando el peso de la actividad del Grupo por geografía según el desglose incluido en los Estados Financieros Intermedios Resumidos Consolidados correspondientes al periodo de 6 meses finalizado el 30 de noviembre de 2021.

La tasa de descuento de aplicación a los flujos de caja de la Sociedad obtenida a través de la metodología del CAPM según se ha explicado es de 7,20%. En nuestro análisis hemos considerado un rango sobre el valor de la tasa así estimada de $-/+0,25$, resultando (6,95%; 7,45%).

Descuento de Flujos de Caja – Tasa de descuento

Las referencias de tasas de descuento utilizadas por los analistas bursátiles que siguen la acción se encuentran en línea con la tasa de descuento calculada

Conclusión de la tasa de descuento (cont.)

A efectos ilustrativos mostramos la tasa de descuento que se obtendría aplicando un enfoque spot, la cual se encuentra dentro del rango calculado.

	Normalizada			Spot		
Parámetros	España	Portugal	Marruecos	España	Portugal	Marruecos
Tasa libre de riesgo	3,24%	3,24%	3,24%	1,13%	1,13%	1,13%
Prima de mercado	5,14%	5,14%	5,14%	7,55%	7,55%	7,55%
Beta apalancada ¹	0,75	0,75	0,75	0,76	0,76	0,76
Prima por riesgo país	0,00%	0,34%	1,19%	0,00%	0,34%	1,19%
Ke	7,10%	7,44%	8,29%	6,90%	7,24%	8,09%
% sobre ventas ²	89,91%	7,76%	2,33%	89,91%	7,76%	2,33%
Conclusión (redondeada)³	7,20%			7,00%		

Nota 1: en tanto que Zardoya se encuentra influenciada por la Oferta a los efectos del contraste de la tasa spot, hemos considerado la última beta anterior a la Oferta. Ambas betas se encuentran por debajo de las observadas para las compañías cotizadas analizadas (ver Anexo IV).

Nota 2: la ponderación de la tasa de descuento se ha realizado considerando el volumen de actividad por geografía a 30 de noviembre de 2021.

Nota 3: tasa de descuento normalizada redondeada al segundo decimal, siendo la referencia calculada de 7,16%,

Tras evaluar los parámetros empleados por Zardoya Otis para el cálculo de la tasa de descuento en el ejercicio de test de deterioro que se recoge en sus cuentas anuales correspondientes al ejercicio 2020, y según nos ha adelantado la Dirección de Zardoya Otis a la que se recogerá en sus cuentas anuales de 2021, debemos señalar que, considerando los distintos objetivos de ambos ejercicios, por diferencias en la aplicación de la metodología y la consistencia del resultado con las referencias empleadas por otros analistas, hemos descartado su aplicabilidad en nuestro estudio.

La tasa calculada (7,20%) es consistente, aunque inferior, a la empleada por analistas que siguen la acción según se desprende del siguiente resumen:

Casa de análisis	Fecha	WACC
AlphaValue*	09/09/2021	n.d.
CaixaBank BPI	02/09/2021	7,60%
Exane BNP Paribas	29/07/2021	7,80%
GVC Gaesco Valores	29/07/2021	7,00%
Oddo BHF*	29/07/2021	n.d.
Banco Santander	26/07/2021	7,37%
Kepler Cheuvreux	04/08/2021	6,60%
JB Capital Markets ¹	14/04/2021	7,30%
Renta4	01/12/2020	n.d.
Media		7,28%
Mediana		7,34%

Nota 1: considera una tasa de descuento de 5,7% durante el periodo explícito de proyección hasta 2026 y un 7,3% a perpetuidad.

Analista	2015	2016	2017	2018	2019	2020	2021
AlphaValue*	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
CaixaBank BPI	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	7,60%
Exane BNP Paribas	n.d.	n.d.	8,50%	8,10%	7,60%	7,80%	7,80%
GVC Gaesco Valores	7,30%	n.d.	7,00%	7,00%	7,00%	7,00%	7,00%
Oddo BHF*	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Banco Santander	n.d.	n.d.	n.d.	n.d.	7,31%	7,95%	7,37%
Kepler Cheuvreux	n.d.	n.d.	n.d.	7,00%	7,00%	6,70%	6,60%
JB Capital Markets	n.d.	n.d.	n.d.	n.d.	7,40%	7,40%	7,30%
Renta4	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Media	7,30%	n.d.	7,75%	7,37%	7,26%	7,37%	7,28%
Mediana	7,30%	n.d.	7,75%	7,00%	7,31%	7,40%	7,34%

Nota*: No hemos tenido acceso a los informes completos.

Descuento de Flujos de Caja – Valor Terminal

El valor del periodo que transcurre después de la finalización del periodo explícito de proyección se ha calculado mediante la aplicación del modelo de crecimiento de Gordon

Cálculo del valor terminal

El método del descuento de flujo de caja implica estimar los flujos de efectivo para un período discreto, seguido de la estimación de un valor terminal al final de ese período.

En nuestro estudio, el periodo discreto se ha extendido hasta noviembre de 2025, ejercicio en el que se considera esencialmente un año de operaciones estabilizadas (es decir, márgenes operativos estables) y que supone un periodo suficiente para el cálculo del valor terminal.

Modelo de crecimiento de Gordon

El modelo de crecimiento de Gordon es un tipo de método de ingreso económico capitalizado en el que el ingreso económico normalizado para el período inmediatamente anterior a la fecha de capitalización efectiva se considera un nivel base razonable desde el cual proyectar un crecimiento sostenible.

La fórmula para el modelo de crecimiento de Gordon es la siguiente:

$$TV_0 = \frac{FCF_0 \times (1 + g)}{(k - g)}$$

donde:

TV₀ = Valor terminal en *T* = 0 *FCF₀* = Flujo de caja libre en el año 0

k = Tasa de descuento *g* = Tasa de crecimiento a perpetuidad

Según hemos comentado, el período de proyección que se incluye en la información facilitada por la Dirección de Zardoya Otis es suficiente para suponer la estabilización del negocio en el período explícito, habrá respondido a la recuperación económica prevista tras la crisis de la pandemia, se habrán completado las inversiones en la planta de San Sebastián y habrá madurado el Plan de Mejora que se está ejecutando, de tal manera que 2025 puede considerarse un año desde el que proyectar un crecimiento sostenible.

Esta evolución proyectada de los negocios, soportada a su vez por la posición competitiva del Grupo debería permitir el aprovechamiento de determinadas economías de escala y alcance, de tal manera que, en el supuesto de normalización, el margen EBITDA pudiera incrementarse ligeramente desde el nivel que la Dirección de Otis Worldwide proyecta para el último ejercicio (25,7%) hasta niveles en los podríamos tener como referencia la media histórica (en el período 2015-2020 el margen EBITDA medio fue del 28,3%). Hemos contrastado esta estimación de margen normalizado con las perspectivas esperadas por los analistas, cuya media se encuentra en un entorno similar (28,3%).

Descuento de Flujos de Caja – Valor Terminal

Consecuentemente, estimamos el ingreso económico normalizado utilizando nuestra referencia escogida de margen EBITDA (28,3%)

Cálculo del valor terminal (cont.)

En la tabla adjunta se muestra el cálculo del valor terminal:

Ingreso económico normalizado (M€)	VT
Nuevas instalaciones	155,5
Servicios	596,9
Exportaciones	225,4
Ingresos totales	977,8
% de variación	1,7%
Coste de materias primas	(327,4)
Margen bruto	650,4
% sobre ventas	66,5%
Coste de personal	(302,2)
% sobre ventas	(30,9%)
Otros gastos netos	(71,3)
% sobre ventas	(7,3%)
Total gastos operativos	(373,5)
EBITDA	276,9
Margen EBITDA	28,3%
Otras ganancias o pérdidas	-
Amortización y depreciación	(25,6)
EBIT	251,4
(-) Impuestos	(62,8)
NOPLAT	188,5
Amortización y depreciación	25,6
Adquisiciones de carteras (ISP)	(11,3)
Inversiones en activos fijos	(14,7)
Variación de capital circulante	(0,3)
Flujo de Caja Libre (FCL)	187,8
Valor Terminal	3.414,1
Factor de descuento	0,78
Valor presente del Valor Terminal	2.676,7

Descuento de Flujos de Caja –Tasa de crecimiento a largo plazo

Hemos considerado las expectativas de inflación a largo plazo y la información disponible de analistas sobre las perspectivas respecto a la Sociedad

Cálculo del valor terminal (cont.)

Tasa de crecimiento

El mercado de ascensores se caracteriza por ser una industria madura, por tanto, la tasa de crecimiento utilizada para estimar el valor final no puede exceder la tasa de crecimiento esperada de las economías en las que opera la Sociedad.

En nuestro análisis, hemos utilizado como tasa de crecimiento esperada, la tasa de crecimiento a perpetuidad de 1,70% en base a las expectativas a largo plazo de la inflación del Fondo Monetario Internacional (“FMI”) a octubre de 2021 para España (1,70%), Portugal (1,35%) y Marruecos (2,00%), países donde opera el Grupo.

Inflación esperada a largo plazo	España	Portugal	Marruecos
FMI, octubre de 2021 (2026)	1,70%	1,35%	2,00%
% sobre ventas	89,91%	7,76%	2,33%
Conclusión (redondeada) ¹	1,70%		

Nota 1: tasa de crecimiento a largo plazo redondeada al segundo decimal, siendo la referencia calculada de 1,68%,

Nota 2: se ha considerado la inflación a largo plazo (2026) proporcionada por el FMI a octubre de 2021. Adicionalmente, se ha contrastado esta estimación a largo plazo con las de EIU a enero de 2022 (en 2026 España 1,9%, Portugal 1,4% y Marruecos 1,3%), Oxford Economics a noviembre de 2021 y enero de 2022 (en 2026 España 1,8%, Portugal 1,8% y Marruecos 1,9%) y Banco de España a diciembre de 2021 (de 1,5% para España en 2024), estando la media ponderada calculada con todas las referencias en rango con las consideradas por el FMI (1,7%).

Tras evaluar las tasas de crecimiento a largo plazo empleadas por Zardoya Otis en el ejercicio de test de deterioro que se recoge en sus cuentas anuales, debemos señalar que, si bien esta es superior para el ejercicio realizado en 2020, tal y como nos ha adelantado la Dirección de Zardoya Otis, la tasa de crecimiento a largo plazo será cercana al 1,7% para el ejercicio realizado en 2021.

De igual forma se han analizado las expectativas de crecimiento del PIB a largo plazo (2026) para las economías donde desarrolla su actividad la Sociedad, siendo el crecimiento ponderado en este caso del 1,54%. Adicionalmente, hemos hecho un análisis de contraste con las perspectivas de crecimiento a largo plazo de los analistas para la Sociedad, si bien los mismos al no estar publicados en fecha reciente, no recogen los impactos de las correcciones macroeconómicas actuales, siendo la media de los mismos 1,73% que, en cualquier caso, se encuentra en línea con las expectativas macroeconómicas de crecimiento a largo plazo para estos países.

Analista	Fecha	g
CaixaBank BPI	02/09/2021	2,00%
Exane BNP Paribas	29/07/2021	1,50%
Banco Santander	26/07/2021	2,00%
Kepler Cheuvreux	04/08/2021	1,40%
Media		1,73%
Mediana		1,75%

Descuento de Flujos de Caja – Conclusión

Para obtener el valor de las acciones se ha ajustado al valor del negocio la posición neta de caja, las provisiones, las participaciones minoritarias y los activos inmobiliarios no afectos

Valor de las acciones estimado

Una vez obtenido el valor del negocio, el valor de las acciones se ha calculado ajustando:

- i. la posición financiera neta, que incluye activos financieros corrientes (331 miles de euros), efectivo y equivalentes (67.041 miles de euros), deudas por compras de participaciones a largo y corto plazo (-2.675 y -2.292 miles de euros, relacionadas en su mayoría con la adquisición de Otis Andorra), intereses de deudas (-156 miles de euros) y otros pasivos financieros a corto plazo (-1.396 miles de euros);
- ii. dividendos pendientes de pago, aprobado el Consejo de Administración de Zardoya Otis en diciembre correspondiente al tercer dividendo a cuenta con cargo a los resultados del ejercicio 2021, distribuido el 10 de enero de 2021 por importe de -37.715 miles de euros,
- iii. provisiones, que de acuerdo con la información compartida por la Dirección de Zardoya Otis son suficientes y no excesivas, que incluyen (a) la garantía asociada, pendiente de pago (-1.423 miles de euros) derivada del procedimiento sancionador llevado a cabo por la Comisión Nacional de los Mercados y la Competencia (CNMC) contra varias empresas del sector de los ascensores; (b) el valor de las provisiones correspondientes a litigios por operaciones con clientes (-97 miles de euros); y (c) determinados saldos con la Cámara de Comercio y otros impuestos (-4.075 miles de euros);
- iv. las participaciones no dominantes, minoritarios (-2.792 miles de euros); y
- v. la venta de activos inmobiliarios, correspondientes a los terrenos de la antigua fábrica de San Sebastián, en tanto que la Dirección de Otis Worldwide nos ha confirmado que es el único activo inmobiliario relevante no afecto al negocio. De acuerdo con la información aportada, la venta del 40% de dichos terrenos se ha producido en el ejercicio 2021

por un importe de 4.200 miles de euros con una plusvalía implícita de 3.305 miles de euros.

La Dirección de Zardoya Otis tiene la intención de vender el restante 60% de dichos terrenos (no disponiendo a la Fecha de este Informe de un acuerdo de venta ni de una tasación de los mismos), si bien su venta dependerá de potenciales cambios en los planes urbanísticos (que la Dirección de Otis Worldwide estima que se llevarán a cabo en un periodo de 6 años)-

De cara al cálculo de la potencial entrada de caja por la venta del 60% restante de los terrenos, se ha estimado un ingreso neto de efecto fiscal extrapolando la entrada habida en el ejercicio, lo que supone un valor neto de 8.434 miles de euros por el 100% y de 5.061 miles de euros por el 60% restante. No hemos descontado en el tiempo dicha entrada de caja debido a la incertidumbre de considerar un plazo tan largo, habiendo considerado la venta del 40% como la referencia más comparable.

Venta de activos inmobiliarios (miles de euros)

Entrada de caja por el 40% de la venta de los terrenos	4.200
Plusvalía por el 40% de la venta de los terrenos	3.305
Tipo impositivo	25,0%
Impuestos a pagar	(826)
Entrada de caja neta de impuestos del 40% de la venta	3.374
Entrada de caja neta de impuestos del 100% de la venta	8.434
Entrada de caja neta de impuestos del 60% de la venta	5.061

En cuanto a los compromisos post-empleo actuales de la Sociedad, al estar los mismos respaldados por activos con saldos similares a los importes de los mismos en el pasivo, los mismos no suponen impacto alguno en la conclusión de la valoración y por tanto no han sido ajustados.

Descuento de Flujos de Caja – Conclusión

De la aplicación de la metodología de DFC se desprende un rango entre 6,59 y 7,21 euros por acción

Conclusiones

En el contexto y objetivos definidos en este Informe, considerando los aspectos descritos, y en particular el escenario definido como “Proyecciones Base” y las hipótesis asumidas - respecto de variables económicas y parámetros de valoración -, en nuestra opinión profesional, el valor intrínseco atribuible a la totalidad de las acciones de Zardoya Otis se encontraría en el rango entre 3.098 y 3.391 millones de euros, aproximadamente, (6,59 y 7,21 euros por acción) tal y como se muestra en la tabla adjunta, considerando el rango de tasas de descuento (6,95%;7,45%) con una tasa de crecimiento en el valor terminal del 1,70%, según se ha descrito anteriormente.

Proyecciones Base

Conclusiones (M€)	WACC 7,45%	WACC 6,95%
Valor presente de los flujos de caja	3.076,0	3.368,6
(+) Posición financiera neta	61,0	61,0
(-) Dividendos pendientes de pago	(35,7)	(35,7)
(-) Provisiones	(5,6)	(5,6)
(-) Participaciones no dominantes	(2,8)	(2,8)
(+) Venta de activos inmobiliarios	5,1	5,1
Valor de las acciones	3.098,0	3.390,5
Número de acciones (excluida autocartera)	469.931	469.931
Euro/Acción	6,59	7,21

Nota: las acciones de Zardoya Otis en autocartera ascienden a 533.655 a 30 de noviembre de 2021.

Análisis de sensibilidad

Debido al impacto que sobre el valor estimado pueden tener los parámetros de valoración utilizados, hemos realizado un análisis de sensibilidad a la tasa de crecimiento.

Del análisis de sensibilidad a la tasa de crecimiento, considerando una variación $\pm 0,25\%$, es decir 1,45% y 1,95%, respectivamente, respecto de la g de referencia (1,70%) manteniendo la tasa de descuento central (7,20%) resultaría un rango entre 6,63 y 7,17 euros por acción, el cual se encuentra recogido dentro del rango de valor concluido.

	7,45%	7,20%	6,95%
1,45%	6,36	6,63	6,93
1,70%	6,59	6,89	7,21
1,95%	6,85	7,17	7,53

Cotización media ponderada

Cotización media ponderada de las acciones

En nuestro análisis de la cotización se han considerado periodos de tiempo tanto posteriores como anteriores a la pandemia

Aplicación del método

En términos generales, el valor de cotización en la Bolsa de Valores refleja los precios a los que el mercado intercambia títulos por unidades monetarias y, por lo tanto, constituye en sí mismo una referencia de valor, siempre que dicho valor de cotización venga reflejado por unos niveles de liquidez representativos. En este sentido, de acuerdo con el Reglamento Delegado 2017/567 y las directrices establecidas por la directiva sobre mercados de instrumentos financieros (MIFID II) la acción de Zardoya Otis tiene la consideración de acción líquida.

El artículo 137.2 de la LMV exige considerar el valor medio del mercado en un determinado periodo y el artículo 10 del RD 1066/2007, exige considerar la cotización media ponderada del semestre inmediatamente anterior al anuncio de la Oferta.

Como quiera que la Covid-19 desencadenó una grave crisis con notable impacto en los mercados de valores, hemos considerado oportuno analizar la evolución de la cotización media ponderada en diferentes periodos anteriores al 11 de marzo de 2020 (fecha en que la Covid-19 fue calificada como pandemia global por parte de la Organización Mundial de la Salud, “OMS”) y al 23 de septiembre de 2021, que es la fecha del anuncio de la Oferta.

La representatividad del precio de cotización en relación con el valor de una compañía viene determinada por su capitalización, el capital flotante, el volumen de negociación y su volatilidad, aspectos que condicionan su liquidez.

Aspectos a considerar

La capitalización bursátil de Zardoya Otis al 22 de septiembre de 2021, último día de cotización antes del anuncio de la Oferta, ascendió a 2.509 millones de euros.

El 22 de septiembre de 2021, Zardoya Otis se situaba en el percentil 65,8% en términos de capitalización en el segmento de empresas cotizadas españolas, ocupando el puesto 42 de 121 de las compañías que cotizan en el mercado continuo.

El capital flotante (*free-float*) de la Sociedad Afectada a 22 de septiembre de 2021, ascendía al 38,4%.

En el periodo de seis meses anterior a la comunicación de información privilegiada en el que se anunciaba la solicitud de autorización de OPA, de fecha 23 de septiembre de 2021, el volumen de contratación diario medio ha sido de 244.517 acciones:

Volumen medio de acciones	
1 mes	340.985
3 meses	222.025
6 meses	244.517
12 meses	232.772
18 meses	219.637
24 meses	259.773

La ratio de liquidez, que representa la ratio de volumen de acciones negociadas diarias entre las acciones en circulación, se sitúa en un 0,05% en el periodo, ocupando el puesto 83 de 121 del conjunto de valores del mercado continuo español.

Por otro lado, la volatilidad anualizada de la acción de Zardoya Otis (a 22 de septiembre de 2021), se sitúa en torno al 14,8%, por debajo de la media del conjunto de compañías de mediana capitalización del mercado continuo, que es del 25,1% y de la media del IBEX 35 que asciende a 28,4%.

Lo anterior nos permite considerar que, dado el tamaño relativo y el sector en el que opera la Sociedad, el precio medio ponderado puede ser considerado una referencia del valor de las acciones.

Cotización media ponderada de las acciones

El precio medio ponderado del semestre anterior es una referencia de valor con representatividad limitada

Conclusión

La cotización media ponderada de los valores durante el semestre inmediatamente anterior al anuncio de la solicitud de autorización propuesta por Otis mediante la publicación del mencionado comunicado de información privilegiada asciende a 5,60 euros por acción, según el certificado de la Bolsa de Madrid que se adjunta como Anexo IV. Esta cotización ha sido calculada como la media simple de los precios medios ponderados del periodo.

Si bien el impacto de la Covid-19 en la actividad y resultados de la Sociedad ha sido limitado según se desprende del análisis de su cuenta de resultados correspondiente a los ejercicios 2020 y 2021 y de las declaraciones de su Consejero Delegado, el análisis de la evolución de la cotización en los distintos periodos considerados muestra que, desde la declaración de la pandemia, la cotización de la acción se encuentra de manera consistente por debajo de sus valores previos. Así si comparamos la cotización media ponderada en un periodo de 6, 12 y 18 meses tenemos que para el periodo Covid-19 (que prácticamente coincide con los 18 meses anteriores al 23 de septiembre de 2021), la cotización media ponderada se mantiene en torno a 5,6 €/acción; mientras que en esos mismos periodos, pero tomados antes del 11 de marzo de 2020, periodo pre Covid-19, la cotización media ponderada se encontraba en torno a 6,8 €/acción.

Adicionalmente, hemos analizado los informes de analistas más recientes al anuncio de la OPA con el objetivo de contrastar la visión de los mismos respecto de la evolución posible del precio de la acción en el corto plazo y las principales palancas de valor que pudieran dar lugar a variaciones desde su precio actual.

Casa de análisis	Fecha	Precio objetivo
AlphaValue*	09/09/2021	8,71€
CaixaBank BPI	02/09/2021	7,60€
JB Capital Markets	31/08/2021	6,50€
Exane BNP Paribas	05/08/2021	6,00€
Kepler Cheuvreux	04/08/2021	6,00€
GVC Gaesco Valores	29/07/2021	6,80€
Oddo BHF*	29/07/2021	6,90€
Banco Santander	26/07/2021	7,00€
Renta 4	01/12/2020	7,00€
Media		6,95€

Nota*: el precio objetivo mostrado se ha obtenido de Bloomberg. No hemos tenido acceso a los informes completos.

Así, el precio objetivo medio de estos analistas resultaría en 6,95 €/acción (según Bloomberg, el consenso a la Fecha de este Informe se situaría en 6,7 €/acción), en línea con las referencias pre Covid-19 obtenidas de la cotización media ponderada en los distintos periodos considerados. Dada la naturaleza y objetivo de estos informes, no podemos considerarlos como base para una metodología de valoración aplicable en el contexto de este Informe. Sin embargo, en su análisis se han identificado argumentos que:

Cotización media ponderada de las acciones

Nuestro análisis del precio medio de cotización nos lleva a no basarnos en este método para tomar nuestra opinión

Conclusión (cont.)

- ponen de manifiesto que el precio de la acción previo al anuncio de la OPA pudiera incluir un impacto del Covid-19 que no se corresponde con el desempeño del Grupo, aunque no hemos encontrado elementos ni anomalías que nos lleven a despreciar la visión del mercado, y que;
- resultan coincidentes con las hipótesis que han servido para la construcción de las Proyecciones Base que hemos empleado en la aplicación del método del DFC, por lo que nos sirve como un elemento de contraste de nuestra conclusión, que descansa en el DFC.

No consideramos oportuno tener como relevante la cotización media anterior al comienzo de la pandemia ya que han transcurrido más de 18 meses y en ese período la Sociedad ha publicado información financiera suficiente para que los inversores pudieran haber incorporado esa información, en la que se muestra el impacto limitado que ha tenido sobre sus operaciones y posición financiera y, en todo caso, las perspectivas económicas generales y sectoriales se han modificado desde entonces hasta ahora.

Por otra parte, la evidencia de esa diferencia entre la cotización previa y posterior a la pandemia, que en ambos casos son inferiores a la que resulta de la aplicación del criterio de valoración del DFC sobre el que se basa nuestra opinión, hace que, a pesar de que la cotización es una metodología relevante, no consideremos este método a efectos de nuestra conclusión.

Periodo analizado: post y pre Covid-19

23 de septiembre de 2021	6 meses	12 meses	18 meses
Cotización media ponderada	5,60	5,58	5,73

11 de marzo de 2020	6 meses	12 meses	18 meses
Cotización media ponderada	6,79	6,76	6,77

Evolución de la cotización media ponderada de Zardoya Otis



Múltiplos de mercado de comparables

Múltiplos de mercado de comparables

Las características del Grupo, por su vinculación a Otis Worldwide, tamaño relativo, limitación geográfica y niveles de rentabilidad dificultan la comparabilidad

Descripción del enfoque de múltiplos de mercado de comparables

El enfoque de múltiplos de mercado comparables indica el valor de mercado del Grupo comparándolo con empresas similares cotizadas o que hayan sido objeto de transacciones privadas. Este enfoque es válido en la medida en que exista información sobre negocios razonablemente comparables.

Este análisis de los múltiplos de mercado de empresas dedicadas a actividades similares a las del Grupo, permite obtener información en relación con las expectativas de los inversores y, por tanto, del valor del Grupo, en la medida en que se hayan considerado como razonablemente comparables.

En primer lugar, se ha analizado la muestra de transacciones privadas del sector, identificándose una muestra de operaciones corporativas recientes. En cualquier caso, debemos señalar que cualquier referencia de transacción incorpora como limitación que el precio pagado en la misma considera las particularidades específicas del comprador y del vendedor, las cuáles no tienen por qué aplicar necesariamente en la valoración del Grupo.

Los multiplicadores o múltiplos de transacciones comparables de mercado indican fundamentalmente la relación existente entre el valor pagado en una transacción entre partes no vinculadas por las acciones de una compañía y determinadas variables financieras u operativas de la empresa adquirida. Los múltiplos obtenidos se aplican a las variables de la empresa o negocio a valorar, obteniendo así una posible indicación de valor. Asumiendo que los mercados financieros son eficientes, los valores que se obtendrían de la aplicación de este método constituirían una buena aproximación del posible valor de la compañía a valorar, en la medida en la que ésta se asemeje a aquellas transacciones seleccionadas en la muestra de comparación.

Posteriormente se han identificado las empresas comparables cotizadas en mercados bursátiles, llevando a cabo un análisis de sus negocios (desde un punto de vista de producto y geografía, principalmente) y de sus principales indicadores a nivel financiero (crecimiento de ingresos y márgenes EBITDA) con el fin de poder evaluar el grado de comparabilidad con el Grupo.

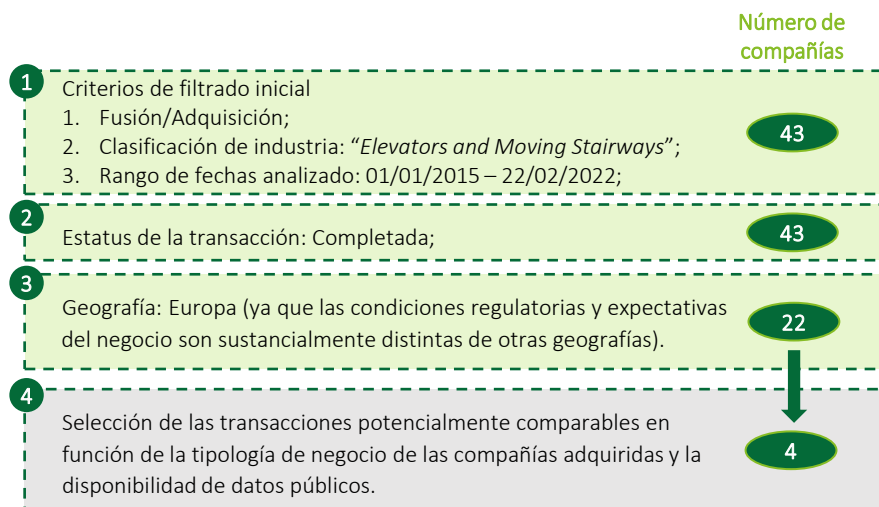
Finalmente, los múltiplos de valoración calculados en ambos supuestos son aplicados a los datos operativos de la compañía para llegar a un rango indicativo de valor.

Múltiplos de mercado de transacciones comparables

Hemos analizado las transacciones del sector en el mercado europeo

Criterios de selección de las transacciones comparables

Para identificar las transacciones comparables, hemos realizado un análisis utilizando Standard & Poor's Capital IQ, Mergermarket e informes relevantes de la industria. A continuación mostramos los pasos para seleccionar las transacciones comparables:



Transacciones comparables seleccionadas

*Datos en millones de euros

Comprador	Compañía adquirida	% adq.	País	Fecha	Precio	EV/EBITDA
Advent International; Cinven Limited; RAG-Stiftung	Thyssenkrupp Elevator AG	100,0%	Alemania	31/07/20	17.200	17,3x
Savaria Corporation	Garaventa Accessibility AG	100,0%	Suiza	31/08/18	634	11,7x
Investment AB Latour (publ)	Alimak Group AB (publ)	26,7%	Suecia	14/09/17	203	18,0x
MCA Orbital Global Holdings LTD	Kleemann Hellas Mechanical Const.	32,8%	Grecia	09/01/17	16	5,9x
Media						13,2x
Mediana						14,5x

En el grupo de compañías seleccionadas, cabe distinguir la transacción de ThyssenKrupp Elevator AG (ahora TK Elevator y una de las 4 grandes compañías que lidera la industria globalmente) del resto.

- La operación de ThyssenKrupp Elevator, se cerró después de completar un proceso competitivo que se inició después de que el grupo alemán Thyssenkrupp AG iniciase una reestructuración que respondía a la presión de determinados accionistas y que, en un momento inicial, planteaba la fusión de su negocio de acero con la actividad europea del fabricante indio Tata Steel y dividir el resto de su conglomerado en dos unidades para facilitar la identificación del valor de sus negocios industriales. Sin embargo, tras tres años de negociaciones, Thyssenkrupp abandonó esta opción ante las dificultades que anticipaban para satisfacer las condiciones impuestas por las autoridades de competencia de la Unión Europea. Alternativamente, Thyssenkrupp inició los tramites para separar su división de ascensores con la intención de realizar una oferta pública de venta de acciones en la que estimaba un valor de unos 16.000 millones de euros, abriendo en paralelo un proceso de venta privada.

Múltiplos de mercado de transacciones comparables

La transacción de Thyssenkrupp cerrada en julio de 2020 tras un proceso de subasta centra la atención del análisis

Transacciones comparables seleccionadas (cont.)

El consorcio de Advent y Cinven, del que también formaba parte el fondo soberano de Abu Dabi, se impuso en la puja a otro consorcio integrado por Blackstone, Carlyle y el fondo canadiense de pensiones CPPIB. La operación se cerró en un importe cercano a 17.200 millones de euros, que igualaba la oferta del fabricante finlandés de ascensores Kone, que se retiró de la puja alegando potenciales dificultades en la resolución de conflictos que pudiera imponer las autoridades de competencia europeas.

De acuerdo con la información financiera publicada por el Grupo Thyssenkrupp AG, las actividades discontinuadas correspondientes al negocio de elevadores tuvieron unas ventas de 6.544 millones de euros en 2020 (frente a los 7.960 millones de euros que realizó en 2019, lo que significa una disminución del 18%). El negocio de Thyssenkrupp Elevator AG incluye toda la cadena de la industria, desde la fabricación y distribución de ascensores y pasarelas móviles para diferentes negocios al mantenimiento de los mismos.

Por tanto, aunque Thyssen opera en el mismo sector económico de actividad que la Sociedad, en nuestra opinión la aplicabilidad del múltiplo que se deriva de la transacción analizada está fuertemente limitada por los siguientes factores:

- La operación se refiere a un grupo independiente, mientras que Zardoya Otis está vinculada al Grupo Otis Worldwide, relación que proporciona determinadas ventajas competitivas pero que también condiciona el ámbito de actuación de la misma.
- El tamaño, tanto en términos de volumen de negocio (que es 8,3 veces superior en 2020) como los mercados y áreas geográficas en las que opera (global uno y limitado a la Península Ibérica y Marruecos el otro), no son comparables.

Dichos factores impactan principalmente en términos de rentabilidad de tal manera que el margen EBITDA de la Sociedad más que duplica al de Thyssen.

Por tanto, entendemos que no debemos descansar como referencia válida una única transacción cuya comparabilidad está limitada según se ha descrito.

En cuanto a las otras operaciones, que corresponden a compañías de un tamaño significativamente menor, debemos señalar que:

- La operación de adquisición de la suiza Garaventa Accessibility AG (escisión del negocio de ascensores de Dopplemayr/Garaventa Group) por parte de la canadiense Savaria Corporation permitió a esta disponer de una plataforma para su entrada en el mercado europeo. El volumen de negocio en ese momento era de 83,7 millones de euros (con un margen EBITDA del 7,7%) que correspondían a la fabricación e instalación de diferentes tipos de ascensores y productos centrados en el nicho de accesibilidad. Por tamaño relativo y concentración en nicho de actividad, entendemos que esta operación no es una buena referencia para evaluar el negocio de Zardoya Otis.
- Investment AB Latour es un holding sueco de inversión cotizado en la Bolsa de Estocolmo que adquirió una participación significativa (26,7%) en Alimak Group AB (compañía sueca que cotiza en el mercado NASDAQ Nordic) a otro fondo (Triton Fund II) en la dinámica de sus respectivos objetivos de inversión financiera. La actividad de Alimak está relacionada con el diseño, fabricación, venta y alquiler de diferente equipamiento industrial que incluye ascensores o plataformas elevadoras, así como también ofrece mantenimiento de dicho equipo, servicios de instalación, soporte técnico,

Múltiplos de mercado de transacciones comparables

La metodología de múltiplos de transacciones comparables se ha analizado, si bien no se han encontrado transacciones de compañías realmente comparables con Zardoya

Transacciones comparables seleccionadas (cont.)

reparación o formación. Esa orientación industrial (un 23% de sus ingresos están ligados a ascensores y escaleras para turbinas de viento; un 26% al mantenimiento de oficinas; un 27% está relacionado con el alquiler de ascensores temporales para sector de la construcción y el 24% restante corresponde a elevadores industriales), con una huella geográfica y dinámicas de negocio sustancialmente distintas de las de Zardoya Otis, nos hace concluir que no podemos incluir esta operación como comparable.

- La transacción de MCA Orbital Global Holdings LTD sobre Kleemann Hellas Mechanical Constructions por la que adquirió un 32,8% de su capital le permitió ejecutar la exclusión inmediata de esta sociedad que cotizaba en la Bolsa de Atenas, al mismo precio que había acordado con la familia Koukoutzos, quienes controlaban la sociedad. Según se recogen en sus cuentas anuales correspondientes al ejercicio 2016, en ese momento la sociedad tenía unos ingresos de 115,9 millones de euros que provenían de la fabricación y venta de componentes para el sector de elevación. Por tanto, entendemos que no es una operación que pueda servir de referencia para el negocio de Zardoya Otis.

Por último en relación con las transacciones acaecidas en el mercado recientemente y, en base a la información compartida por parte de la Dirección de Otis Worldwide, hemos analizado la operación de escisión de Otis Worldwide de United Technologies Corporation.

El análisis interno llevado a cabo por parte de la Dirección de Otis Worldwide en términos de valoración se realizó en el segundo semestre de 2019, completándose la operación en el primer semestre de 2020. Debe señalarse que este complejo proceso involucró un número elevado de compañías en múltiples localizaciones, con actividades diversas, en su mayor parte privadas, y por tanto confidenciales.

En este contexto, a nivel agregado, se definió una referencia interna de valoración a nivel múltiplo EV/EBITDA con un rango entre 13,0x y 14,0x, el cual se encuentra en línea con el rango definido por las transacciones analizadas en este Informe.

En cualquier caso, Otis Worldwide es una compañía con una capitalización bursátil en el entorno de los 30.000 millones de euros a fecha de este Informe, con una presencia geográfica mundial, con unos ingresos 15 veces superiores a los de Zardoya Otis y, en tanto que opera en mercados distintos, con unas expectativas de crecimiento en los próximos años diferentes a las de Zardoya Otis y con una rentabilidad inferior, no consideramos a Otis Worldwide como una compañía realmente comparable con la propia Zardoya Otis.

Múltiplos de mercado de transacciones comparables

Por su parte, el Grupo ha llevado operaciones de compra de 20 compañías desde el 2016 que corresponden principalmente a pequeñas compañías de mantenimiento

Transacciones comparables seleccionadas (cont.)

Adicionalmente hemos considerado oportuno analizar las operaciones de adquisición protagonizadas por Zardoya Otis para lo que hemos considerado las operaciones informadas por la Sociedad realizadas a partir de enero de 2016, habiendo dispuesto de información de detalle respecto del precio pagado para las operaciones realizadas desde 30 de noviembre de 2020.

Como resultado de dicho análisis se ha puesto de manifiesto que en ese periodo las operaciones completadas por el Grupo corresponden en su gran mayoría a adquisición de pequeñas compañías de mantenimiento y, consecuentemente, hemos concluido que tales operaciones no pueden ser consideradas comparables con Zardoya Otis.

Tal y como nos ha manifestado la Dirección de Zardoya Otis, si bien en la actualidad podrían estar analizando alguna operación de adquisición adicional, no existe ninguna operación acordada que no haya sido.

Conclusión

Después de identificar y seleccionar las compañías que han estado involucradas en una transacción reciente privada, hemos evaluado las diferencias que se han puesto de manifiesto por factores como el modelo de negocio, el tamaño relativo, las perspectivas de crecimiento, rentabilidad y otras condiciones de las operaciones y hemos descartado este método por las particularidades específicas de éstas que no podemos trasladar a la valoración del Grupo.

Compañía adquirida	Fecha	Actividad de la cartera	Precio pagado (miles €)	# de acciones	Precio por acción (€/acción)
Door Matic Industries 2018, S.L.	11/06/2021	Puertas automáticas	160,0		Efectivo
Ascensores FIT S.L.	11/03/2021	Ascensores	1.832,0	342.576	5,50
Montes Tallon, S.A.	04/03/2021	Ascensores y escaleras mecánicas	13.606,0	2.369.170	5,74
Puertas Automáticas Karpy S.L.U	12/02/2021	Puertas automáticas	629,0		Efectivo
Ascensores Eleva, S.L.	22/12/2020	Ascensores	1.762,0	309.713	5,69
Ascensores Pertor SL	04/11/2020				
Puertas Automáticas Selemán, S.L	01/10/2020				
Sociedades de N&V Servirema S.L.U.	25/02/2020				
Elevadores Tormes, S.L.	10/10/2019				
Ascensores Eleva, S.L.	28/06/2019				
Sige Ascensores, S.L.	27/05/2019				
Sociedades Otis Lliset, S.L.U.	04/12/2018				
Euroascensores Alcaraz S.L.	26/11/2018				
Elko Sistemtes de Elevacion S.L.	11/09/2018				
Integra Ascensores S.L.	26/06/2018				
Soluciones de Accesibilidad LV3 S.L.	16/04/2018				
Sociedades Ascensores Limarlift S.L.	05/04/2018				
Mototracción Eléctrica la Tierra, S.A.	22/02/2017				
Ascensores Castalia S.L.	21/07/2016				
Sociedad Admotion S.L.U.	22/03/2016				
Ascensores Eguren, S.A.U	22/03/2016				

Fuente: Análisis interno de Deloitte basado en información publicada por el Grupo y facilitada por la Dirección de Otis Worldwide.

Múltiplos de mercado de compañías comparables

Análisis histórico y proyectado del múltiplo seleccionado EV/EBITDA de las compañías cotizadas comparables

Múltiplos de mercado de compañías cotizadas comparables

Este método considera el precio de mercado de compañías que cotizan activamente en mercados bursátiles y es válido en la medida en que efectivamente los negocios sean comparables y, en su caso, exista información sobre los mismos que permita conciliar los resultados. En su aplicación, los múltiplos de valoración son calculados en base a datos operativos de compañías cotizadas comparables y se aplican a los de la Sociedad (considerando potenciales ajustes para asegurar la consistencia) para llegar a un rango indicativo de valor.

Para nuestro ejercicio hemos utilizado Standard & Poor's Capital IQ y hemos aplicado criterios de selección que nos permiten identificar los negocios comparables: que operan en la misma industria ("Elevators and Moving Stairways (primary)", con similar tipología de negocio y en regiones parecidas en este caso, con operaciones en Europa). Consecuentemente, hemos descartado las compañías cotizadas cuya capitalización era inferior a 1.000 millones de euros ya que en su mayor parte tenían su base en Asia y su actividad era básicamente regional. Las compañías y sus datos relevantes que resultan de esta selección son:

Múltiplos de valoración y KPIs de compañías seleccionadas

Compañía Comparable	Capitalización ene-22	TACC 2016 - 2021		Margen EBITDA ene-22	EV/EBITDA			
		Ventas	EBITDA		2015 - 2019	2020	nov-21	ene-22
KONE Oyj	29.637,8	3,7%	1,1%	14,1%	16,0x	22,8x	17,5x	18,5x
Otis Worldwide Corporation	31.765,4	n.d.	n.d.	17,0%	n.d.	16,5x	16,6x	17,7x
Schindler Holding AG	23.478,5	2,8%	2,6%	12,3%	14,9x	18,3x	16,8x	16,6x
Fujitec Co.,Ltd.	1.672,7	0,1%	2,2%	11,1%	5,6x	7,4x	6,9x	8,1x
Hyundai Elevator Co., Ltd	1.077,3	0,2%	(5,8%)	8,6%	10,0x	8,3x	10,3x	9,4x
Media		1,7%	0,0%	12,6%	11,6x	14,6x	13,6x	14,1x
Mediana		1,5%	1,6%	12,3%	12,5x	16,5x	16,6x	16,6x
Zardoya Otis, S.A. ⁽¹⁾	2.509,4	1,6%	(0,3%)	27,8%	17,1x	12,7x	12,1x	12,1x

Nota 1: capitalización de Zardoya Otis a 22 de septiembre de 2021 y múltiplo EV/EBITDA de noviembre de 2021 y enero de 2022 calculado con esa referencia y los ajustes al valor del negocio.

Fuente: análisis interno de Deloitte basado en la información incluida en los últimos estados financieros publicados por las compañías analizadas proporcionada por S&P Capital IQ.

Múltiplos de mercado de compañías comparables

Las compañías comparables analizadas Kone Oyj, Schindler Holding AG y OTIS Worldwide Corporation muestran un tamaño superior y desarrollan su actividad a nivel global

Información adicional acerca de las compañías cotizadas comparables

KONE Oyj

Compañía que opera en más de 60 países en las áreas de Asia Pacífico, América (Estados Unidos principalmente) y Europa, Oriente Medio y África (EMEA). Lleva a cabo sus operaciones en el ámbito de las nuevas instalaciones, mantenimiento y servicios y modernización. Al cierre del ejercicio 2021 sus ventas alcanzaron 10.514 millones de euros (más de 13 veces la cifra de ingresos de Zardoya Otis en el mismo período), siendo su mercado más relevante el asiático -con China como principal área geográfica- representando un 44% del total de sus ingresos en dicho período. En términos de crecimiento a futuro, la compañía reporta en su última información pública disponible que espera que sea la región de América del Norte (principalmente Estados Unidos) la que aporte un mayor peso relativo, con crecimientos algo más estables para las zonas de Asia Pacífico y EMEA. En términos de márgenes, la sociedad ha cerrado el ejercicio 2021 con un margen EBIT ajustado del 12,5% (en comparación con el 23,6% obtenido por Zardoya Otis).

Por su tamaño respecto a Zardoya Otis -tanto a nivel de ingresos como de capitalización de mercado (c. 30.000 millones de euros a noviembre de 2021)-, la diversidad geográfica en relación con sus operaciones, sus expectativas de crecimiento en mercados muy relevantes donde no opera Zardoya Otis y por su diferencia en términos de rentabilidad, no consideramos a Kone Oyj como una compañía comparable con la propia Zardoya Otis.

Schindler Holding AG

Schindler desarrolla su actividad en las regiones de Asia Pacífico, donde su principal referencia es el mercado chino, América y Europa, Oriente Medio y África (EMEA), con operaciones en el ámbito de las nuevas instalaciones (ascensores, escaleras mecánicas y elevadores industriales), mantenimiento y servicios y modernización. Parte de sus operaciones, principalmente en lo

relativo a nuevas instalaciones y mantenimiento, las desarrolla en el ámbito de la movilidad (transporte público) a diferencia de Zardoya Otis que no cuenta con ese mercado para el desarrollo de sus operaciones. Al cierre del tercer trimestre del ejercicio 2021 sus ventas alcanzaron unos 8.950 millones de euros, siendo las ventas a cierre del ejercicio 2019 (referencia pre-pandemia) completo de aproximadamente 12.200 millones de euros (más de 15 veces la cifra de ingresos de Zardoya Otis reportada a cierre del ejercicio 2021). Su mercado más relevante es el asiático -con China como principal área geográfica- con una estimación de crecimiento a largo plazo más robusta para esta zona que para el resto, y siendo la segunda área en crecimiento más relevante, América del Norte. En términos de márgenes, al cierre del tercer trimestre de 2021 -última fecha con resultados publicados a la fecha de este Informe- la sociedad contaba con un margen EBIT ajustado del 11,0% (en comparación con el 23,6% obtenido por Zardoya Otis).

Por tanto, su tamaño respecto a Zardoya Otis -tanto a nivel de ingresos como de capitalización de mercado (c. 24.000 millones de euros a noviembre de 2021)-, la diferente localización de sus operaciones y un diferente portfolio de productos (movilidad) que da lugar a unas expectativas de crecimiento en mercados diferentes a los de Zardoya Otis y que tienen su reflejo además en términos de rentabilidad, no consideramos a Schindler Holding AG como una compañía comparable con la propia Zardoya Otis.

Otis Worldwide Corporation

Otis Worldwide opera en Asia Pacífico, América y Europa, Oriente Medio y África (EMEA), desarrollando sus operaciones en el ámbito de las nuevas instalaciones, mantenimiento y servicios y modernización. Al cierre del ejercicio 2021 sus ventas alcanzaron 14.298 millones de dólares (más de 15 veces la cifra de ingresos de Zardoya Otis en el mismo período), siendo su mercado más relevante el asiático con China como principal área geográfica donde ha realizado aproximadamente un 20% del total de sus ingresos en dicho período.

Múltiplos de mercado de compañías comparables

Mientras que Hyundai Elevator Co., Ltd. y Fujitec Co., Ltd. son compañías localizadas en Asia, Corea del Sur y Japón respectivamente, con dinámicas de mercado diferentes

Información adicional acerca de las compañías cotizadas comparables (cont.)

En términos de crecimiento a futuro espera que sea la región de América del Norte (principalmente Estados Unidos) la que aporte un mayor peso con crecimientos algo más estables para la zona de Asia Pacífico y EMEA. En términos de márgenes, la sociedad ha cerrado el ejercicio con un margen operativo del 15,3% (en comparación con el 23,6% obtenido por Zardoya Otis).

Zardoya Otis ocupa una posición definida en la organización Otis Worldwide, de tal manera que su huella geográfica está delimitada y su estructura de costes es sustancialmente distinta a la del Grupo (así su margen EBITDA es del 25,9% en 2021 frente al 16,8% de Otis Worldwide). Consecuentemente, no podemos considerar Otis Worldwide como comparable.

Hyundai Elevator Co., Ltd.

Compañía con sede en Seúl (Corea del Sur) y operaciones en 49 países principalmente del Sudeste Asiático, si bien también cuenta con presencia en América del Sur y central y EMEA. Lleva a cabo sus operaciones en el ámbito de las nuevas instalaciones (ascensores, escaleras mecánicas y sistemas automáticos de parking), mantenimiento y servicios y modernización. Al cierre del ejercicio 2021 sus ventas alcanzaron aproximadamente 1.110 millones de euros (aproximadamente 1,4 veces la cifra de ingresos de Zardoya Otis en el mismo período), siendo, como hemos destacado anteriormente, su principal mercado el de Corea del Sur donde cuenta con una cuota de mercado del 39,2%. La Sociedad desarrolla sus actividades de I+D desde un centro de producción propio, con especial foco en la innovación de producto a corto-medio plazo (IA adaptada al sector, robotización, fibra de carbono adaptada a sus ascensores de gran velocidad, etc.).

En términos de crecimiento a futuro espera que Corea del Sur siga siendo su principal mercado. En términos de márgenes, la sociedad ha cerrado el ejercicio con un margen operativo cercano al 9,5% (en comparación con el 23,6% obtenido por Zardoya Otis).

En tanto que la compañía localiza sus operaciones principalmente en Corea del Sur, por las diferencias de portfolio de producto e I+D, hacen que presente expectativas de crecimiento y diferencias en términos de rentabilidad, que llevan a no considerar a Hyundai Elevators Co., Ltd. como una compañía comparable con la propia Zardoya Otis.

Fujitec Co., Ltd.

Fujitec cuenta con sede en Japón y operaciones en 23 países principalmente del Sudeste Asiático, Fujitec generó el 87% de sus ventas en los mercados de Japón y del Sudeste Asiático a cierre de marzo de 2021. Lleva a cabo sus operaciones en las líneas de nuevas instalaciones (ascensores, escaleras mecánicas), mantenimiento y servicios y modernización. Al cierre del ejercicio 2020, con referencia marzo de 2021, sus ventas alcanzaron aproximadamente 1.300 millones de euros (1,6 veces la cifra de ingresos de Zardoya Otis en el mismo período), siendo, como hemos destacado anteriormente, su principal mercado el de Japón donde genera aproximadamente el 40% de sus ventas. En términos de crecimiento a futuro espera que siga siendo Japón su principal mercado. En cuanto a rentabilidad, la sociedad ha cerrado el ejercicio finalizado en marzo de 2021 con un margen operativo cercano al 13% (en comparación con el 23,6% obtenido por Zardoya Otis).

Por tanto, no consideramos Fujitec Co., Ltd. como una compañía comparable con la propia Zardoya Otis.

Múltiplos de mercado de compañías comparables

La aplicación de la metodología de múltiplos de compañías cotizadas comparables no se ha considerado relevante

Análisis múltiplos de mercado de compañías cotizadas comparables

En nuestro análisis de los múltiplos históricos (2015-2020) se pone de manifiesto que hay un diferencial en los múltiplos EV/EBITDA entre el grupo formado por las 3 grandes compañías (Kone, Schindler y Otis Worldwide) y las 2 medianas (Fujitec y Hyundai Elevator) de tal manera que la media de las primeras es unas 2,1x veces la media de las segundas. En este sentido, cabe destacar que el margen EBITDA de las 3 grandes en ese periodo ha sido típicamente 1,5x veces el de las 2 medianas.

Compañía Comparable	EV/EBITDA						
	2015	2016	2017	2018	2019	2020	nov.21
KONE Oyj	14,0x	14,5x	16,2x	16,2x	19,2x	21,6x	17,5x
Otis Worldwide Corporation	n.d.	n.d.	n.d.	n.d.	n.d.	16,5x	16,6x
Schindler Holding AG	14,5x	14,0x	16,7x	13,1x	16,1x	18,3x	16,8x
Media 1	14,3x	14,2x	16,4x	14,6x	17,7x	18,8x	17,0x
Fujitec Co.,Ltd.	4,6x	4,9x	7,1x	5,1x	6,6x	7,4x	6,9x
Hyundai Elevator Co., Ltd	7,6x	6,6x	7,3x	17,4x	11,4x	8,3x	10,3x
Media 2	6,1x	5,7x	7,2x	11,2x	9,0x	7,9x	8,6x
Diferencial (Media 1/Media 2)	2,4x	2,5x	2,3x	1,3x	2,0x	2,4x	2,0x

Fuente: análisis interno de Deloitte basado en la información incluida en los últimos estados financieros publicados por las compañías analizadas proporcionada por S&P Capital IQ.

No obstante, teniendo en cuenta estos patrones, y las consideraciones individuales destacadas anteriormente para cada compañía comparable, no es factible su traslación directa a Zardoya Otis en tanto los ajustes que se derivan de considerar su tamaño relativo (más próximo a las medianas) no son compatibles con los que resultarían de aplicar su rentabilidad (medidas ambas a través del valor de su EBITDA absoluto, que es 1,7x veces superior al de las medianas en el periodo de 2015 a noviembre de 2021, y su margen EBITDA, que es 2,8x veces el de las medianas).

Deloitte Financial Advisory, S.L.U.

Conclusión

Consideramos que la comparabilidad de Zardoya Otis con el resto de compañías analizadas es limitada, en particular por las consideraciones individuales destacadas anteriormente y las condiciones de operación de Zardoya Otis, vinculada a Otis Worldwide, operando de manera restringida en determinados mercados que presentan un entorno competitivo distintivo que supone presenten notables diferencias en cuanto a rentabilidad y expectativas de crecimiento.

Por otra parte, las propias compañías seleccionadas, un conjunto de tan sólo 5 compañías, presentan un rango amplio que limita la representatividad de los múltiplos obtenidos.

Estas limitaciones de comparabilidad son inherentes al método y a las diferencias entre las compañías de la muestra con Zardoya Otis en términos de tamaño y rentabilidad. Por estos motivos, este método no puede considerarse relevante para el contraste del resultado obtenido por la aplicación de otros métodos; motivo por el cual no nos basamos en su aplicación para elaborar la conclusión de nuestro informe.

Conclusión (M€)	Media	Mediana
EBITDA (noviembre de 2021)	209,1	209,1
EV/EBITDA (media y mediana)	13,6x	16,6x
Valor estimado del negocio	2.844,4	3.477,1
(+) Posición financiera neta	61,0	61,0
(-) Dividendos pendientes de pago	(35,7)	(35,7)
(-) Provisiones	(5,6)	(5,6)
(-) Participaciones no dominantes	(2,8)	(2,8)
(+) Venta de activos inmobiliarios	5,1	5,1
Valor de las acciones	2.866,3	3.499,0
Número de acciones (excluida autocartera)	469.931	469.931
Euro/Acción	6,10	7,45

Nota: referencia de valor a 30 de noviembre de 2021 (Fecha de Valoración), contrastado con las referencias más cercanas a la Fecha del Informe, estando el rango comprendido entre 6,30 y 7,43.

Valor Teórico Contable

Valor Teórico Contable

Los últimos estados financieros disponibles corresponden al informe anual no auditado a 30 de noviembre de 2021

Descripción del Valor Teórico Contable

El método del Valor Teórico Contable (“VTC”) se basa en la estimación del valor de una compañía en función de su patrimonio neto, entendiendo éste como la diferencia entre sus activos y sus pasivos excluyendo el patrimonio atribuible a las participaciones minoritarias, registrados a valor contable. El VTC por acción es el cociente de dividir la cifra de recursos propios de la Sociedad (patrimonio neto atribuible a la sociedad dominante) entre el número de acciones emitidas por la misma, netas de autocartera o acciones propias.

El VTC cuenta con la ventaja de que, en general, puede ser calculado fácilmente y el acceso a la información que se necesita es directo y trazable.

Se trata de un enfoque estático que considera los activos y pasivos invertidos en el negocio en el momento de la valoración a su valor registrado (neto de amortizaciones y deterioros), salvo por determinados ajustes de activos y pasivos a valor razonable, que pudiera no tener en cuenta la totalidad de las plusvalías o minusvalías latentes con que pudiera contar la Sociedad y no captura la evolución futura de los rendimientos esperados por la misma.

El patrimonio neto correspondiente al último balance de situación consolidado de la Sociedad (incluido en las cuentas anuales auditadas de 2020) y al informe semestral a 30 de noviembre de 2021 del que se extrae el VTC para dichas fechas se detalla seguidamente.

Miles de euros	30/11/2020	30/11/2021
Capital social	47.046	47.046
Prima de emisión	306	305
Reserva legal	10.914	11.290
Reservas de consolidación y otras reservas	284.942	296.316
Acciones propias en cartera	(8.047)	(3.053)
Ganancias acumuladas	140.404	144.651
Dividendos pagados a cuenta	(68.161)	(67.696)
Diferencias de conversión	(25)	(98)
Participaciones no dominantes	10.473	2.792
Patrimonio atribuido a las acciones	417.811	431.553
Participaciones no dominantes	(10.473)	(2.792)
Patrimonio atribuido a las acciones dominantes	407.339	428.761
Número de acciones (excluida autocartera)	469.044	469.931
Euro/Acción	0,87	0,91

Valor Teórico Contable

Consideramos que el Valor Teórico Contable no es una metodología adecuada para nuestra conclusión de valor

Aspectos a considerar

Debe tenerse en cuenta que en los criterios de valoración para determinar el valor contable de ciertos activos y pasivos se aplican normas de registro particulares cuyo resultado pudiera diferir, incluso significativamente, del valor razonable o de mercado de los mismos.

En relación con el cálculo del valor teórico contable quisiéramos señalar que el Grupo presenta en su balance de situación al 30 de noviembre de 2021 activos intangibles por importe neto de 143,2 millones de euros) y fondos de comercio (cuyo saldo asciende a 162,3 millones de euros) que corresponden fundamentalmente al coste de subrogación amortizado de contratos de mantenimiento de aparatos elevadores que se adquieren o directamente como cartera de contratos o en el conjunto de una combinación de negocios y al exceso sobre el valor razonable de la participación del Grupo en los activos identificables de dependientes adquiridas en la fecha de adquisición.

Sobre la consideración de estos saldos, la propia Sociedad recoge en sus cuentas anuales que *“En relación a las UGEs Grupo Zardoya Otis España y Portugal*, su valor en uso supera significativamente el valor contable consolidado de cada una de ellas”*. Adicionalmente, debe tenerse en cuenta que estos saldos se corresponden con las operaciones de adquisición y que, a su vez, representan una parte menor respecto del conjunto de actividad del Grupo, cuyos contratos y otros intangibles generados internamente no están recogidos contablemente atendiendo a la normativa de aplicación.

Conclusión

Por este motivo, consideramos que el VTC no es una metodología adecuada para nuestra conclusión de valor.

Nota*: La UGE de Marruecos fue deteriorada en el ejercicio si bien su saldo no es significativo en el conjunto de intangibles considerados.

Contraprestaciones en los 12 meses previos

Contraprestaciones en los 12 meses previos

El artículo 137.2 de la LMV establece que se incluya el valor de la contraprestación pagada por el Oferente por los mismos valores en los 12 meses previos al anuncio de la Oferta

El artículo 10.5 del RD 1066/2007 establece que, en el supuesto de que se hubiese formulado alguna oferta pública de adquisición en el año precedente a la fecha del anuncio de la OPA, el valor de la correspondiente contraprestación debe considerarse. Desde el 17 de diciembre de 2001, fecha de admisión a negociación de sus acciones, no se ha formulado ninguna OPA sobre Zardoya Otis.

El artículo 137.2 del texto refundido de la Ley del Mercado de Valores (“LMV”) establece que se incluya el valor de la contraprestación pagada por el Oferente por los mismos valores en los 12 meses previos al anuncio de la Oferta, por lo que se han considerado las referencias que pudieran representar las contraprestaciones ofrecidas, pagadas o acordadas sobre las acciones de la Sociedad en dicho periodo:

Compromiso irrevocable con Euro-Syns, S.A.

El 20 de diciembre de 2021 OSH (filial de Otis Worldwide Corporation) suscribió un contrato con Euro-Syns, S.A., accionista titular de un 11,19% de Zardoya Otis, por el que Euro-Syns, S.A. se comprometió irrevocablemente a aceptar la OPA sobre la totalidad de las acciones de la Sociedad Afectada con respecto a la totalidad de su participación y el Oferente a aumentar el precio de la Oferta desde el precio inicial anunciado de 7 euros por acción hasta los 7,21 euros por acción en efectivo, precio que se ajustaría a la baja por el importe de cualquier dividendo o distribución adicional declarado y pagado por Zardoya Otis a sus accionistas, resultando en un precio de 7,07 tras la consideración de los dividendos abonados el 11 de octubre de 2021 y 10 de enero de 2022.

Compras del oferente

En los doce meses anteriores al anuncio previo de la Oferta y hasta la fecha del folleto, Alder Holdings, S.A.S. (filial de Otis Worldwide) ha adquirido 35.354 acciones de Zardoya Otis, representativas de un 0,008% de su capital social, a

un precio de 7,00 euros por acción, en ejecución de una orden sostenida de compra que se mantuvo en el mercado hasta el 7 de octubre de 2021

Compras de autocartera

Zardoya Otis ha adquirido un total de 3.725.521 acciones en el mercado, representativas del 0,79% del capital social, en los 12 meses anteriores a la fecha del anuncio de la Oferta y hasta la fecha del presente informe. El precio máximo por acción pagado en dicho periodo fue de 5,98 euros por acción (2 de diciembre de 2020) y el precio más bajo por acción en dicho periodo fue de 5,07 euros por acción (28 de octubre de 2020).

Compras de compañías

Por otra parte, Zardoya Otis ha llevado a cabo tres operaciones de compra de sociedades: Ascensores Eleva, S.L. en diciembre de 2020 y Montes Tallón, S.A. y Ascensores Fit, S.L. en marzo de 2021, cuyo precio se ha pagado mediante la entrega de acciones de la propia Zardoya Otis. Los precios de las acciones de Zardoya Otis entregadas como contraprestación en dichas operaciones de compra han sido de 5,69, 5,74 y 5,50€/acción, respectivamente.

Escisión de Otis Worldwide de United Technologies Corporation

De acuerdo con la información compartida por parte de la Dirección de Otis Worldwide en relación con la consideración de la contribución al valor de la participación de Otis Worldwide en la operación de escisión de ésta de United Technologies Corporation, cuyo análisis se realizó en el segundo semestre de 2019, completándose la operación en el primer semestre de 2020, debe señalarse que este complejo proceso involucró un número elevado de compañías en múltiples localizaciones, con actividades diversas, en su mayor parte privadas, y por tanto confidenciales, pero también cotizadas como la propia Zardoya Otis.

Contraprestaciones en los 12 meses previos

Se ha considerado como referencia de valor la marcada por el compromiso irrevocable suscrito en diciembre de 2021

Escisión de Otis Worldwide de United Technologies Corporation (cont.)

En este contexto, las referencias de valor de Zardoya Otis se establecieron a partir de los precios de cotización de la Sociedad a cierre de 16 de diciembre de 2019 y de la consideración de un descuento del 10% y tuvieron su consiguiente registro de la participación en la sociedad dependiente Highland Holdings S.à r.l., donde se reflejó un valor de 6,33 euros por acción, (lo que suponía un múltiplo implícito EV/EBITDA de c.13,8x).

Asimismo, la Dirección de Otis Worldwide manifiesta que no hay ninguna operación derivada del proceso de escisión de United Technologies Corporation pendiente de realizar que pudiera afectar a Zardoya Otis, a sociedades de su Grupo o a sus acciones.

Conclusión

Si bien las referencias anteriores nos proporcionan un rango entre 5,07 y 7,07 euros por acción, entendemos la referencia de 7,07 euros por acción dada por el compromiso irrevocable como la más representativa por tratarse de la referencia más reciente a la Fecha del Informe, la de mayor volumen y haberse acordado con el segundo accionista de referencia de la Sociedad.

Valor Liquidativo

Valor liquidativo

De la aplicación de esta metodología resultarían valores significativamente inferiores a los obtenidos a partir de los demás métodos

Descripción del Valor liquidativo

El valor de liquidación de una empresa trata de reflejar el valor neto que se obtendría de la misma bajo la hipótesis de una eventual situación de disolución o cese definitivo de las actividades. Se trata de un enfoque que no considera la asunción de continuidad de los negocios o el principio de empresa en funcionamiento.

Es decir, se basa fundamentalmente en el valor que se obtendría en el supuesto de que se realicen todos los activos y se liquiden todos los pasivos, contando con los posibles gastos asociados (indemnizaciones al personal, gastos de desinstalación, honorarios de profesionales independientes, etc.).

Aspectos a considerar

Las ventas que se realizan en el proceso de liquidación de una sociedad corresponden en la mayoría de las ocasiones a transacciones que no se realizan en condiciones normales de mercado, sino que responden a operaciones forzadas afectadas por la celeridad que tenga la sociedad en realizar sus activos, su menor poder negociador y otros condicionantes que pudieran afectar negativamente al valor razonable esperado de los activos y pasivos involucrados, entre los que cabe mencionar el valor y grado de exclusividad que el activo pueda tener en manos de terceros interesados y la posibilidad de estos para mantener un uso alternativo bajo el principio de la empresa en funcionamiento y que una liquidación implicaría la aparición de potenciales pasivos adicionales (por ejemplo, costes de desmantelamiento, indemnizaciones por despido o rescisión unilateral anticipada de contratos).

La especificidad y características de los activos de Zardoya Otis supone que éstos podrían tener un valor intrínseco para un eventual comprador cuya actividad fuese similar a la de la Sociedad pero su cálculo en un proceso de liquidación respondería principalmente a un proceso de negociación en tanto que no existe un mercado amplio para este tipo de intangibles. Por tanto, en un escenario de liquidación, algunos de estos elementos podrían tener un valor muy limitado.

A 30 de noviembre de 2021, la Sociedad tiene activos materiales registrados por importe de 67,5 millones de euros (maquinaria e instalaciones ligadas al proceso productivo de la Sociedad), e instalaciones arrendadas a terceros por valor de 24,2 millones de euros, así como intangibles, particularmente fondos de comercio por valor de 162,3 millones de euros, que representan aproximadamente un 22,3% del total activo.

Además, debe señalarse que la Sociedad cuenta a 30 de noviembre de 2021 con activos intangibles por valor de 143.3 millones de euros que incluyen fundamentalmente los contratos de mantenimiento necesarios para el desarrollo de una parte significativa de las operaciones, por lo que el traspaso de estos contratos podría requerir procesos legales, judiciales y/o administrativos complejos que tendrían un impacto negativo sobre su valoración en liquidación.

Conclusión

Por los motivos presentados, consideramos que de la aplicación de este método resultarían valores significativamente inferiores a los obtenidos a partir de los demás métodos, no siendo preciso su cálculo de acuerdo con el artículo 10 del RD 1066/2007.

Otros métodos de valoración

Otros métodos de valoración

No hemos considerado relevantes otros métodos de valoración distintos de los mencionados anteriormente

De acuerdo con nuestro entendimiento de la Sociedad, el sector, la actividad y sus características específicas, no hemos considerado relevantes otros métodos de valoración distintos de los mencionados anteriormente.

Anexos

Anexo I | Marco regulatorio español

Las normativa actual del sector en España se basa en la transposición de Directivas y Reglamentos europeos en materia de fabricación, mantenimiento y accesibilidad

Diseño, fabricación y puesta en funcionamiento

Real Decreto 1644/2008 (Directiva 2006/42/CE del Parlamento Europeo y del Consejo por la que se modifica la Directiva 95/16/CE)

El ascensor se debe fabricar de forma que se puedan manejar de forma sencilla y sin riesgo, incluyendo malos usos razonablemente previsibles.

Establecimiento de requisitos previos a la comercialización y puesta en servicio de los ascensores.

UNE-EN 81-20:2017 y UNE-EN 81-50:2017.

Reglas de seguridad para la construcción e instalación de ascensores y procedimientos, diseños, cálculos, inspecciones y ensayos de componentes del ascensor.

Mantenimiento e inspección

Real Decreto 88/2013, por el que se aprueba la ITC – AEM 1 “Ascensores”

La Inspección Técnica Complementaria AEM 1 de Ascensores define las reglas de seguridad aplicables para proteger de posibles accidentes o riesgos, e identifica los requisitos básicos de mantenimiento e inspección.

Obligación legal del titular de suscribir un contrato de mantenimiento con una empresa conservadora, que llevará a cabo el mantenimiento con la siguiente frecuencia:

- Cada 4 meses, para ascensores de viviendas unifamiliares y velocidad inferior a 0,15 m/s;

- Cada 6 semanas, para edificios residenciales con hasta 6 paradas o edificios públicos con hasta 4 paradas, con antigüedad inferior a 20 años;
- Cada mes, para el resto de ascensores.

Garantía de 2 años por deficiencias por mala ejecución por parte de las empresas conservadoras.

Obligación por parte de una empresa de control de llevar a cabo inspecciones periódicas del sistema:

- Cada 2 años, para ascensores de uso industrial y lugares de pública concurrencia;
- Cada 4 años, para ascensores en edificios de más de veinte viviendas o más de cuatro plantas servidas;
- Cada 6 años, para el resto de ascensores.

Accesibilidad

Ley 49/1960 sobre Propiedad Horizontal y Real Decreto Legislativo 1/2013 (Ley General de derechos de personas con discapacidad)

Obligación de instalar un ascensor cuando la mayoría de propietarios dentro de una comunidad de vecinos vota a favor de ello, o cuando la instalación se realice con el fin de garantizar la movilidad y accesibilidad de personas con discapacidad, movilidad reducida o mayores de 70 años.

Instalación de ascensores con capacidad para transportar simultáneamente una silla de ruedas de tipo normalizado y una persona sin discapacidad.

Anexo I | Marco regulatorio portugués

La legislación portuguesa, similar a la española, también recoge las disposiciones comunitarias en materia de fabricación, mantenimiento y accesibilidad

Diseño, fabricación y puesta en funcionamiento

Decreto Lei No. 58/2017 (Directiva 2014/33/UE del Parlamento Europeo y del Consejo)

Los ascensores y componentes de seguridad solo podrán comercializarse cuando cumplan las condiciones de seguridad previstas en dicho Decreto Ley.

Mantenimiento e inspección

Decreto Lei No. 320/2002

Disposiciones aplicables al mantenimiento e inspección de ascensores, montacargas, escaleras mecánicas y pasarelas móviles tras su entrada en servicio.

El propietario de una instalación está obligado a celebrar un contrato de mantenimiento con una empresa de mantenimiento de ascensores.

Existen dos tipos de contrato de mantenimiento cuya periodicidad debe ser mensual, excepto en situaciones autorizadas por la Dirección General de Energía.

- Contrato de mantenimiento simple: mantener la instalación en buen estado de seguridad y funcionamiento. Duración no inferior a 1 año;
- Contrato de mantenimiento completo: adicionalmente al contrato simple incluye la sustitución y remplazo de componentes. Salvo acuerdo contrario, dicho acuerdo tiene una duración de 5 años renovable por períodos iguales.

Atribución de las competencias a los ayuntamientos para la realización obligatoria de inspecciones periódicas:

- Ascensores;
- Cada 2 años, para ascensores ubicados en edificios comerciales abiertos al público;
- Cada 4 años, para ascensores ubicados en edificios mixtos de vivienda y comercial y para ascensores ubicados en edificios residenciales de más de 32 viviendas o más de 8 pisos;
- Cada 6 años, para ascensores ubicados en edificios de viviendas no incluidos en el anterior punto, para ascensores ubicados en establecimientos industriales y resto;
- Escaleras mecánicas y andenes móviles: cada dos años.

Accesibilidad

Decreto Lei No. 38382 (Aprobación del Reglamento General de Edificación Urbana)

En todos los edificios destinados a vivienda con altura superior a 11,5 metros o más de 4 pisos sobre la entrada es obligatorio un ascensor.

En los edificios no destinados a vivienda deberán, cuando su destino lo justifique, contar con los medios de transporte vertical necesarios.

Anexo II | Certificado de la Bolsa de Madrid

La cotización media ponderada de los valores durante el semestre inmediatamente anterior al 23 de septiembre de 2021 ha sido de 5,60 €/acción según el certificado de la Bolsa de Madrid



DOÑA CRISTINA BAJO MARTÍNEZ, VICESECRETARIA DEL CONSEJO DE ADMINISTRACIÓN DE LA SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.U.

CERTIFICA que, de los antecedentes que existen en esta Secretaría a su cargo y de los correspondientes a las restantes Bolsas españolas de Valores, resulta que, durante el período comprendido entre el día 23/03/2021 y el día 22/09/2021 ambos inclusive, la media aritmética simple de los cambios medios ponderados diarios de la contratación bursátil de las acciones de **Zardoya Otis, S.A.** con código ISIN ES0184933812, fue de 5,6023 euros.

Lo que, a petición de Deloitte Financial Advisory, S.L.U. y para que surta los efectos oportunos, hace constar en Madrid, a 28 de septiembre de 2021.

LA VICESECRETARIA



Cristina Bajo Martínez

Palacio de la Bolsa
Plaza de la Lealtad, 1
28014 Madrid

Anexo III | Selección de compañías para el análisis de valoración

Otis Worldwide Corporation es una empresa con sede en Estados Unidos, fundada en 1853 en Nueva York que opera en más de 200 países



Descripción

Descripción:

Otis Worldwide Corporation es una compañía que desarrolla, fabrica y comercializa ascensores, escaleras mecánicas, andenes móviles y maquinaria relacionada. Fue fundada en Nueva York en 1853 y actualmente opera en más de 200 países.

Industria: Ascensores y maquinaria relacionada



Evolución de los principales KPIs

Millones de EUR	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Ingresos	10.809,4	12.065,53	12.548,03	13.061,88
<i>Variación de ingresos (%)</i>	<i>(2,8%)</i>	<i>11,6%</i>	<i>4,0%</i>	<i>4,1%</i>
Margen Bruto	3.202,3	3.812,7	4.015,4	4.219,0
<i>Margen Bruto %</i>	<i>29,6%</i>	<i>31,6%</i>	<i>32,0%</i>	<i>32,3%</i>
EBITDA	1.742,3	2.010,9	2.138,44	2.278,04
<i>Margen EBITDA %</i>	<i>16,1%</i>	<i>16,7%</i>	<i>17,0%</i>	<i>17,4%</i>
EBIT	1.580,4	1.845,58	1.968,37	2.099,11
<i>Margen EBIT</i>	<i>14,6%</i>	<i>15,3%</i>	<i>15,7%</i>	<i>16,1%</i>
Beneficio Neto	767,7	1.077,78	1.174,83	1.279,14
<i>Margen Neto (%)</i>	<i>7,1%</i>	<i>8,9%</i>	<i>9,4%</i>	<i>9,8%</i>



Evolución de la capitalización bursátil



Fuente: análisis Deloitte en base a información de S&P Capital IQ

Anexo III | Selección de compañías para el análisis de valoración

Schindler Holding AG es una empresa con sede en Ebikon (Suiza), fundada en 1874 en Lucerna que opera globalmente



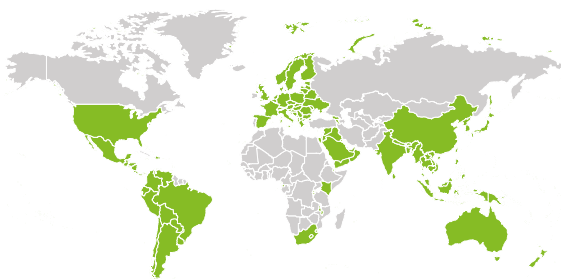
Schindler



Descripción

Descripción: Schindler Holding AG se dedica a la producción, instalación, mantenimiento y modernización de ascensores, escaleras mecánicas y andenes móviles y otros servicios relacionados con el transporte vertical. Fue fundada en 1874 en Lucerna (Suiza) y tiene mas de 66.674 empleados.

Industria: Ascensores y maquinaria relacionada



Evolución de los principales KPIs

Millones de EUR	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Ingresos	9.884,5	10.559,09	11.070,8	11.545,53
<i>Variación de ingresos (%)</i>	<i>(5,6%)</i>	<i>6,8%</i>	<i>4,8%</i>	<i>4,3%</i>
Margen Bruto	7.001,9	7.521,8	7.913,1	8.213,9
<i>Margen Bruto %</i>	<i>70,8%</i>	<i>71,2%</i>	<i>71,5%</i>	<i>71,1%</i>
EBITDA	1.173,3	1.444,84	1.538,32	1.647,01
<i>Margen EBITDA %</i>	<i>11,9%</i>	<i>13,7%</i>	<i>13,9%</i>	<i>14,3%</i>
EBIT	971,7	1.173,32	1.256,0	1.362,34
<i>Margen EBIT</i>	<i>9,8%</i>	<i>11,1%</i>	<i>11,3%</i>	<i>11,8%</i>
Beneficio Neto	670,7	829,73	897,34	976,16
<i>Margen Neto (%)</i>	<i>6,8%</i>	<i>7,9%</i>	<i>8,1%</i>	<i>8,5%</i>



Evolución de la capitalización bursátil



Fuente: análisis Deloitte en base a información de S&P Capital IQ

Anexo III | Selección de compañías para el análisis de valoración

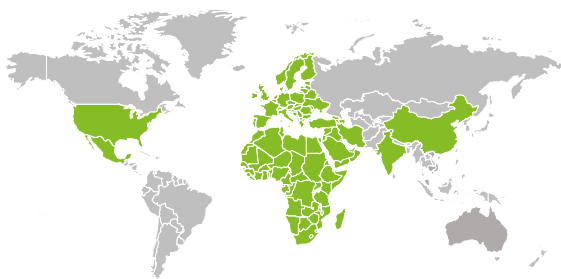
KONE Oyj es una empresa con sede en Espoo (Finlandia), fundada en 1910 que opera en más de 60 países



Descripción

Descripción: KONE Oyj se dedica a la industria de los ascensores, escaleras mecánicas y puertas automáticas, con sede en Finlandia y opera en más de 60 países, principalmente, en Asia Pacífico, EMEA y en menor medida en América. Fue fundada en 1910 en Helsinki y en la actualidad cuenta con más de 550.000 clientes.

Industria: Ascensores y maquinaria relacionada



Evolución de los principales KPIs

Millones de EUR	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Ingresos	9.938,5	10.580,94	11.049,2	11.533,25
<i>Variación de ingresos (%)</i>	<i>(0,4%)</i>	<i>6,5%</i>	<i>4,4%</i>	<i>4,4%</i>
Margen Bruto	5.268,0	5.988,8	6.253,8	6.533,6
<i>Margen Bruto %</i>	<i>53,0%</i>	<i>56,6%</i>	<i>56,6%</i>	<i>56,7%</i>
EBITDA	1.489,5	1.611,18	1.705,12	1.838,01
<i>Margen EBITDA %</i>	<i>15,0%</i>	<i>15,2%</i>	<i>15,4%</i>	<i>15,9%</i>
EBIT	1.250,5	1.364,1	1.454,17	1.571,33
<i>Margen EBIT</i>	<i>12,6%</i>	<i>12,9%</i>	<i>13,2%</i>	<i>13,6%</i>
Beneficio Neto	939,2	1.065,86	1.134,36	1.219,81
<i>Margen Neto (%)</i>	<i>9,5%</i>	<i>10,1%</i>	<i>10,3%</i>	<i>10,6%</i>



Evolución de la capitalización bursátil



Fuente: análisis Deloitte en base a información de S&P Capital IQ

Anexo III | Selección de compañías para el análisis de valoración

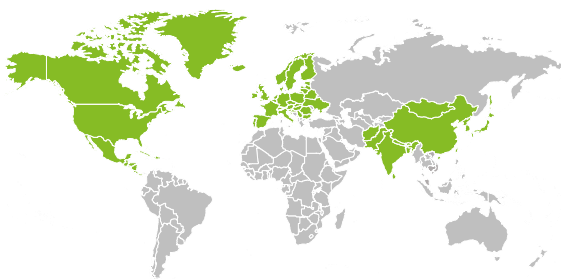
Fujitec Co.,Ltd. es una empresa con sede en Hikone, Shiga (Japón), fundada en 1948 que opera en Asia, Europa y Norte América

FUJITEC


Descripción

Descripción: Fujitec Co., Ltd. se dedica a la investigación, desarrollo, fabricación, comercialización, instalación y mantenimiento de ascensores, escaleras mecánicas, pasillos rodantes y sistemas de transporte en Japón, América del Norte y del Sur, Europa, Oriente Medio, Asia del Sur y Este de Asia. Con sede en Hikone, Shiga, Japón, fue fundada en 1948.

Industria: Ascensores y maquinaria relacionada



Evolución de los principales KPIs

Millones de EUR	31/12/2020	31/12/2021
Ingresos	1.404,6	1.314,2
<i>Variación de ingresos (%)</i>	<i>6,1%</i>	<i>(6,4%)</i>
Margen Bruto	311,7	309,1
<i>Margen Bruto %</i>	<i>22,2%</i>	<i>23,5%</i>
EBITDA	127,9	129,8
<i>Margen EBITDA %</i>	<i>9,1%</i>	<i>9,9%</i>
EBIT	103,7	103,0
<i>Margen EBIT</i>	<i>7,4%</i>	<i>7,8%</i>
Beneficio Neto	76,9	72,0
<i>Margen Neto (%)</i>	<i>5,5%</i>	<i>5,5%</i>



Evolución de la capitalización bursátil



Fuente: análisis Deloitte en base a información de S&P Capital IQ

(*) En el momento de este Informe no existen analistas cubriendo Fujitec, por lo que no se disponen de estimaciones a futuro de los principales KPIs.

Anexo III | Selección de compañías para el análisis de valoración

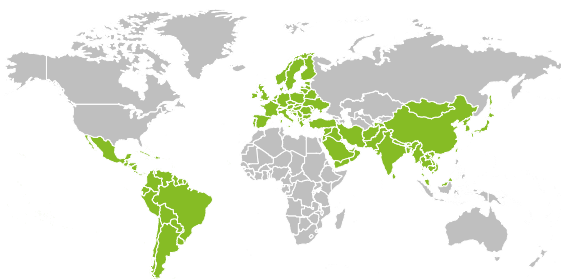
Hyundai Elevator Co., Ltd es una empresa con sede en Corea del Sur, fundada en 1984



Descripción

Descripción: Hyundai Elevator Co., Ltd. diseña, fabrica, instala, mantiene y moderniza ascensores, escaleras mecánicas y pasillos rodantes en Corea del Sur e internacionalmente.

Industria: Ascensores y maquinaria relacionada



Evolución de los principales KPIs

Millones de EUR	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Ingresos	26.477,3	30.432,66	33.477,54	35.879,28
<i>Variación de ingresos (%)</i>	<i>(3,7%)</i>	<i>14,9%</i>	<i>10,0%</i>	<i>7,2%</i>
Margen Bruto	3.400,7	4.001,9	4.565,8	4.987,2
<i>Margen Bruto %</i>	<i>12,8%</i>	<i>13,2%</i>	<i>13,6%</i>	<i>13,9%</i>
EBITDA	1.941,7	2.400,73	2.755,01	2.998,53
<i>Margen EBITDA %</i>	<i>7,3%</i>	<i>7,9%</i>	<i>8,2%</i>	<i>8,4%</i>
EBIT	1.323,2	1.716,65	2.051,6	2.265,72
<i>Margen EBIT</i>	<i>5,0%</i>	<i>5,6%</i>	<i>6,1%</i>	<i>6,3%</i>
Beneficio Neto	1.105,4	1.938,01	2.258,66	2.433,65
<i>Margen Neto (%)</i>	<i>4,2%</i>	<i>6,4%</i>	<i>6,7%</i>	<i>6,8%</i>



Evolución de la capitalización bursátil



Fuente: análisis Deloitte en base a información de S&P Capital IQ

Anexo III | Estructura de apalancamiento de mercado

Las compañías seleccionadas muestran en todos los casos una posición financiera neta positiva

Estructura de apalancamiento

Hemos analizado la evolución trimestral de la posición financiera neta de las compañías seleccionadas para un periodo de hasta 4 años desde la Fecha de Valoración. En todos los casos se observa que el sector opera sin deuda, financiado únicamente a través de sus operaciones debido a su gran capacidad de generación de caja.

En el caso particular de Otis Worldwide, y tras recibir confirmación por parte de su Dirección Corporativa, su deuda actual se deriva del proceso de escisión llevado a cabo en marzo de 2020. La Dirección de Otis Worldwide nos ha confirmado que su objetivo es amortizar la deuda en su totalidad con el fin de operar en el medio y largo plazo con la estructura de apalancamiento de mercado observada.

Deuda neta (D)	30/11/2018	28/02/2019	31/05/2019	31/08/2019	30/11/2019	28/02/2020	31/05/2020	31/08/2020	30/11/2020	28/02/2021	31/05/2021	31/08/2021	30/11/2021
KONE Oyj	(1.542)	(1.818)	(985)	(1.116)	(1.405)	(1.701)	(1.143)	(1.495)	(1.906)	(2.120)	(1.504)	(1.640)	(1.949)
Otis Worldwide Corporation	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5.002	4.228	3.996	3.855	3.780	3.595	3.716
Schindler Holding AG	(1.742)	(1.630)	(2.099)	(1.048)	(2.004)	(1.638)	(2.122)	(1.548)	(2.050)	(2.266)	(2.312)	(2.307)	(2.473)
Fujitec Co.,Ltd.	(34)	(30)	(46)	(155)	(55)	(199)	(200)	(190)	(209)	(239)	(200)	(232)	(231)
Hyundai Elevator Co., Ltd	(356)	(378)	(390)	(417)	(418)	(393)	(447)	(426)	(465)	(465)	(502)	(523)	(558)
Zardoya Otis, S.A.	(56)	(56)	(58)	-	(50)	(50)	(13)	(13)	(29)	(29)	(30)	(30)	(30)

Capitalización de mercado (E)	30/11/2018	28/02/2019	31/05/2019	31/08/2019	30/11/2019	28/02/2020	31/05/2020	31/08/2020	30/11/2020	28/02/2021	31/05/2021	31/08/2021	30/11/2021
KONE Oyj	21.854	24.001	22.583	22.184	25.276	27.239	29.424	26.421	31.249	37.241	36.453	34.265	34.308
Otis Worldwide Corporation	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	20.510	22.787	24.263	22.836	27.494
Schindler Holding AG	19.070	21.624	18.350	21.068	19.911	22.184	23.667	21.186	22.377	23.815	24.138	23.912	25.642
Fujitec Co.,Ltd.	919	922	876	829	946	868	1.160	1.022	1.092	1.357	1.386	1.532	1.460
Hyundai Elevator Co., Ltd	1.913	2.006	2.020	1.640	1.611	1.484	1.101	1.252	1.109	1.213	1.289	1.632	1.913
Zardoya Otis, S.A.	3.851	3.775	2.964	3.458	3.211	2.945	3.267	3.185	3.009	2.736	2.773	2.505	2.669

D/(D+E)	30/11/2018	28/02/2019	31/05/2019	31/08/2019	30/11/2019	28/02/2020	31/05/2020	31/08/2020	30/11/2020	28/02/2021	31/05/2021	31/08/2021	30/11/2021
KONE Oyj	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Otis Worldwide Corporation	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	16,3%	14,5%	13,5%	13,6%	11,9%
Schindler Holding AG	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Fujitec Co.,Ltd.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Hyundai Elevator Co., Ltd	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Zardoya Otis, S.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Anexo IV | Análisis de betas de mercado

La evolución de las betas de las compañías cotizadas analizadas se ha mantenido estable en los últimos 3 años

Betas

La media de la beta del sector desde el 30 de noviembre de 2018 hasta la fecha en la que Otis Worldwide comenzó a cotizar se encontraba en el entorno de 1. A partir de esa fecha, la media de las betas se ve influenciada por este hecho en tanto que el número de observaciones para Otis Worldwide aún no es representativo, que entendemos seguirá convergiendo hacia la media de mercado a medida que aumente el número de las mismas. En cualquier caso, en nuestro análisis la hemos incluido, siendo la beta spot a 30 de noviembre de 2021 de 0,87.

Betas	30/11/2018	28/02/2019	31/05/2019	31/08/2019	30/11/2019	28/02/2020	31/05/2020	31/08/2020	30/11/2020	28/02/2021	31/05/2021	31/08/2021	30/11/2021
KONE Oyj	0,86	0,85	0,84	0,85	0,85	0,85	0,84	0,89	0,76	0,76	0,70	0,71	0,68
Otis Worldwide Corporation	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	0,59	0,67	0,72
Schindler Holding AG	0,88	0,87	0,90	0,90	0,91	0,93	0,94	0,93	0,90	0,94	0,84	0,90	0,94
Fujitec Co.,Ltd.	1,03	1,01	1,08	1,11	1,07	1,11	1,15	1,21	1,16	1,19	1,01	1,04	1,03
Hyundai Elevator Co., Ltd	1,25	1,29	1,52	1,42	1,39	1,37	1,42	1,36	1,14	1,07	1,04	0,96	1,25
Media	1,00	1,00	1,09	1,07	1,05	1,06	1,09	1,10	0,84	0,99	0,84	0,85	0,87
Mediana	0,95	0,94	0,99	1,01	0,99	1,02	1,05	1,07	0,90	1,00	0,84	0,90	0,94

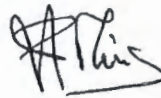


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Deloitte presta servicios de auditoría, consultoría, legal, asesoramiento financiero, gestión del riesgo, tributación y otros servicios relacionados, a clientes públicos y privados en un amplio número de sectores. Con una red de firmas miembro interconectadas a escala global que se extiende por más de 150 países y territorios, Deloitte aporta las mejores capacidades y un servicio de máxima calidad a sus clientes, ofreciéndoles la ayuda que necesitan para abordar los complejos desafíos a los que se enfrentan. Los más de 312.000 profesionales de Deloitte han asumido el compromiso de crear un verdadero impacto.

ANEXO 18

Certificados acreditativos de la constitución de los depósitos de efectivo indisponibles emitidos por Banco Santander, S.A.



BANCO SANTANDER, S.A., con NIF número A-39000013 y domicilio en Paseo de Pereda, 9-12, Santander (España), y en su nombre y representación DOÑA MARIA DEL CARMEN VÁZQUEZ TORIBIO con DNI/NIF 05268752G y DON LUIS MUÑOZ PORTILLO con DNI/NIF 50846690S en calidad de apoderados.

CERTIFICA

Ante la COMISIÓN NACIONAL DEL MERCADO DE VALORES que Opal Spanish Holdings, S.A.U. (el "Oferente") ha constituido con fecha 12 de noviembre de 2021 en BANCO SANTANDER, S.A. (el "Depositorio") un depósito por importe de 1.629.586.590 euros (el "Depósito") a los efectos de garantizar, en los términos previstos en el artículo 15 del Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores, el cumplimiento de las obligaciones del Oferente resultantes de (i) el pago de la totalidad de la contraprestación en efectivo correspondiente a la oferta pública de adquisición (la "Oferta") sobre la totalidad de las acciones representativas del capital social de Zardoya Otis, S.A. ("ZOSA"), y (ii) el pago de la totalidad de la contraprestación en efectivo correspondiente a las compraventas forzosas que, de acuerdo con lo establecido en el referido Real Decreto, se pudieran llevar a cabo.

El Depósito está reflejado en la cuenta número ES48 0049 6752 2623 1637 2362 de la que es titular el Oferente.

De conformidad con las instrucciones recibidas del Oferente, el Depositorio ha aceptado el mandato irrevocable de atender con cargo a la cuenta especificada y hasta el importe del Depósito a los requerimientos de la COMISIÓN NACIONAL DEL MERCADO DE VALORES, de la SOCIEDAD DE GESTIÓN DE LOS SISTEMAS DE REGISTRO, COMPENSACIÓN Y LIQUIDACIÓN DE VALORES, S.A.U. (IBERCLEAR), y el propio Banco Santander, S.A. (en su condición de entidad liquidadora de las operaciones de compra y de entidad encargada de coordinar la liquidación de la Oferta), indistintamente, únicas entidades autorizadas para disponer del Depósito, al objeto de que su importe sea destinado exclusivamente a la liquidación del precio de adquisición de las acciones adquiridas por el Oferente en la Oferta, en los términos previstos en el correspondiente folleto explicativo y en la normativa aplicable.

El Oferente no podrá realizar disposiciones del Depósito. Únicamente se permitirán disposiciones sobre el saldo del Depósito en caso de que las solicitudes de disposición estén tramitadas por Banco Santander, S.A. y que en dichas solicitudes conste expresamente que el importe cuya disposición se solicita será utilizado exclusivamente para liquidar operaciones de compra de acciones de Zardoya Otis, S.A. que se realicen como consecuencia de la liquidación de la Oferta y, en su caso, de las compraventas forzosas.

Lo dispuesto anteriormente permanecerá en vigor hasta que, liquidada la Oferta, la COMISIÓN NACIONAL DEL MERCADO DE VALORES haya declarado concluido el proceso de liquidación de la

Oferta o, en su caso, se produzca el desistimiento de la misma o cualquier otra causa que la deje sin efecto.

También conforme a las instrucciones del Oferente, el mandato irrevocable ha sido aceptado por Banco Santander, S.A.

En la medida en que este depósito se constituye en garantía del íntegro y puntual cumplimiento por parte del Oferente de sus obligaciones de pago de la contraprestación de la Oferta, los derechos de crédito que para el oferente se derivan del Depósito tienen la consideración de garantía financiera a los efectos del Real Decreto-Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública (en lo sucesivo, "RDL 5/2005"), quedando, por ende, sujetos al régimen jurídico previsto en la citada norma y, en particular a lo previsto en el apartado cuarto del artículo decimoquinto del RDL 5/2005.

El Depósito no podrá, en ningún caso, utilizarse para fines distintos a los indicados anteriormente y no se devolverá al Oferente el sobrante, si existiera, hasta que se haya liquidado la Oferta o, en su caso, se haya producido el desistimiento de la misma o cualquier otra causa que la deje sin efecto. Y para que así conste, se firma el presente certificado en Madrid, a doce de noviembre de dos mil veintiuno.

Banco Santander, S.A.

Firmas



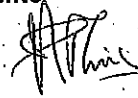
El Nif de Banco Santander, S.A. no está revocado según consulta efectuada por mí en SIGNO con carácter previo.

Con mi intervención, respecto al otorgamiento y firma de Banco Santander, S.A., representado por sus apoderados Dña. M^a del Carmen Vázquez Toribio con Nif 05268752G y D. Luis Muñoz Portillo con Nif 50846690S, en virtud de poder otorgado ante el Notario de Madrid D. Gonzalo Sauca Polanco de fecha 10 de Abril de 2013 con número 2.280 de su protocolo y en virtud de poder otorgado ante el Notario de Madrid D. Francisco Mata Pallarés de fecha 31 de Marzo de 1999 con número 545 de su protocolo, respectivamente, poderes que manifiestan vigentes, haciendo constar que el presente documento se ha extendido en un único ejemplar original y auténtico, compuesto de 1 hoja, sellada y rubricada por mí, dando fe de la identidad, capacidad y legitimidad de los otorgantes, de que el consentimiento ha sido libremente prestado y de que, a mi juicio, son suficientes las facultades representativas acreditadas para el otorgamiento del presente documento, que se adecua a la legalidad y a la voluntad debidamente informada de los intervinientes.

Madrid, a 12 de Noviembre de 2021.

EL NOTARIO





BANCO SANTANDER, S.A., con NIF número A-39000013 y domicilio en Paseo de Pereda, 9-12, Santander (España), y en su nombre y representación **DOÑA MARIA DEL CARMEN VÁZQUEZ TORIBIO** con DNI/NIF 05268752G y **DON LUIS MUÑOZ PORTILLO** con DNI/NIF 50846690S en su calidad de apoderados

CERTIFICA

Ante la COMISIÓN NACIONAL DEL MERCADO DE VALORES que Opal Spanish Holdings, S.A.U. (el "Oferente") ha constituido con fecha 28 de diciembre de 2021 en BANCO SANTANDER, S.A. (el "Depositorio") un depósito por importe de 32.920.941 euros (el "Depósito") a los efectos de garantizar, en los términos previstos en el artículo 15 del Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores, el cumplimiento de las obligaciones del Oferente resultantes de (i) el pago de la totalidad de la contraprestación en efectivo correspondiente a la oferta pública de adquisición (la "Oferta") sobre la totalidad de las acciones representativas del capital social de Zardoya Otis, S.A. ("ZOSA"), y (ii) el pago de la totalidad de la contraprestación en efectivo correspondiente a las compraventas forzosas que, de acuerdo con lo establecido en el referido Real Decreto, se pudieran llevar a cabo.

El Depósito está reflejado en la cuenta número ES15 0049 1500 0823 1935 8646, de la que es titular el Oferente.

De conformidad con las instrucciones recibidas del Oferente, el Depositorio ha aceptado el mandato irrevocable de atender con cargo a la cuenta especificada y hasta el importe del Depósito a los requerimientos de la COMISIÓN NACIONAL DEL MERCADO DE VALORES, de la SOCIEDAD DE GESTIÓN DE LOS SISTEMAS DE REGISTRO, COMPENSACIÓN Y LIQUIDACIÓN DE VALORES, S.A.U. (IBERCLEAR) y el propio Banco Santander, S.A. (en su condición de entidad liquidadora de las operaciones de compra y de entidad encargada de coordinar la liquidación de la Oferta), indistintamente, únicas entidades autorizadas para disponer del Depósito, al objeto de que su importe sea destinado exclusivamente a la liquidación del precio de adquisición de las acciones adquiridas por el Oferente en la Oferta, en los términos previstos en el correspondiente folleto explicativo y en la normativa aplicable.

El Oferente no podrá realizar disposiciones del Depósito. Únicamente se permitirán disposiciones sobre el saldo del Depósito en caso de que las solicitudes de disposición estén tramitadas por Banco Santander, S.A. y que en dichas solicitudes conste expresamente que el importe cuya disposición se solicita será utilizado exclusivamente para liquidar operaciones de compra de acciones de Zardoya Otis, S.A. que se realicen como consecuencia de la liquidación de la Oferta y, en su caso, de las compraventas forzosas.

Lo dispuesto anteriormente permanecerá en vigor hasta que, liquidada la Oferta, la COMISIÓN NACIONAL DEL MERCADO DE VALORES haya declarado concluido el proceso de liquidación de la Oferta o, en su caso, se produzca el desistimiento de la misma o cualquier otra causa que la deje sin efecto.

También conforme a las instrucciones del Oferente, el mandato irrevocable ha sido aceptado por Banco Santander, S.A.

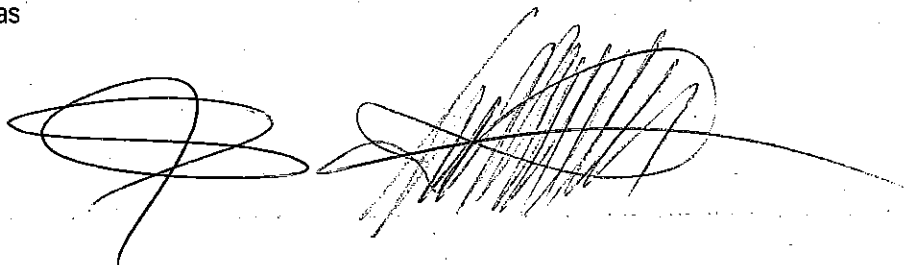
En la medida en que este depósito se constituye en garantía del íntegro y puntual cumplimiento por parte del Oferente de sus obligaciones de pago de la contraprestación de la Oferta, los derechos de crédito que para el oferente se derivan del Depósito tienen la consideración de garantía financiera a los efectos del Real Decreto-Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para

la mejora de la contratación pública (en lo sucesivo, "RDL 5/2005"), quedando, por ende, sujetos al régimen jurídico previsto en la citada norma y, en particular, a lo previsto en el apartado cuarto del artículo decimoquinto del RDL 5/2005.

El Depósito no podrá, en ningún caso, utilizarse para fines distintos a los indicados anteriormente y no se devolverá al Oferente el sobrante, si existiera, hasta que se haya liquidado la Oferta o, en su caso, se haya producido el desistimiento de la misma o cualquier otra causa que la deje sin efecto. Y para que así conste, se firma el presente certificado en Madrid, a 29 de diciembre de 2021.

Banco Santander, S.A.

Firmas



El Nif de Banco Santander, S.A. no está revocado según consulta efectuada por mí en SIGNO con carácter previo.

Con mi intervención, respecto al otorgamiento y firma de Banco Santander, S.A., representado por sus apoderados Dña. M^a del Carmen Vázquez Toribio con Nif 05268752G y D. Luis Muñoz Portillo con Nif 50846690S, en virtud de poder otorgado ante el Notario de Boadilla del Monte (Madrid) D. Gonzalo Sauca Polanco de fecha 10 de Abril de 2013 con número 2.280 de su protocolo y en virtud de poder otorgado ante el Notario de Madrid D. Francisco Mata Pallarés de fecha 31 de Marzo de 1999 con número 545 de su protocolo, respectivamente, poderes que manifiestan vigentes, haciendo constar que el presente documento se ha extendido en un único ejemplar original y auténtico, compuesto de 1 hoja, sellada y rubricada por mí, dando fe de la identidad, capacidad y legitimidad de los otorgantes, de que el consentimiento ha sido libremente prestado y de que, a mi juicio, son suficientes las facultades representativas acreditadas para el otorgamiento del presente documento, que se adecua a la legalidad y a la voluntad debidamente informada de los intervinientes.-----
Madrid, a 29 de Diciembre de 2021.-----

EL NOTARIO



ANEXO 19

Modelo de anuncio de la Oferta

ANUNCIO DE LA OFERTA PÚBLICA VOLUNTARIA DE ADQUISICIÓN DE ACCIONES QUE FORMULA OPAL SPANISH HOLDINGS, S.A.U. SOBRE LA TOTALIDAD DE LAS ACCIONES REPRESENTATIVAS DEL CAPITAL SOCIAL DE ZARDOYA OTIS, S.A.

La Comisión Nacional del Mercado de Valores (en adelante, la “**CNMV**”) ha autorizado con fecha [●] la oferta pública voluntaria de adquisición de acciones (la “**Oferta**”) formulada por OPAL SPANISH HOLDINGS, S.A.U. (el “**Oferente**”), una filial 100% participada de Otis Worldwide Corporation (“**Otis**”) y, junto con sus filiales, el “**Grupo Otis**”) sobre la totalidad de las acciones representativas del capital social de Zardoya Otis, S.A. (“**ZOSA**”).

La Oferta se rige por el texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre (la “**Ley del Mercado de Valores**”), por el Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores (el “**Real Decreto 1066/2007**”) y demás legislación aplicable.

A continuación, y de conformidad con lo establecido en el artículo 22 del Real Decreto 1066/2007, se incluyen los datos esenciales de la Oferta que constan en el folleto explicativo de la misma (el “**Folleto**”).

El Folleto, así como la documentación que lo acompaña, estarán a disposición de los interesados desde, al menos, el día siguiente a la publicación del primero de los anuncios a los que se refiere el artículo 22.1 del Real Decreto 1066/2007, en los siguientes lugares:

Entidad	Dirección
Comisión Nacional del Mercado de Valores	
– CNMV Madrid	Calle Edison 4, Madrid
– CNMV Barcelona	Calle Bolivia 56, Barcelona
– CNMV Bilbao	Calle Heros 3, Bilbao
Sociedades Rectoras de las Bolsas de Valores	
– Sociedad Rectora de la Bolsa de Valores de Madrid	Plaza de la Lealtad 1, Madrid
– Sociedad Rectora de la Bolsa de Valores de Barcelona	Paseo de Gracia 19, Barcelona
– Sociedad Rectora de la Bolsa de Valores de Bilbao	Calle José María Olabarri 1, Bilbao
– Sociedad Rectora de la Bolsa de Valores de Valencia	Calle del Pintor Sorolla 23, Valencia
Oferente y ZOSA	
– Oferente	Suero de Quiñones 34-36, Madrid
– ZOSA	Golfo de Salónica, 73, Madrid

Asimismo, el Folleto y sus anexos estarán disponibles en la página web de la CNMV (www.cnmv.es), en la página web de ZOSA (<https://www.otis.com/es/es/accionistas-inversores>) y en la página web habilitada por el Oferente a tal efecto (www.OPAZardoyaOtis.com) a partir del día siguiente a la publicación del primero de los anuncios de la Oferta a los que se refiere el artículo 22.1 del Real Decreto 1066/2007.

1. SOCIEDAD AFECTADA

La sociedad afectada es Zardoya Otis, S.A., una sociedad anónima de nacionalidad española con domicilio social en calle Golfo de Salónica, 73, 28003, Madrid, España y con NIF A-28011153. Su nombre comercial es “ZARDOYA OTIS”.

ZOSA es una filial del Grupo Otis.

El capital social de ZOSA es de 47.046.431,10 euros, representado por 470.464.311 acciones ordinarias de 0,10 euros de valor nominal cada una, pertenecientes a una misma clase y serie, con idénticos derechos políticos y económicos, totalmente suscritas y desembolsadas y representadas mediante anotaciones en cuenta. Las acciones de ZOSA están admitidas a negociación desde el 1999 en las Bolsas de Madrid, Barcelona, Bilbao y Valencia (las “**Bolsas de Valores**”) a través del Sistema de Interconexión Bursátil (Mercado Continuo).

Para más información sobre ZOSA, véase el apartado 1.3 del Folleto.

2. OFERENTE

El Oferente es OPAL SPANISH HOLDINGS, S.A.U., sociedad anónima de nacionalidad española con domicilio social en calle Suero de Quiñones 34-36, 28002 Madrid, provista de NIF A16808453 y con código LEI 959800LQY7BC5P3ZJB69.

El 14 de septiembre de 2021, fue íntegramente adquirido, de forma indirecta, por Otis Worldwide Corporation (“**Otis**” y, junto con las sociedades de su grupo, el “**Grupo Otis**”).

Otis es una sociedad dedicada a la fabricación, instalación y mantenimiento de ascensores y escaleras mecánicas. Las acciones de Otis están admitidas a cotización en la Bolsa de Nueva York. Ninguna persona física o jurídica ejerce el control de Otis de forma directa o indirecta, individual o conjunta.

De conformidad con lo previsto en los artículos 4 de la Ley del Mercado de Valores, 42 del Código de Comercio y 4 del Real Decreto 1066/2007, el Oferente está controlada de forma indirecta por Otis.

Para más información sobre el Oferente y su estructura accionarial y de control, véase el apartado 1.4 del Folleto.

3. ACUERDOS SOBRE LA OFERTA Y ZOSA

El 20 de diciembre de 2021 el Oferente y Euro-Syns, S.A., accionista titular de 52.628.034 acciones de ZOSA (11,19% del capital), suscribieron un acuerdo en virtud del cual el Oferente acordó incrementar el precio inicial de la Oferta en 0,21 euros por acción (pasando de 7,00 euros por acción a 7,21 euros por acción, y ajustado a 7,07 euros por acción por los dividendos pagados por ZOSA el 11 de octubre de 2021 y el 10 de enero de 2022) y Euro-Syns, S.A. se comprometió irrevocablemente a aceptar la Oferta con la totalidad de sus acciones de ZOSA.

Para más información sobre el acuerdo con Euro-Syns, S.A. véase el apartado 1.5.1 del folleto.

4. ACCIONES DE ZOSA PERTENECIENTES AL GRUPO OTIS

Otis es titular de 235.314.731 acciones de ZOSA, representativas del 50,02% de su capital social y del 50,07% de los derechos de voto de ZOSA (excluyendo la autocartera), indirectamente a través de su filial íntegramente participada Alder Holdings, S.A.S.

Asimismo, a los efectos del artículo 5 del Real Decreto 1066/2007, se le atribuyen a Otis los derechos de voto correspondientes a las acciones de ZOSA titularidad de D. Bernardo Calleja Fernández (90.000 acciones) y D. Joao Miguel Marques Penedo (9.000 acciones), consejeros ejecutivos de ZOSA designados a propuesta de Otis.

En consecuencia, se le atribuyen a Otis los derechos de voto de las referidas 235.413.731 acciones representativas del 50,10% de los derechos de voto excluyendo la autocartera.

ZOSA tiene 533.655 acciones propias en autocartera representativas de un 0,11% de su capital social.

5. OPERACIONES CON ACCIONES DE ZOSA

En los 12 meses anteriores al anuncio previo de la Oferta y hasta la fecha del presente anuncio, Alder Holdings, S.A.S. ha adquirido 35.354 acciones de ZOSA, representativas de un 0,008% de su capital social, a un precio de 7,00 euros por acción, en ejecución de una orden sostenida de compra que se mantuvo en el mercado hasta el 7 de octubre de 2021.

ZOSA ha adquirido un total de 3.725.521 acciones en el mercado, que representan el 0,79% del capital social, en los 12 meses anteriores a la fecha del anuncio de la Oferta y hasta la fecha del presente anuncio, a precios entre 5,07 y 5,98 euros por acción.

Asimismo, de acuerdo con la información pública disponible, ZOSA ha entregado 3.577.735 acciones propias en canje como contraprestación por la adquisición de participaciones en otras sociedades en los 12 meses anteriores a la fecha del anuncio de la Oferta y hasta la fecha del presente anuncio.

En este periodo, D. Joao Miguel Marques Penedo ha adquirido 9.000 acciones en el mercado, que representan el 0,002% del capital social, a precios entre 5,41 y 5,73 euros por acción.

6. VALORES A LOS QUE SE DIRIGE LA OFERTA

La Oferta se dirige al 100% de las acciones en que se divide el capital social de ZOSA, esto es, 470.464.311 acciones. Se excluyen de la Oferta las 235.314.731 acciones de ZOSA, representativas del 50,02% de su capital social, titularidad indirecta de Otis, que han sido inmovilizadas para no aceptar la Oferta. En consecuencia, la Oferta se dirige de forma efectiva a un total de 235.149.580 acciones de ZOSA, representativas del 49,98% de su capital social.

7. CONTRAPRESTACIÓN OFRECIDA POR LOS VALORES

La Oferta se formula como compraventa de acciones. La contraprestación de la Oferta es de 7,07 euros por acción de ZOSA y se pagará íntegramente en efectivo.

Otis ha propuesto que el pago del dividendo de ZOSA que tradicionalmente se abonaba en abril y, en su caso, los siguientes se pospongan hasta después de la exclusión de cotización de ZOSA, ya sea mediante el ejercicio del derecho de venta forzosa o el procedimiento de exclusión previsto en el artículo 11.d) del Real Decreto 1066/2007, o hasta después de la fecha de liquidación de la Oferta si no se cumplen los requisitos para promover la exclusión de cotización mediante los procedimientos anteriores, todo ello para facilitar la ejecución del proceso de liquidación de la Oferta. Los miembros del consejo de administración de ZOSA designados a propuesta de Otis han manifestado que votarán a favor de posponer el pago de los dividendos antes indicados en los términos propuestos por Otis cuando se someta a la aprobación del consejo dicha distribución. Por consiguiente, no está previsto que el precio de la Oferta vaya a ser ajustado.

El Oferente considera que el precio de la Oferta cumple los requisitos del artículo 137.2 de la Ley del Mercado de Valores en la medida en que se pagará en efectivo y se justifica mediante un informe de valoración de experto independiente emitido por Deloitte con fecha 22 de febrero de 2022 elaborado conforme a los criterios de valoración previstos en dicho artículo.

El Oferente considera asimismo que el precio de la Oferta reúne las condiciones de “precio equitativo” a los efectos de lo previsto en los artículos 130 de la Ley del Mercado de Valores y 9 del Real Decreto 1066/2007 en la medida en que:

- (i) constituye el importe íntegro del precio acordado por el Oferente con Euro-Syns, S.A. en el acuerdo descrito en el apartado 3 anterior, sin que exista ninguna compensación adicional al precio acordado ni se haya pactado ningún diferimiento en el pago;
- (ii) no es inferior al precio más alto pagado o acordado para la adquisición de acciones de ZOSA por Otis y las sociedades del Grupo Otis, los miembros de sus órganos de administración, dirección y control, y las personas o entidades que pudieran considerarse que actúan de forma concertada con cualquiera de ellas, durante el periodo de 12 meses anterior al anuncio previo de la Oferta y hasta la fecha del folleto;
- (iii) ni el Oferente ni ninguna de las sociedades del Grupo Otis son parte de ningún acuerdo vigente relativo a la compra o suscripción de acciones de ZOSA aparte del acuerdo con Euro-Syns, S.A. de fecha 20 de diciembre de 2021; y
- (iv) aparte de la reducción del precio en un importe de 0,14 euros por acción por el abono de los dividendos con fecha 11 de octubre de 2021 y 10 de enero de 2021, que son correcciones del precio equitativo de las previstas en el artículo 9.4 a) del Real Decreto 1066/2007, no se ha producido ninguna de las circunstancias establecidas en el artículo 9.4 del Real Decreto 1066/2007 que pudieran dar lugar a la modificación del precio equitativo por parte de la CNMV.

El Oferente aporta un informe de valoración elaborado por Deloitte como experto independiente, emitido con fecha de 22 de febrero de 2022 y realizado según las reglas de valoración establecidas en los artículos 10 del Real Decreto 1066/2007 y 137.2 de la Ley del Mercado de Valores para dar

cumplimiento a lo previsto en el segundo de dichos preceptos y a los efectos de lo previsto en el artículo 82 de la Ley del Mercado de Valores y en el artículo 11.d) del Real Decreto 1066/2007.

Para más información sobre el precio de la Oferta y su justificación véase el apartado 2.2. del Folleto.

8. CONDICIONES PARA LA EFICACIA DE LA OFERTA

La efectividad de la Oferta no se encuentra sujeta a ninguna condición.

9. GARANTÍAS Y FINANCIACIÓN DE LA OFERTA

El Oferente ha constituido dos depósitos de efectivo indisponibles un importe total de 1.662.507.531 euros en garantía del íntegro y puntual cumplimiento de las obligaciones resultantes de la Oferta. Los derechos de crédito que para el Oferente se derivan del depósito tienen la consideración de garantía financiera a los efectos del Real Decreto-Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública, quedando, por ende, sujetos al régimen jurídico previsto en la citada norma y, en particular, a lo previsto en el apartado cuarto del artículo decimoquinto del citado Real Decreto-ley.

El Oferente tiene a su disposición los fondos necesarios para pagar la contraprestación total de la Oferta tal y como se acredita mediante los depósitos de efectivo indisponibles.

La financiación de la Oferta se describe con mayor detalle en los apartados 2.4.2 y 2.4.3 del Folleto.

10. PLANES E INTENCIONES DEL OFERENTE EN RELACIÓN CON LA OFERTA Y ZOSA

10.1 Finalidad de la Oferta

Otis tiene la intención de adquirir, a través del Oferente, todas las acciones que no posee de ZOSA con el fin de excluir a ZOSA de las Bolsas de Valores.

Con esta operación, Otis pretende establecer una mayor alineación estratégica y operativa entre ZOSA y su negocio global de ascensores y escaleras mecánicas, con el fin de mejorar la gestión general de sus operaciones globales.

Otis considera que la exclusión de bolsa permitirá racionalizar la estructura de gobierno corporativo y del proceso de toma de decisiones de ZOSA, gestionar de manera más eficiente la caja generada por ZOSA, y eliminar los costes inherentes a la condición de cotizada. Asimismo, Otis considera que la Oferta representa una oportunidad de desinversión atractiva para los accionistas minoritarios de ZOSA, a un precio que está justificado mediante el informe de valoración de Deloitte.

10.2 Política de dividendos y remuneración al accionista de ZOSA

ZOSA tiene una política de dividendos y remuneración al accionista consistente en el pago de cuatro dividendos por ejercicio, coincidiendo con la publicación de su información financiera trimestral,

repartiendo cerca del 100% del beneficio distribuible. El *pay out* se redujo con motivo de la pandemia de COVID-19 pero está volviendo gradualmente a niveles previos a la pandemia

Esta política de dividendos y remuneración al accionista está en consonancia con la política interna del Grupo Otis para sus filiales íntegramente participadas. De acuerdo con esta política, las filiales íntegramente participadas deben, con carácter general, proponer el pago de un dividendo anual equivalente al 100% de los beneficios distribuibles del ejercicio anterior, sujeto al cumplimiento de los requisitos legales aplicables y teniendo en cuenta consideraciones contables y fiscales. La política interna del Grupo Otis no contiene ninguna previsión relativa a la frecuencia de pago de los dividendos.

Otis tiene intención de continuar aplicando su política de dividendos interna con ZOSA, sustituyendo el pago de dividendos trimestrales por el pago de un único dividendo anual.

Las decisiones sobre el reparto de dividendos y la retribución al accionista tras la Oferta se basarán, al igual que con el resto de filiales del Grupo Otis, en las necesidades de liquidez de ZOSA en cada momento para desarrollar su actividad y acometer inversiones, así como en las necesidades de tesorería y de servicio de la deuda del Grupo Otis.

10.3 Planes relativos a los órganos de administración, dirección y control de ZOSA

En la medida en que más de la mitad de los miembros del consejo de ZOSA han sido nombrados a instancia de Otis, la composición actual del consejo se mantendrá previsiblemente hasta la exclusión efectiva de negociación de las acciones de ZOSA.

En particular, Otis no tiene previsto promover la cobertura de las vacantes que se puedan producir entre la liquidación de la Oferta y la efectiva exclusión de negociación con motivo de la dimisión de Euro-Syns, S.A. o, en su caso, de cualquiera de los consejeros independientes.

Tras la exclusión de negociación de las acciones de ZOSA, Otis tiene previsto reducir el tamaño del consejo y eliminar las comisiones del consejo con el propósito de simplificar la estructura de gobierno corporativo y racionalizar el proceso de toma de decisiones corporativas. Asimismo, el consejo de administración quedará integrado exclusivamente por consejeros dominicales nombrados a instancia de Otis, con independencia de la participación alcanzada por Otis en ZOSA tras la Oferta y del número de accionistas de ZOSA distintos de Otis que continúen siendo titulares de acciones después de la exclusión y de su participación.

10.4 Intenciones con respecto a la cotización de las acciones de ZOSA

El Oferente ejercitará el derecho de venta forzosa si se cumplen los requisitos establecidos a tal efecto en el artículo 47 del Real Decreto 1066/2007, lo que conllevará la exclusión automática de negociación de las acciones de ZOSA. Si no se cumplen tales requisitos pero Otis alcanza al menos el 75% del capital con derecho a voto de ZOSA en la fecha de liquidación de la Oferta, Otis promoverá la exclusión de negociación mediante el procedimiento de excepción de oferta pública de exclusión previsto en el artículo 11.d) del Real Decreto 1066/2007.

Como consecuencia de que está previsto que los dividendos que tradicionalmente se abonaban en abril y, en su caso, en julio se pospongan hasta después de la exclusión mediante el ejercicio de la venta forzosa o mediante el procedimiento de exclusión con excepción de oferta pública de adquisición previsto en el artículo 11.d) del Real Decreto 1066/2007, si se cumplen los requisitos para ello, el precio de las operaciones anteriores será igual al precio de la Oferta, esto es, 7,07 euros por acción.

En caso de que ni se cumplan los requisitos necesarios para promover la exclusión de negociación de las acciones de ZOSA ejercitando el derecho de venta forzosa ni se alcance el 75% del capital de ZOSA en la fecha de liquidación de la Oferta conforme a lo exigido en el artículo 82.2 de la Ley del Mercado de Valores, Otis tiene la intención de utilizar su participación en ZOSA a resultas de la Oferta para promover, tan pronto como resulte posible tras su liquidación, la formulación de una nueva oferta de exclusión de negociación de las acciones de ZOSA conforme a los términos previstos en el artículo 10 del Real Decreto 1066/2007.

Para más información sobre la finalidad de la Oferta y los planes estratégicos e intenciones del Oferente respecto de ZOSA, véase el capítulo 4 del Folleto.

11. PROCEDIMIENTO DE ACEPTACIÓN Y LIQUIDACIÓN

11.1. Plazo de aceptación de la Oferta

El plazo de aceptación de la presente Oferta es de 31 días naturales contados a partir del día hábil bursátil siguiente a la fecha de publicación del primero de los anuncios a los que se refiere el artículo 22 del Real Decreto 1066/2007. Se tomará como fecha de publicación de los anuncios en los boletines de cotización la fecha de la sesión bursátil a la que estos se refieran.

El Oferente podrá ampliar el plazo de aceptación de la Oferta una o más veces de acuerdo con lo dispuesto en el artículo 23 del Real Decreto 1066/2007, siempre que no se rebase el límite máximo de 70 días naturales y que la prórroga se comunique a la CNMV con carácter previo. La ampliación del plazo de aceptación, en su caso, deberá anunciarse en los mismos medios en que haya sido publicada la Oferta, con una antelación de, al menos, tres días naturales a la fecha de terminación del plazo inicial o de la correspondiente prórroga, indicándose las circunstancias que la motivan.

11.2. Formalidades que deben cumplir los destinatarios de la Oferta para manifestar su aceptación, así como la forma y plazo en el que recibirán la contraprestación

11.2.1 Declaraciones de aceptación

Las declaraciones de aceptación de la Oferta por parte de sus destinatarios se realizarán de acuerdo con el procedimiento señalado en el folleto.

Las declaraciones de aceptación remitidas por los destinatarios de la Oferta con posterioridad al último día del plazo de aceptación no serán válidas por lo que no se computarán en el resultado de la Oferta.

Las declaraciones de aceptación serán revocables en cualquier momento antes del último día de dicho plazo y carecerán de validez si se someten a condición, de conformidad con lo previsto en el artículo 34.3 del Real Decreto 1066/2007. Asimismo, carecerán de validez las declaraciones de aceptación

referidas a acciones cuyas fechas de contratación sean posteriores al último día del plazo de aceptación de la Oferta y aquellas declaraciones de aceptación remitidas por los destinatarios de la Oferta fuera de dicho plazo.

11.2.2 *Procedimiento de aceptación de la Oferta*

Los destinatarios de la Oferta que deseen aceptarla deberán dirigirse a la entidad financiera correspondiente y manifestar por escrito ante esta última su declaración de aceptación de forma presencial, por medios electrónicos o por cualesquiera otros medios admitidos por la entidad.

Los destinatarios de la Oferta podrán aceptarla, respecto de la totalidad o parte de las acciones de ZOSA, desde el primer día del plazo de aceptación hasta el último, ambos incluidos. Toda declaración de aceptación deberá comprender, al menos, una acción de ZOSA.

Las acciones respecto de las que se acepte la Oferta deberán comprender todos los derechos políticos y económicos, cualquiera que sea su naturaleza, que pudieran corresponder a aquellas. Las acciones deberán ser transmitidas (i) con todos los derechos económicos y políticos que les correspondan, (ii) libres de cargas y gravámenes y de derechos de terceros que limiten sus derechos políticos o económicos o su libre transmisibilidad, y (iii) por persona legitimada para transmitirlos según los asientos del correspondiente registro contable, de forma que el Oferente adquiera la propiedad irrevocable sobre las acciones de acuerdo con lo establecido en el artículo 11 de la Ley del Mercado de Valores.

De conformidad con lo establecido en el artículo 34.2 del Real Decreto 1066/2007, durante el plazo de aceptación de la Oferta, las entidades financieras que reciban las declaraciones de aceptación de los destinatarios de la Oferta remitirán diariamente al Oferente, a través del representante designado a estos efectos que se indica a continuación, y a las sociedades rectoras de las Bolsas de Valores, de forma globalizada, los datos relativos al número de acciones comprendidas en las declaraciones de aceptación presentadas, tanto si se trata de aceptaciones que los interesados les hayan hecho llegar directamente, como si se refieren a aceptaciones cursadas a través de una entidad participante en Iberclear.

Las entidades que hubieran comunicado declaraciones globales de aceptación de destinatarios de la Oferta que, con posterioridad, revoquen sus aceptaciones deberán presentar nuevas declaraciones globales que modifiquen y sustituyan a las anteriores.

Las declaraciones de aceptación remitidas por los destinatarios de la Oferta con posterioridad al último día del plazo de aceptación no serán válidas por lo que se rechazarán y no se computarán como aceptación ni por lo tanto en el resultado de la Oferta.

El representante del Oferente a los efectos de las comunicaciones de dichas declaraciones de aceptación es la siguiente entidad:

Banco Santander, S.A.

C/ Juan Ignacio Luca de Tena nº 11

28027 Madrid

A/A: Carlos López Villa y Carlos Sanz Bautista

emisores.madrid@gruposantander.com

El Oferente y las sociedades rectoras de las Bolsas de Valores facilitarán a la CNMV, cuando esta la solicite, información sobre las declaraciones de aceptación recibidas.

Una vez finalizado el plazo de aceptación y dentro del plazo establecido en la instrucción operativa emitida y publicada por las Bolsas de Valores, las aceptaciones válidas de la Oferta serán cursadas por las entidades receptoras a las sociedades rectoras de las Bolsas de Valores a través de las entidades depositarias participantes en Iberclear en las que se encuentren depositadas las acciones correspondientes, quienes se encargarán de recoger dichas aceptaciones por escrito, de forma presencial, por medios electrónicos o por cualesquiera otros medios admitidos por las entidades depositarias, y responderán, de acuerdo con sus registros de detalle, de la titularidad y tenencia de las acciones a las que se refieran las aceptaciones, así como de la inexistencia de cargas y gravámenes o derechos de terceros que limiten los derechos políticos o económicos de dichas acciones o su libre transmisibilidad.

Las aceptaciones de los titulares de acciones de ZOSA se acompañarán de la documentación suficiente para que se pueda proceder a la transmisión de las acciones y deberán incluir todos los datos identificativos exigidos por la normativa aplicable para este tipo de operaciones, que a título enunciativo y no limitativo serán: (i) nombre completo o denominación social, (ii) domicilio y (iii) número de identificación fiscal o, en caso de accionistas que no sean residentes en España y no tengan un número de identificación fiscal español, su número de pasaporte o identificación, nacionalidad y lugar de residencia.

En ningún caso el Oferente aceptará acciones cuya fecha de contratación sea posterior al último día del plazo de aceptación de la Oferta ni declaraciones de aceptación remitidas por los destinatarios de la Oferta fuera de dicho plazo. Es decir, la fecha de contratación de aquellas acciones que se ofrezcan en venta deberá haber tenido lugar no más tarde del último día del plazo de aceptación de la Oferta y las declaraciones de aceptación deberán ser remitidas por los destinatarios de la Oferta, asimismo, en dicho plazo como máximo.

Todo lo anterior se refiere a las aceptaciones de los titulares de los valores y al papel de las entidades financieras y entidades de servicios de inversión que las reciben en primer lugar. No afecta, por tanto, a los flujos de información subsiguientes entre las entidades que las reciben, los custodios, los participantes de Iberclear y las infraestructuras del mercado para realizar los procesos necesarios para la comunicación a las sociedades rectoras de las Bolsas de Valores del detalle de las aceptaciones que resulten de las declaraciones u órdenes de aceptación.

La información sobre el número de aceptaciones presentadas, según lo dispuesto en el artículo 35.2 del Real Decreto 1066/2007, podrá ser obtenida por los interesados durante el plazo de aceptación de la Oferta, previa solicitud e identificación completa del solicitante, bien en el domicilio del Oferente, bien en la de sus representantes.

11.2.3 *Publicación del resultado de la Oferta*

De conformidad con lo previsto en el artículo 36 del Real Decreto 1066/2007, transcurrido el plazo de aceptación de la Oferta previsto en el apartado 11.1 anterior, o el que resulte en caso de prórroga o modificación, y en un plazo que no excederá los siete días hábiles desde esa fecha, las sociedades rectoras de las Bolsas de Valores publicarán el resultado de la Oferta en los boletines de cotización en los términos y sesión que indique la CNMV.

Se entenderá por fecha de publicación del resultado de la Oferta, la fecha de la sesión a la que se refieran los mencionados boletines de cotización en que se publique el resultado de la Oferta.

11.2.4 *Intervención, liquidación y pago de la contraprestación de la Oferta*

La adquisición de las acciones objeto de la Oferta será intervenida y liquidada por Banco Santander, S.A. como miembro de las Bolsas de Valores españolas y entidad participante en Iberclear.

La liquidación y el pago del precio de las acciones se realizarán de conformidad con lo previsto en el artículo 37 del Real Decreto 1066/2007 y siguiendo el procedimiento establecido al efecto por Iberclear, considerándose como fecha de contratación de la correspondiente operación bursátil la de la sesión a que se refieran los boletines oficiales de cotización de las Bolsas de Valores que publiquen el resultado de la Oferta.

11.3. Gastos de aceptación y liquidación de la Oferta que sean de cuenta de los destinatarios, o distribución de los mismos entre el Oferente y aquellos

Los titulares de las acciones de ZOSA que acepten la Oferta a través de Banco Santander, S.A. no soportarán los gastos de corretaje derivados de la intervención de un miembro del mercado en la compraventa, ni los cánones de liquidación de Iberclear, ni los de contratación de las Bolsas de Valores, que serán satisfechos íntegramente por el Oferente.

En el supuesto de que intervengan por cuenta del accionista aceptante de la Oferta otros miembros del mercado distintos de Banco Santander, S.A., los gastos de corretaje y demás gastos de la parte vendedora en la operación, entre los que se incluyen los cánones de liquidación de Iberclear y los de contratación de las Bolsas de Valores, serán a cargo del accionista aceptante.

Los gastos en que incurra el Oferente para la adquisición de las acciones y su liquidación serán satisfechos por el Oferente.

El Oferente no se hará cargo, en ningún caso, de las eventuales comisiones y gastos que las entidades depositarias y administradoras de las acciones carguen a sus clientes por la tramitación de órdenes derivadas de la aceptación de la Oferta y el mantenimiento de los saldos.

Cualesquiera otros gastos distintos de los anteriormente reseñados serán asumidos por quien incurra en ellos.

11.4. Entidad que actúa por cuenta del Oferente en el procedimiento de adquisición y liquidación de la Oferta

El Oferente ha designado a Banco Santander, S.A. como entidad encargada de la intervención y liquidación de las operaciones de adquisición de las acciones de ZOSA que pudieran resultar de la Oferta.

Asimismo, Banco Santander, S.A. será la entidad encargada de la intervención y liquidación de las operaciones de compraventa forzosa en los términos que se describen en el Folleto.

12. AUTORIZACIONES EN MATERIA DE COMPETENCIA Y ADMINISTRATIVAS

12.1. Autorizaciones en materia de competencia

La Oferta no está sujeta a notificación ante la Comisión Europea ni ante la Comisión Nacional de los Mercados y la Competencia, en virtud de lo dispuesto, respectivamente en el Reglamento (CE) n° 139/2004 del Consejo, de 20 de enero de 2004, sobre el control de las concentraciones entre empresas, y en la Ley 15/2007, de 3 de julio, de Defensa de la Competencia.

El Oferente no ha identificado la necesidad de obtener ninguna otra autorización de ninguna autoridad de defensa de la competencia.

12.2. Otras autorizaciones administrativas

La potencial adquisición de las acciones objeto de esta Oferta no constituye operación sujeta a autorización de inversiones extranjeras directas en virtud de lo establecido en la Ley 19/2003, de 4 de julio, sobre régimen jurídico de los movimientos de capitales y de las transacciones económicas con el exterior y en la disposición transitoria única del Real Decreto-ley 34/2020, de 17 de noviembre, de medidas urgentes de apoyo a la solvencia empresarial y al sector energético, y en materia tributaria, debido a que Otis ya es titular de más de un 50% del capital social de ZOSA y tiene el control exclusivo de ZOSA de acuerdo con los criterios establecidos en el artículo 7.2 de la Ley 15/2007, de 3 de julio, de Defensa de la Competencia.

En Madrid, a [●]

ANEXO 20

Carta de publicidad de la Oferta

Comisión Nacional del Mercado de Valores
Dirección General de Mercados
Edison, 4
28006 Madrid

Madrid, 22 de febrero de 2022

Re: Carta relativa a la publicidad de la oferta pública voluntaria de adquisición formulada por Opal Spanish Holdings, S.A.U. sobre la totalidad de las acciones emitidas de Zardoya Otis, S.A.

Muy Sres. nuestros:

En relación con la publicidad de la oferta pública voluntaria de adquisición (la "**Oferta**") formulada por Opal Spanish Holdings, S.A.U. ("**Opal**") sobre la totalidad de las acciones emitidas de Zardoya Otis, S.A. ("**ZOSA**"), les manifestamos que, al margen de los preceptivos anuncios a los que se refiere el artículo 22 del Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores, tras la autorización de la Oferta por parte de la Comisión Nacional del Mercado de Valores (la "**CNMV**"), Opal tiene previsto realizar las siguientes actividades de publicidad, promoción y difusión de la Oferta:

- (i) solicitará a ZOSA que remita a sus accionistas, tras la publicación de los preceptivos anuncios, la carta informativa en español que se adjunta a la presente como **Anexo I**, con el objeto de comunicar de manera individualizada la existencia y los principales términos de la Oferta;
- (ii) publicará una nota de prensa en inglés en la que se informe a los accionistas e inversores de la autorización de la Oferta por la CNMV, de las características principales de la Oferta y de la duración del plazo de aceptación de la Oferta. Se adjunta la nota de prensa como **Anexo II** a la presente carta;
- (iii) habilitará un *call center* operado por un tercero para informar a los accionistas de ZOSA sobre la Oferta siguiendo un guion y un documento de preguntas y respuestas en español e inglés que serán empleados en llamadas con inversores institucionales e inversores minoristas. Se adjuntan como **Anexo III** a la presente carta el guion y el documento de preguntas y respuestas;
- (iv) realizará una campaña de publicidad en prensa escrita, medios digitales y emisoras de radio en España que se desarrollará durante el período de aceptación de la Oferta. Se adjuntan como **Anexo IV** a la presente carta los documentos y materiales que serán utilizados en la campaña de publicidad. En la campaña se señalarán las características básicas de la Oferta y los canales a través de los cuales se puede obtener información sobre la misma, y se informará sobre la publicación del folleto explicativo de la Oferta (el "**Folleto**") y cómo obtenerlo.

- (v) Publicará en la página web que ha habilitado el Oferente a estos efectos (www.OPAZardoyaOtis.com) documentación y otra información distribuida o publicada en relación con la Oferta en español e inglés, incluyendo el anuncio previo y la solicitud de autorización de la Oferta, el Folleto y sus anexos, el anuncio de la Oferta y una serie de preguntas frecuentes sobre esta, así como las correspondientes respuestas. Se adjunta a la presente carta como **Anexo V** el documento que contiene tales preguntas y respuestas.
- (vi) Asimismo, tiene previsto publicar una traducción no oficial del Folleto sin sus anexos al inglés a efectos meramente informativos, que estará disponible en la página web a la que se ha hecho referencia en el apartado (v) anterior y en la web de la CNMV. La traducción no ha sido revisada ni aprobada por la CNMV y en caso de discrepancias prevalecerá la versión original en español.

Todas las actuaciones descritas anteriormente cumplirán con lo previsto en la Orden EHA/1717/2010, de 11 de junio, de regulación y control de la publicidad de servicios y productos de inversión y la Circular 2/2020, de 28 de octubre, de la CNMV, sobre publicidad de los productos y servicios de inversión.

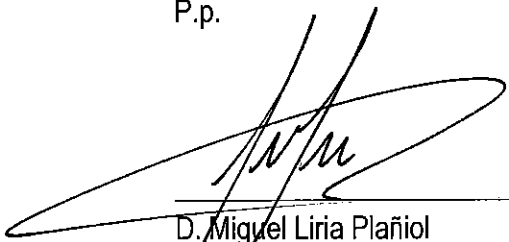
Al margen de lo anterior, Opal manifiesta que no tiene previsto desarrollar ningún otro tipo de difusión ni publicidad de cualquier otra forma en relación con la Oferta.

Los anexos mencionados en la presente carta serán enviados a la CNMV con antelación suficiente para su revisión con carácter previo a su difusión. El contenido de dichos anexos no será puesto a disposición de ninguna entidad o persona distinta de la CNMV.

Atentamente,

Opal Spanish Holdings, S.A.U.

P.p.



D. Miguel Liria Plañol
Apoderado especial

ANEXO 21

Carta de aceptación de Banco Santander, S.A. como entidad responsable de la intervención y liquidación de la Oferta

OPAL SPANISH HOLDINGS, S.A.U.
Calle Suero de Quiñones 34-36
28002 Madrid

Madrid, a 8 de octubre de 2021

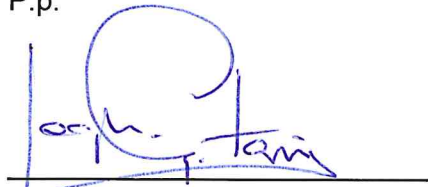
Estimados Señores:

En relación con la oferta pública voluntaria de adquisición de acciones de la sociedad ZARDOYA OTIS, S.A. (la "**Oferta**") formulada por OPAL SPANISH HOLDINGS, S.A.U. (la "**Sociedad Oferente**"), por la presente ponemos en su conocimiento que Banco Santander, S.A., con domicilio social en Paseo de Pereda nº 9-12, Santander (Cantabria), acepta desempeñar las funciones de intervenir y liquidar las operaciones de compra de acciones a las que se dirige la Oferta, por cuenta de la Sociedad Oferente, en los términos previstos en el folleto explicativo de la Oferta, una vez que el mismo haya sido registrado por la Comisión Nacional del Mercado de Valores, incluyendo, en su caso, la ejecución y liquidación de las operaciones de adquisición de acciones que pudieran realizarse como consecuencia del ejercicio de los derechos de compra o venta forzosa en los términos previstos en el folleto explicativo de la Oferta y en los artículos 47 y 48 del Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores.

Atentamente,

Banco Santander, S.A.

P.p.



D. Joaquín González-Tarrío Polo



D. Luis Felipe Juarez Molina