Annual Report
2023 / 2024

SCHOTT

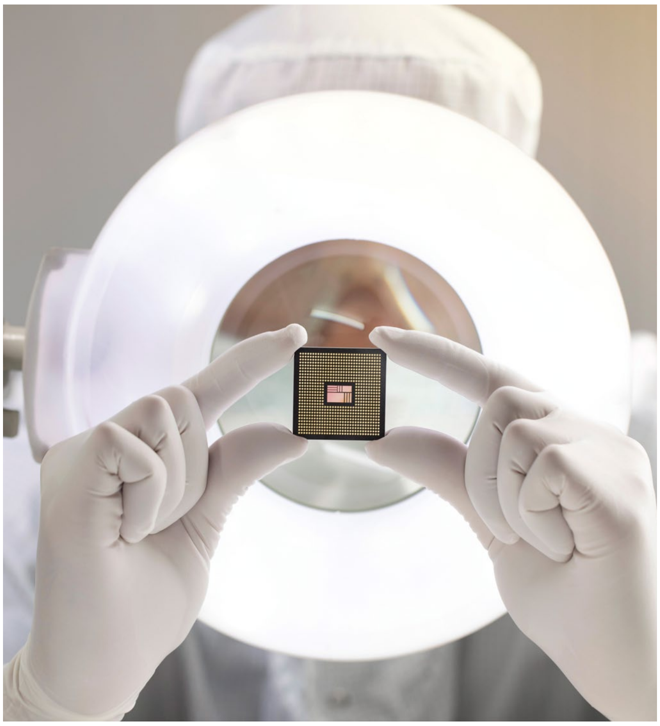
Key Figures SCHOTT Group

From October 1, 2023 to September 30, 2024

(in EUR millions, unless stated otherwise)	2023/2024	2022/2023	Change in %
Sales	2,836	2,872	–1
Germany	328	361	–9
Abroad	2,508	2,512	0
EBITDA	635	624	2
as a percentage of sales	22	22	
EBIT	400	413	–3
as a percentage of sales	14	14	
Result from continuing operations before income taxes	402	384	5
Consolidated profit for the period	308	277	11
Cash flow from operating activities	531	309	72
Capital expenditure on property, plant and equipment	447	451	–1
Total assets	4,811	4,820	0
Equity	3,186	3,028	5
Equity ratio (%)	66	63	
Long-term funds available[1]	4,059	3,928	3
as a percentage of total assets	84	81	
Net cash/(debt) position[2]	738	–121	
Research and development costs	112	108	4
as a percentage of sales	4	4	
Employees as of the reporting date (number)	17,099	17,050	0

For computational reasons, rounding differences of +/– one unit (EUR millions, %) may occur in the table.

[1] Equity, non-current provisions and non-current liabilities.
[2] Cash and cash equivalents and funds less financial liabilities.



Pioneering the Impossible since 1884

Where others say no, we say yes. Because at SCHOTT we believe that shared responsibility, experience and close collaboration can release the energy to achieve the impossible. This also applies to the relationships we build with our customers. As an international technology group for advanced materials such as specialty glass, glass-ceramics and polymers, we are constantly exploring unique solutions that make a difference for businesses and industries – yesterday, today, and tomorrow.

Many SCHOTT products have high-tech applications that push technological boundaries, such as flexible glass in foldable smartphones, glass-ceramic mirror substrates in the world's largest telescopes and laser glass in nuclear fusion. With their pioneering spirit, our 17,100 experts in over 30 countries work as dedicated partners to industries such as healthcare, home appliances, consumer electronics, semiconductors, optics, astronomy, energy and aerospace. The responsibility for employees, society and the environment is also deeply rooted in our DNA: our production is therefore set to become climate-neutral by 2030.

Whatever challenges the future might hold, we can't wait to come up with innovative solutions and turn visions into reality.

Contents

Annual Report 2023 / 2024

Foreword by the Board of Management

Facts about the fiscal year

2.8
EUR billion
Global sales

400
EUR million
EBIT

447
EUR million
Investments in property, plant and equipment

66
percent
Equity ratio

Dear Readers,

For SCHOTT, the past fiscal year was satisfactory overall. We were once again faced with numerous challenges, including weak markets in the Home Appliances segment and the negative impact of exchange rate developments. But we responded robustly to these difficulties, implementing short-time work where necessary to adjust production while securing jobs. Teams around the world are working on many projects to enhance our competitiveness, retain existing customers and attract new ones.

Adjusted for currency effects, we increased sales by 3 % and, at EUR 400 million, our operating result almost matched the previous year's level. Consolidated profit for the period reached a record high of EUR 308 million, and our equity ratio stands at an impressive 66 %.

Key growth drivers included glass and polymer syringes for drug containment and delivery, as well as continued comparatively good business development in the USA and in the Optical Industries segment.

In the past fiscal year, we maintained our growth and investment strategy, investing around EUR 450 million, similar to the previous year. Notable investments include expanding syringe production at SCHOTT Pharma in Germany, Switzerland and Hungary and launching two new Pharma plants in the USA and Serbia. We are building a climate-neutral production and administration building at our Landshut site in Germany for the Electronic Packaging business unit. In Malaysia, we moved into a state-of-the-art facility, which will significantly expand our capacity to supply high-quality optical components, particularly for augmented reality applications.

We extend our sincere thanks to all of our employees, who, in times of manifold crises and challenges, continue to excel, showing commitment and flexibility. We also thank our customers for their trust in us and our products, and our suppliers and partners for their reliable support throughout the year.

Environmental protection remains a top priority for us. Since launching the "Zero Carbon" program in 2020, SCHOTT has been driving decarbonization across all business units and companies. Our initiatives focus on improving energy efficiency, using green electricity and embracing new technologies. The program's ambition is to achieve climate-neutrality in terms of Scope 1 and Scope 2 greenhouse gas emissions by 2030. In the past fiscal year, we made strides in electrifying our melting tanks and making use of hydrogen. For instance, in Mitterteich we are constructing a tank designed to produce pharmaceutical glass with minimal greenhouse gas emissions.

What will drive us in the new fiscal year 2024/2025? We will continue to invest in innovation and growth – once again to the tune of around EUR 450 million. We have launched extensive investment projects that we will vigorously pursue in the new fiscal year, including our Pharma projects in the USA, Hungary, Serbia and Germany, the ongoing conversion of our melting tanks to environmentally friendly technologies and the expansion of our facilities in Malaysia. The semiconductor market, where new glass packaging technologies are becoming increasingly important, presents promising opportunities. We have restructured our organization in order to optimize the delivery of innovative solutions to our customers.

Dr. Andrea Frenzel Member of the Board of Management since 2023	**Marcus Knöbel** Member of the Board of Management since 2024	**Dr. Frank Heinricht** Chairman of the Board of Management and Labor Director since 2013	**Dr. Heinz Kaiser** Member of the Board of Management since 2016

The coming fiscal year will once again bring a number of challenges. Economic activity is flagging in many parts of the world, and, amid an uncertain outlook, it will be vital to keep an eye on the numerous geopolitical risks. Now more than ever, it is up to us to recognize and leverage our own potential. With our innovative strength, continuous focus on our competitiveness, a strong financial position, targeted investments and dedicated employees, we are in an excellent position to continue the successful course that SCHOTT has charted.

December 2024

SCHOTT AG
The Board of Management

Report by the Supervisory Board

Dear Readers,

Dr. Michael Bolle
Chairman of the Supervisory Board

For SCHOTT, the past fiscal year was again marked by a difficult market environment and significant geopolitical uncertainty. Despite the strained markets, SCHOTT performed extremely well overall. SCHOTT took targeted and early action to address these challenges, aimed at reducing costs, retaining existing customers and attracting new ones, for example. However, our broad and balanced business and technology portfolio was also once again pivotal to our success and resilience in many areas in fiscal year 2023/2024. We emphasize that SCHOTT continues to invest heavily, demonstrating our stability and reliability as a business partner to customers and partners. Our key financial ratios are solid, providing a strong foundation for addressing the tasks and challenges ahead, be it navigating the challenging and volatile market environment, achieving the green transformation or continuing strategic innovation-driven growth.

As mandated by law, the Articles of Association and the Rules of Procedure, the Supervisory Board monitored and advised the Board of Management of SCHOTT AG in fiscal year 2023/2024. Our collaboration was trusting and constructive. The Board of Management regularly informed the Supervisory Board about the business situation and performance, the current earnings situation, the risk situation, risk management, short- and long-term planning, major investments and ongoing organizational measures. In addition, the Chairman of the Supervisory Board liaised closely with the Board of Management and was kept up to date on economic developments and strategic plans.

In fiscal year 2023/2024, the Supervisory Board held eight meetings, including one strategy meeting, one meeting to constitute the Supervisory Board and two meetings to discuss the successor to the Chairman of the Board of Management. The Supervisory Board examined the Board of Management's reports and proposed resolutions in detail and adopted the resolutions required by law, the Articles of Association and the Rules of Procedure. Topics included the adoption of the separate financial statements of SCHOTT AG and the approval of the Consolidated Financial Statements for fiscal year 2022/2023. The measures taken by the Board of Management to address current challenges, growth projects, for example in the Pharma business unit, and succession to Board of Management positions were discussed in detail.

At its strategy meeting, the Supervisory Board and Board of Management discussed the further implementation of the Group strategy, major investments and topical strategic issues, such as current geopolitical conflicts or the market situation in the business units. Business development in the regions and the resulting adjustments were also discussed at length. The Supervisory Board also received in-depth presentations on the Group functions of Purchasing, Research and Development, Finance and the patent strategy. The annual budget for fiscal year 2024/2025 was approved at the Supervisory Board's fall meeting.

The Supervisory Board has formed three committees to perform its duties. The Audit Committee met three times in the past fiscal year. Its meetings focused on overseeing the financial reporting process, the effectiveness of the internal control system, risk management and the internal audit system as well as the audit of the financial statements. At the eight meetings of the Presiding Committee, the composition of the Board of Management and succession to Board of Management positions, the setting of targets and the compensation of the Board of Management were discussed and corresponding resolutions for submission to the Supervisory Board were adopted. The Chairpersons of the Audit and Presiding Committees reported regularly on the work of the committees during the Supervisory Board meetings. It was not necessary to convene the Mediation Committee in the past fiscal year.

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main, audited the separate financial statements of SCHOTT AG for fiscal year 2023/2024 and the Consolidated Financial Statements prepared in accordance with Section 315e (3) of the German Commercial Code (HGB) under International Financial Reporting Standards (IFRSs), including the combined management report, and issued an unqualified auditor's report in each case. The report of the Board of Management on relations with affiliated companies ("dependent company report") was also audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main.

The financial statement documents and the audit reports were made available to all members of the Supervisory Board in good time. The Supervisory Board examined the documents and discussed the annual financial statements at the Audit Committee meeting on December 16, 2024 and the Supervisory Board meeting on December 17, 2024. The auditors attended both meetings, presented the main audit findings, provided additional information and answered open questions. The Chairwoman of the Audit Committee also reported to the full Supervisory Board on the results of the examination of the financial statements by the Audit Committee. Following its own examination of the documents, the Supervisory Board concurred with the auditors and approved the financial statements prepared by the Board of Management. The Supervisory Board agrees with the proposal of the Board of Management to distribute a dividend of EUR 28,600,000.00 from the unappropriated profit of EUR 1,685,080,509.45 to our sole shareholder, the Carl Zeiss Foundation, which will approve this at the Annual General Meeting, and to carry forward EUR 1,656,480,509.45 to new account. The separate financial statements of SCHOTT AG as of September 30, 2024 are thus adopted.

In accordance with Section 312 of the German Stock Corporation Act (AktG), the Board of Management has prepared the above-mentioned dependent company report for the period from October 01, 2023 to September 30, 2024. The auditors issued the following auditor's report on the results of their audit:

“Based on our audit in accordance with professional standards, we confirm that
1. the factual statements in the report are correct,
2. the consideration paid by the Company for the legal transactions listed in the report was not unreasonably high.”

The Supervisory Board concurred with the auditors' conclusion. Based on the final results of the Supervisory Board's review, there are no objections to the concluding statement of the Board of Management contained in the dependent company report.

Frank Malzer, Dr. Stefan Marcinowski, Dr. Eckhard Müller and Dr. Richard Pott stepped down from the Supervisory Board with effect from March 18, 2024. Our special thanks go to the departing members for their many years of service on the Supervisory Board. Michael Hinz, Dr. Detlef Kratz, Frauke von Polier and Emese Weissenbacher were appointed as new members of the Supervisory Board with effect from March 18, 2024.

As of April 30, 2024, the Chief Financial Officer of SCHOTT AG, Dr. Jens Schulte, left the company at his own request. Our special thanks go to him for his many years of work in service of the company. As Chief Financial Officer, Dr. Schulte was instrumental in the successful advancement of the company and accompanied the IPO of SCHOTT Pharma. Marcus Knöbel was appointed to the Board of Management of SCHOTT AG as the new Chief Financial Officer with effect from September 1, 2024. Mr. Knöbel was previously Head of the Advanced Optics business unit at SCHOTT and brings not only his commercial expertise but also a proven business perspective to his new role. We look forward to working with him and wish him every success in his new position.

The Chairman of the Board of Management of SCHOTT AG, Dr. Frank Heinricht, has informed the Supervisory Board that after more than 11 years as CEO of SCHOTT AG, he will not be renewing his contract and will retire on December 31, 2024. SCHOTT has a great deal to thank Dr. Heinricht for. His exceptional leadership in innovation, culture and strategy has transformed SCHOTT into a highly successful group. We deeply regret his decision and extend our heartfelt gratitude for his outstanding contributions. We wish Dr. Heinricht all the best for his future endeavors.

Dr. Torsten Derr was appointed as the new Chairman of the Board of Management with effect from January 1, 2025. In Dr. Derr, SCHOTT has gained a respected and accomplished successor to Dr. Heinricht. Drawing on his many years of operational and strategic experience, he will continue to lead SCHOTT on its innovation and growth journey. We look forward to working with him and wish him every success and good-fortune in his new role at the helm of the company.

The Supervisory Board would like to thank the members of the Board of Management and all employees of SCHOTT worldwide for their extraordinary commitment and their successful work in fiscal year 2023/2024.

Mainz, December 17, 2024

For the Supervisory Board

Dr. Michael Bolle
Chairman

Combined Management Report

For the fiscal year from October 1, 2023 to September 30, 2024

About the Group

Preliminary remarks

This management report combines the management report of SCHOTT Group (hereinafter also referred to as "SCHOTT," the "Group" or "we") and the management report of SCHOTT AG, Mainz (hereinafter also referred to as "SCHOTT AG") for the first time for fiscal year 2023/2024. Unless otherwise stated, the statements below refer to SCHOTT Group. Additional information on SCHOTT AG can be found in the section "Separate financial statements of SCHOTT AG."

Organization profile

SCHOTT Group is an international technology group with 140 years of experience in the areas of specialty glass, glass-ceramics and high-tech materials. Our main markets include the home appliance, pharmaceutical, electronics, optics, life sciences, automotive and aviation industries. We currently employ around 17,100 people worldwide and operate manufacturing sites and sales offices in 33 countries. In fiscal year 2023/2024, we generated total Group sales of EUR 2,836 million.

SCHOTT AG in Mainz is the parent company of SCHOTT Group. In addition to SCHOTT AG, SCHOTT Group included 12 companies (previous year: 12) based in Germany and 52 foreign companies (previous year: 52) as of the reporting date. The sole shareholder of SCHOTT AG is the Carl Zeiss Foundation, which has no business activities according to its statutes and is based in Heidenheim an der Brenz and Jena, Germany.

SCHOTT Group's operations are organized into three different segments and seven distinct business units. The following list maps the segments and business units to their main markets:

Segments and Business Units	Main Markets
Precision Materials	
• Electronic Packaging	• Electronics / Automotive Industry
• Pharma	• Pharmaceuticals
• Tubing	• Pharmaceuticals
Optical Industries	
• Advanced Optics	• Optics
• Lighting and Imaging	• Electronics / Automotive and Aviation Industries
Home Appliances	
• Home Tech	• Home Appliance Industry
• Flat Glass	• Home Appliance Industry

The business units are categorized mainly on the basis of the types of products they offer, the production processes they use and the areas of application that they address.

In the **Precision Materials** segment, Electronic Packaging stands for the development and manufacturing of hermetic seals and other components for the protection of sensitive electronics. The business unit addresses a large number of applications and sales markets, including automotive and consumer electronics, energy and medical technology, as well as data and telecommunications. Pharma produces syringes, vials, ampoules, cartridges and special articles made of glass tubing or polymer. Tubing produces a wide variety of glass tubing, rods and profiles for pharmaceutical and technical applications.

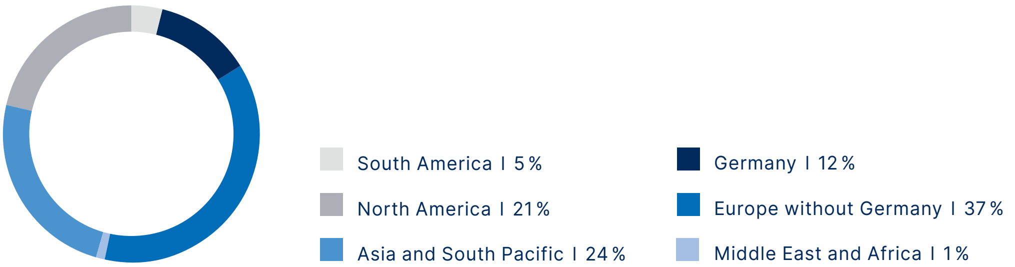
The Advanced Optics business unit that is part of the Optical Industries segment offers an extensive portfolio of optical glass products, special materials and components for a multitude of applications in optics, lithography, astronomy, optoelectronics, architecture, life sciences and research. Lighting and Imaging offers a broad spectrum of high-tech solutions for illumination and image transmission, particularly in the medical technology, automotive and aviation, industrial equipment and security technology markets.

In the Home Appliances segment, Home Tech covers a broad range of solutions made of specialty glass and glass-ceramics. These mainly include cooktop panels and fire viewing windows made of glass-ceramics as well as borosilicate glasses for a wide variety of different applications. The Flat Glass business unit develops, manufactures and markets a broad portfolio of products made of processed flat glasses for the home appliance industry such as exterior panes of glass for ovens, viewing windows for microwave ovens or shelves for refrigerators and also for commercial presentation of refrigerated and frozen foods and even system solutions.

The most important industries that SCHOTT is active in based on sales are the pharmaceutical industry and the home appliance industry, followed by the industrial optics and sensor, automotive, life sciences and entertainment electronics industries. SCHOTT currently generates over 80 % of its sales in these markets. The development of these industries can therefore have a significant impact on the performance of the various SCHOTT business units.

Sales by region

Total sales: EUR 2,836 million



Economic Report

Macroeconomic and industry-specific framework conditions

In 2024, the global economy has again expanded at a slightly lower rate than before the COVID-19 pandemic. Momentum has tailed off in the USA and has also slowed in China. After a period of stagnation, the first signs of a recovery can be seen in Europe. The service sector is the driving force behind the global economic expansion. Against this background, economic research institutes are forecasting a 2.7 % increase in global output for calendar year 2024 (previous year: 2.7 %).

The economic research institutes forecast growth of 1.4 % (previous year: 0.9 %) for Europe, where SCHOTT Group generates nearly half of its sales. As in the previous year, Germany's economy is expected to contract by 0.1 %. For the USA, growth of 2.6 % is forecast (previous year: 2.5 %). The Chinese market, our largest sales market in Asia, is expected to grow by 4.8 % (previous year: 5.2 %). For Asia as a whole, the economic research institutes forecast economic output to increase by 4.2 % following 4.6 % in the previous year.[1]

Growth rates of between 0 % and 4 % for 2024 are expected for the sectors relevant to SCHOTT. The pharmaceutical, home appliance, life sciences and consumer electronics industries are each expected to grow by 4 %. The forecast growth rates for the industrial optics and sensor technology industries and the automotive industry are 3 % and 0 %, respectively.[2]

[1] Data according to the joint economic forecast of the leading German economic research institutes published on September 26, 2024. The previous year's figures in this and the next paragraph represent the actual growth rates according to the joint economic forecast, not the forecast values for the calendar year stated in last year's Group Management Report. All figures are inflation-adjusted based on the joint economic forecast.

[2] Internal forecast taking relevant market studies such as those from statistics service providers, banks and management consultancies into account

Business Development and Situation of the Group

Results of operations

(in EUR millions)	2023/2024	2022/2023	Change
Sales	2,836.3	2,872.4	−36.1
EBIT	400.5	412.9	−12.4
Financial result	2.0	−29.3	+31.3
Result from continuing operations before income taxes	402.5	383.6	+18.9
Income taxes	−93.7	−109.8	+16.1
Result from continuing operations	308.8	273.9	+34.9
Consolidated profit for the period	308.2	276.8	+31.4

Course of business and development of sales

SCHOTT Group's sales decreased by EUR 36 million or 1% to EUR 2,836 million in the past fiscal year. Changes in the euro exchange rate reduced Group sales by EUR 124 million year on year (previous year: reduction in Group sales of EUR 28 million). Adjusted for exchange rate changes, sales increased by 3%.

The share of Group sales generated in Europe fell slightly to 49% against 50% in the previous year. The Asia and South Pacific region contributed 24% to Group sales (previous year: 23%), while North America's contribution stood at 21% as in the previous year. We generated 5% of our sales in South America, on a par with the previous fiscal year, and 1% in the Middle East and Africa region (previous year: 1%).

In the **Precision Materials** segment, sales climbed from EUR 1,567 million to EUR 1,622 million. While the Pharma and Electronic Packaging business units grew their sales, there was a slight decrease in sales for the Tubing business unit.

The Pharma business unit achieved solid sales growth in the reporting year, with sales of drug delivery systems (glass and polymer syringes) growing significantly once again. This growth was made possible by the rapid expansion of our production capacities and is driven by the consistently high demand from customers for prefillable syringes. There was a moderate decrease in sales in the drug containment solutions business (vials, ampoules and cartridges). While sales from ampoules and cartridges increased year on year, sales from pharmaceutical vials were below the previous-year level, which was explained by the temporary reduction in inventories at our customers in the first two quarters of fiscal year 2023/2024.

At a regional level, we achieved the strongest sales growth in Europe, and were also able to grow sales in Asia, while a moderate decline was recorded in North America.

In the Tubing business unit, sales fell slightly compared to the previous year. After a rather weak start to the fiscal year, sales from pharmaceutical tubing have stabilized, but continue to be affected by high inventory levels in the pharmaceutical industry and overcapacity on the market. In the technical tubing business, sales declined moderately year on year, mainly due to lower sales of laboratory glass and special glass. While the business unit was able to slightly improve sales in Asia, there was a moderate decline in both Europe and North America.

The Electronic Packaging business unit grew it sales slightly compared to the previous year, with the majority of businesses performing well in a difficult market overall and more than offsetting the significant decrease in sales in the optoelectronics business. All regions contributed to the growth in sales.

In the **Optical Industries** segment we increased sales from EUR 413 million to EUR 431 million.

We achieved a good increase in sales in the Advanced Optics business unit. Sales of augmented reality and ZERODUR® glass-ceramics grew significantly in some cases, while sales of optical glass, filters and components declined slightly overall.

The Lighting and Imaging business unit achieved a slight increase in sales year on year. While our industrial applications (specialty light guides for the semiconductor, aviation and automotive industries) and security technology businesses saw significant increases in sales, business with fiber optic components for medical technology remained subdued.

Sales in the **Home Appliances** segment decreased from EUR 911 million to EUR 795 million.

The Home Tech business unit saw a significant drop in sales, mainly due to weak demand for consumer goods. Sales of glass-ceramic cooktop panels declined significantly in the reporting period due to weak market demand caused by marked consumer restraint and intense price competition. The business with fire viewing panels also saw a significant downturn after strong demand in previous years due to the COVID-19 pandemic and uncertainty about the future supply of energy. The markets for consumer electronics and diagnostics applications were also muted. By contrast, sales of products for fire prevention and the semiconductor industry improved. Broken down by region, the decreases in sales were concentrated in Europe.

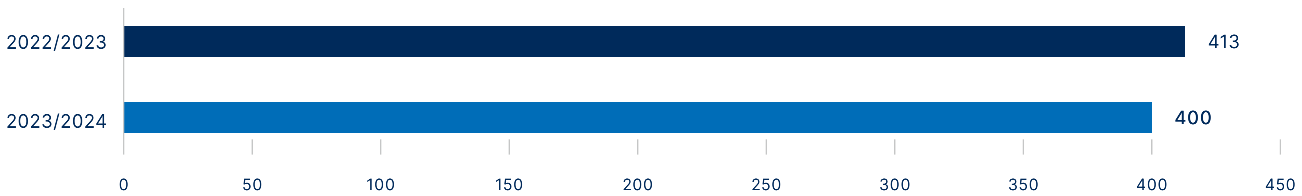
Sales in the Flat Glass business unit were down significantly on the previous year. This was due not least to exchange rate developments, particularly the continued significant depreciation of the Turkish lira. In the Home Appliances segment, subdued demand, particularly in Europe, also had a negative impact, while retrofit activities in the Food Display business benefited from several major projects in the previous year and normalized as expected in the reporting period. Broken down by region, sales declined significantly in Europe in particular, while significant sales growth was achieved in South America.

Order book

As of the reporting date, the order book is sufficient to ensure full production capacity utilization for an average of around five months (previous year: five months). Our customers generally place orders at short notice due to the short lead times. Annual framework agreements with customers apply in some areas.

Result from operating activities

EBIT (in EUR millions)



The result from operating activities (EBIT) fell from EUR 413 million in the previous year to EUR 400 million in the reporting year. While EBIT increased in the Precision Materials segment, it declined in the Optical Industries and Home Appliances segments. On a constant currency basis, EBIT would have amounted to EUR 412 million.

In the **Precision Materials** segment, a slight increase in EBIT was achieved in the Pharma business unit, with EBIT in the drug containment solutions business (vials, ampoules and cartridges) declining in line with sales. By contrast, significant earnings growth was once again achieved with drug delivery systems (glass and polymer syringes). This development resulted from the significant increase in sales and the associated positive operating economies of scale.

The Electronic Packaging business unit was able to significantly increase its EBIT, driven by increased productivity and positive business development in most application areas, which outweighed the negative effects of the weak optoelectronics business and restructuring activities.

In the Tubing business unit, EBIT fell significantly compared to the previous year. This is due to the decline in sales volumes in the technical tubing business and the related underutilization of capacity. On the other hand, EBIT in the pharmaceutical tubing business stabilized thanks to increased sales volumes and measures to improve earnings.

In the past fiscal year, the segment contributed more than two thirds to Group EBIT (previous year: around two thirds).

The Home Appliances segment saw a significant drop in EBIT in line with the weak development of sales. Besides significantly lower capacity utilization, the intense competition and price sensitivity on the sales markets coupled with already high and, in some cases, rising energy prices had a negative impact on the Home Tech business unit. In the Flat Glass business unit, however, we were able to improve EBIT despite the decrease in sales. The higher earnings were due in particular to an impairment of goodwill recognized in the previous year and operational improvements.

In the Optical Industries segment, EBIT fell moderately following the significant increases in earnings in the two previous years. In the Advanced Optics business unit, there was a significant year-on-year decline in EBIT, mainly due to the build-up of new business and changes in the product mix, which was partly offset by improvements in productivity.

By contrast, Lighting and Imaging recorded a slight increase in EBIT, driven by the higher volumes of industrial applications and security technology business, while the weaker medical technology business had the opposite effect.

Cost of sales amounted to EUR 1,905 million (previous year: EUR 1,860 million). This resulted in a gross profit of EUR 931 million (previous year: EUR 1,012 million). The gross margin thus decreased from 35.2 % to 32.8 %.

Selling expenses declined from EUR 311 million to EUR 279 million, with the selling expense ratio therefore down from 10.8 % to 9.8 %. Lower freight and packaging costs in particular contributed to this decline.

The R&D ratio rose slightly from 3.8 % in the previous year to 3.9 %, with research and development expenses coming to EUR 112 million following EUR 108 million in the previous year. General administrative expenses decreased from EUR 193 million in the previous year to EUR 180 million. The administrative expense ratio for the past fiscal year was thus 6.3 %, compared to 6.7 % in the previous year.

Other operating income came to EUR 56 million in the reporting period compared to EUR 48 million in the previous year. The increase is mainly attributable to higher income from the reversal of provisions and accrued liabilities of EUR 12 million and higher income from grants and reimbursements of EUR 7 million. By contrast, income from write-ups of property, plant and equipment declined by EUR 6 million and exchange gains by EUR 3 million compared to the previous year.

Other operating expenses decreased from EUR 48 million year on year to EUR 25 million. Compared to the previous year, the main decreases were bank charges by EUR 15 million, impairment losses on property, plant and equipment and intangible assets by EUR 8 million and loss allowances on receivables and other assets by EUR 5 million. On the other hand, exchange losses of EUR 6 million were recognized in the reporting year, compared to an exchange gain in the previous year.

The bank charges mainly relate to the IPO of the Pharma business unit in September 2023, with EUR 5 million being reported under other operating expenses in the reporting year and EUR 20 million in the previous year.

Financial result

The financial result improved significantly from EUR –29 million in the previous year to net financial income of EUR 2 million. The main reason for the significant improvement is the cash inflow of EUR 911 million at the beginning of the reporting year from the IPO of the Pharma business unit on September 28, 2023. The cash inflow enabled the Group to considerably reduce its financial liabilities and generate significantly higher financial income than in the previous year by investing the funds.

Taxes

The tax expense for continuing operations amounted to EUR 94 million compared to EUR 110 million in the previous year. The Group's effective tax rate – based on the result from continuing operations before income taxes – therefore fell from 29 % in the previous year to 23 %. In the previous year, additional tax expenses were incurred as a result of the spin-off of the Pharma business unit in preparation for the IPO.

Discontinued operations and consolidated profit for the period

The consolidated profit for the period of EUR 308 million (previous year: EUR 277 million) includes a profit from continuing operations of EUR 309 million (previous year: EUR 274 million) and a loss from discontinued operations of EUR 1 million (previous year: profit of EUR 3 million). The result from discontinued operations mainly relates to the Photovoltaics business unit that was discontinued in 2012 and is primarily connected to the remaining warranty obligations.

Financial position

(in EUR millions)	2023/2024	2022/2023	Change
Cash flow from operating activities*	531.3	308.8	+222.5
Cash flow from ongoing investing activities*	−383.2	−406.2	+23.0
Cash flow from financial assets*	−400.2	−2.8	−397.4
Cash flow from financing activities*	434.6	−29.8	+464.4
Change in cash and cash equivalents	182.5	−130.0	+312.5
Cash and cash equivalents at the end of the period	295.1	118.4	+176.7

* from continuing and discontinued operations

Consolidated statement of cash flows and investment analysis

In the reporting year, net cash of EUR 531 million was provided by operating activities, compared to EUR 309 million in the previous year. The main driver of this significant increase is working capital adjusted for currency effects, which decreased by EUR 5 million in the reporting period, compared to an increase of EUR 206 million in the previous year. The increase in consolidated profit for the period increased cash flow from operating activities by EUR 31 million and the additions to amortization, depreciation and impairment by EUR 23 million. The main offsetting effects in the reconciliation of consolidated profit for the period to cash flow from operating activities were the change in provisions and accrued liabilities, the gain/loss from financial assets and other non-cash expenses and income. This led to a decrease in cash flow from operating activities by a total of EUR 38 million compared to the previous year.

In the reporting year, we reported cash flow from investing activities as a subtotal for the first time – separately for cash flow from ongoing investing activities (intangible assets and property, plant and equipment) and for cash inflows and outflows from financial assets.

Cash flow from ongoing investing activities decreased year on year by EUR 23 million to EUR 383 million. This is due to cash paid for capital expenditure on property, plant and equipment and intangible assets, which decreased by EUR 24 million compared to the previous year. Payments of EUR 403 million were made for financial assets in the reporting period and are primarily for investments in bonds with longer maturities and shares in money market funds. Netted with the cash inflow from the disposal of financial assets, net investments in financial assets were EUR 397 million higher than in the previous year. This increase was driven by the proceeds from the IPO of the Pharma business unit at the beginning of the fiscal year of EUR 911 million (net of transaction costs).

Of the cash-effective investments in the fiscal year, 69 % related to the Advanced Optics, Home Tech and Pharma business units. As in the previous year, investments focused on growth projects, in particular the construction and expansion of production facilities in Germany, Malaysia, Switzerland, Serbia and Hungary, among other countries, capacity expansions, and the construction and conversion of melting tanks. All major investments were carried out on schedule in the past fiscal year without any significant delays.

Financing activities resulted in a cash inflow of EUR 435 million (previous year: cash outflow of EUR 30 million). The IPO of the Pharma business unit led to net cash inflows of EUR 911 million in the reporting period (proceeds from the placement of shares of EUR 935 million net of transaction costs of EUR 24 million). There were offsetting effects from time deposits of EUR 198 million, the allocation of EUR 109 million to plan assets, the repayment of EUR 103 million in loans and dividend payments of EUR 40 million.

Order commitments from investments in property, plant and equipment and intangible assets amounted to EUR 203 million as of the reporting date (previous year: EUR 248 million). The largest current investment projects relate to the creation, expansion and modernization of production capacities in the Advanced Optics, Electronic Packaging, Home Tech, Pharma and Tubing business units.

Financing instruments

SCHOTT Group has a diverse range of instruments at its disposal to finance its business activities, mainly consisting of credit lines, loans and lease agreements.

In September 2020, SCHOTT AG entered into a credit line of EUR 250 million with an international banking syndicate, which was terminated prematurely in August 2024 due to the Group's strong financial position. At the same time, SCHOTT AG entered into a new credit line of EUR 150 million with a banking syndicate, which is available until August 2029. These syndicated credit lines were not utilized at any time in fiscal year 2023/2024.

The SCHOTT Group companies repaid all loan liabilities due in fiscal year 2023/2024 in accordance with the agreed payment schedules. In addition, a floating-rate loan of EUR 30 million, which was due for repayment in May 2025, was repaid early in December 2023. As of September 30, 2024, SCHOTT Group had fixed-interest loans of EUR 4 million (previous year: EUR 58 million), which are due for repayment in fiscal year 2024/2025 in accordance with the agreed repayment schedules.

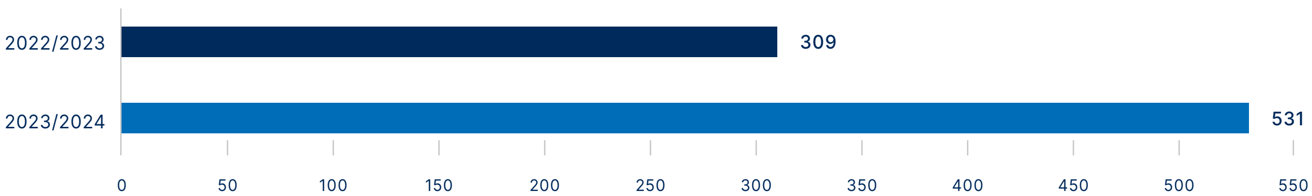
There were also lease liabilities with a total volume of EUR 166 million as of the reporting date (previous year: EUR 134 million).

SCHOTT AG also has a program for the revolving sale of receivables with a volume of up to EUR 50 million. This agreement, which was extended for an indefinite period in fiscal year 2020/2021, was terminated in September 2024 with three months' notice as of December 16, 2024. The trade receivables of SCHOTT AG sold on the basis of this program and still outstanding as of September 30, 2024 amounted to EUR 4 million (previous year: EUR 4 million). As SCHOTT no longer bears the relevant credit risks, the receivables were derecognized.

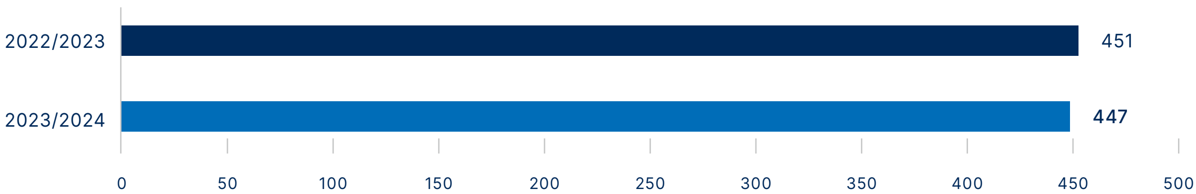
SCHOTT AG also has other bilateral master loan agreements with credit institutions at its disposal in the amount of EUR 145 million, which can be used for guarantees, bill of exchange guarantees or cash credit lines. Of these credit lines, which are available until further notice, EUR 92 million was freely available as of the reporting date. SCHOTT Group also has other bilateral bill of exchange guarantee credit lines and bilateral credit agreements at its disposal at a local level.

SCHOTT was able to meet its payment obligations at all times during fiscal year 2023/2024. The company's objective remains to maintain a financial position in line with the requirements of an investment grade rating. Based on our corporate planning, we assume that SCHOTT Group will again have sufficient funds in fiscal year 2024/2025 to finance planned investments and to meet its other financial obligations.

Cash flow from operating activities (in EUR millions)



Capital expenditure on property, plant and equipment (in EUR millions)



Net assets

(in EUR millions)	Sept. 30, 2024	Sept. 30, 2023	Change
Non-current assets	2,662.8	2,264.7	+398.1
Current assets	2,148.7	2,555.8	−407.1
Total assets	**4,811.5**	**4,820.5**	**−9.0**
Equity	3,185.6	3,028.1	+157.5
Non-current liabilities	873.1	900.3	−27.2
Current liabilities	752.8	892.1	−139.3
Total equity and liabilities	**4,811.5**	**4,820.5**	**−9.0**

Non-current assets

Intangible assets decreased from EUR 123 million on the previous year's reporting date to EUR 114 million. Additions in the fiscal year amounted to EUR 2 million and mainly related to software. On the other hand, the carrying amount was reduced by amortization and impairment losses of EUR 10 million and currency translation differences of EUR 1 million.

Property, plant and equipment increased from EUR 1,871 million to EUR 2,068 million. Please also refer to the comments in the section entitled "Consolidated Statement of Cash Flows and investment analysis" for further information. In the past fiscal year, SCHOTT invested EUR 447 million in property, plant and equipment, compared to EUR 451 million in the previous year. This also includes EUR 58 million in recognized right-of-use assets from leases in the fiscal year (previous year: EUR 38 million). This was offset by depreciation and impairment losses of EUR 225 million, of which EUR 2 million related to impairment losses, and currency translation differences and disposal of assets of EUR 19 million and EUR 6 million, respectively.

Investments accounted for using the equity method (EUR 109 million; previous year: EUR 107 million) and deferred tax assets (EUR 154 million; previous year: EUR 149 million) did not change significantly compared to the previous year.

Other non-current financial assets rose by EUR 201 million to EUR 214 million year on year, due to the investment in the fiscal year of available liquidity from the IPO of the Pharma business unit in the previous year in securities with long residual maturities. As of September 30, 2024, the carrying amount of the securities stood at EUR 203 million.

Current assets

Inventories, contract assets, trade receivables and trade payables are elements of working capital. Working capital decreased from EUR 1,038 million as of the previous year's reporting date to EUR 1,013 million. This was due to a EUR 41 million decrease in inventories and a EUR 13 million decrease in trade receivables, partly offset by a EUR 14 million increase in contract assets and a EUR 17 million decrease in trade payables.

Other current financial assets amounted to EUR 443 million as of the reporting date September 30, 2024, compared to EUR 975 million in the previous year. As of the reporting date of the previous year, this item included receivables from the IPO of the Pharma business unit on September 28, 2023, which had not yet been received as of the reporting date. As of September 30, 2024, other current financial assets included, in particular, shares in money market funds of EUR 211 million (previous year: EUR 2 million) and time deposits of EUR 205 million (previous year: EUR 7 million). The item also included positive fair values of derivatives of EUR 10 million (previous year: EUR 13 million).

Other current non-financial assets amounted to EUR 89 million as of the reporting date (previous year: EUR 111 million). The decline is due in particular to advance payments made, which fell by EUR 17 million compared to the previous year.

Cash and cash equivalents increased from EUR 118 million on the previous year's reporting date to EUR 295 million, which also included time deposits of EUR 134 million (previous year: EUR 19 million). In this context, we refer to the comments in the section entitled "Consolidated Statement of Cash Flows and investment analysis."

Equity

SCHOTT Group's equity amounted to EUR 3,186 million as of the reporting date, compared to EUR 3,028 million in the previous year. The equity ratio therefore increased from 62.8 % to 66.2 % as of the reporting date. The profit for the reporting year increased equity by EUR 308 million and the measurement of financial instruments at fair value through other comprehensive income by EUR 2 million. This was partly offset by actuarial losses including deferred taxes of EUR 70 million, currency translation differences of EUR 35 million, the dividend to the Carl Zeiss Foundation of EUR 29 million and a decrease in non-controlling interests (excluding their share of profit for the period) of EUR 19 million.

Non-current liabilities

As of the reporting date, pension provisions decreased from EUR 522 million to EUR 508 million as a result of allocations to plan assets of EUR 109 m, pension payments EUR 52 m and currency translation and other effects of EUR 4 m. On the other hand, pension provisions were increased by actuarial losses of EUR 95 million, newly earned pension entitlements of EUR 33 million and interest expenses of EUR 22 million. The average interest rate decreased from 4.36 % on the previous year's reporting date to 3.36 % as of September 30, 2024.

The funds available in the long term (equity, non-current provisions and non-current liabilities) amounted to EUR 4,059 million (previous year: EUR 3,928 million) or 84 % (previous year: 81 %) of total assets on the reporting date. 152 % (previous year: 173 %) of non-current assets are thus covered by equity and non-current liabilities.

Other non-current financial liabilities amounted to EUR 146 million compared to EUR 148 million as of the reporting date in the previous year. While the liabilities to banks of EUR 30 million as of September 30, 2023 were repaid in full during the reporting period, the non-current portion of lease liabilities increased from EUR 114 million to EUR 142 million.

Current liabilities

Besides trade payables, current liabilities mainly include current provisions, such as for taxes, warranty obligations and other precautionary measures, as well as accrued liabilities, especially for personnel.

Other current provisions decreased by EUR 10 million to EUR 40 million year on year, due in particular to lower provisions for litigation risks in connection with warranties compared to the previous year.

Accrued liabilities decreased from EUR 255 million as of the reporting date in the previous year to EUR 198 million. The decrease mainly relates to accrued liabilities for personnel of EUR 29 million and for outstanding invoices of EUR 21 million.

Current and non-current contract liabilities relate to advance payments received on orders from customers. Current contract liabilities increased by EUR 18 million compared to the previous year.

Other current financial liabilities declined from EUR 132 million to EUR 48 million, mainly due to the EUR 71 million decrease in current liabilities to banks and a EUR 10 million decrease in the negative fair values of derivatives. By contrast, the current portion of lease liabilities rose by EUR 4 million.

Comparison of business development with the previous year's forecast

Compared to the previous year, sales fell by 1 %, while our forecast was for sales growth of between 2 % and 5 %. On a constant currency basis, we achieved sales growth of 3 %.

EBIT decreased from EUR 413 million to EUR 400 million. Adjusted for currency effects, EBIT would have amounted to EUR 412 million. Our forecast was for EBIT development in line with the projected sales growth, which was therefore not quite achieved. This is due in particular to the uneven development of business in the fiscal year with a noticeable weakness in demand in the Home Appliances segment and the somewhat slower than expected recovery in the Pharma business, especially for glass vials.

We had forecast a moderate decline in the key performance indicators derived from EBIT – in particular the "SCHOTT Value Added" – due to the high and sharply rising level of investment. Overall, we achieved a SCHOTT Value Added of EUR 91 million after EUR 129 million in the previous year. The actual decline was therefore greater than in the forecast, which is mainly explained by the weaker than expected EBIT.

We had forecast a significant increase in investments in property, plant and equipment and intangible assets for the past fiscal year. In fact, we made investments of EUR 448 million, compared to EUR 452 million in the previous year, which was less than forecast. The main reason for the deviation from the forecast is that several projects have been postponed due to weaker demand in some business units.

Key financial performance indicators

Besides sales and the result from operating activities (EBIT), the key indicator SCHOTT Value Added represents an important management instrument. The SCHOTT Value Added is the difference between EBIT and the cost of capital. Cost of capital is calculated as the weighted average of the cost of equity and the cost of debt. The goal for all units of SCHOTT Group is to make a positive contribution to the Group's value.

Non-financial performance indicators

Employees

SCHOTT Group had 17,099 employees worldwide as of September 30, 2024 (previous year: 17,050). 10,782 employees were employed outside of Germany at the end of the fiscal year, which equates to 63 % (previous year: 62 %) of the Group's workforce.

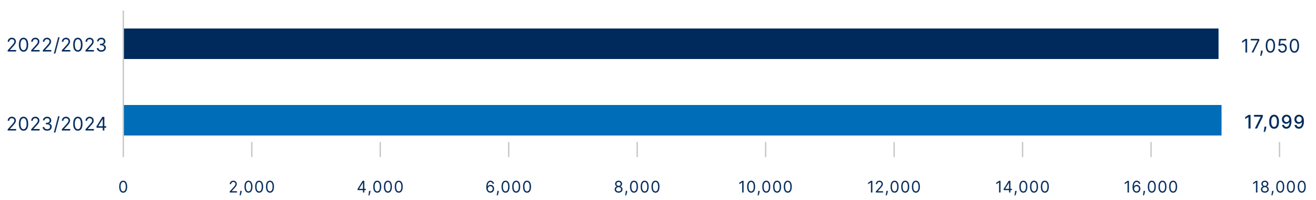
As a technology group, qualified and motivated employees are key to our success. We endeavor to be an attractive employer by offering performance-based pay, a wide range of development opportunities and modern working time models designed to balance work-life commitments.

In the area of continuing education, our employees have access to a broad portfolio of learning content to expand and deepen their skills in various subject areas. Digital learning opportunities in particular have been further expanded in recent years and will continue to be a focus of activities in the new fiscal year.

In addition, dual vocational training continues to be an important pillar in securing our future demand for skilled workers. In fiscal year 2023/2024, SCHOTT trained an average of 332 young people (previous year: 331).

After successfully completing their training, all vocational trainees are generally offered permanent employment. For us, hiring and promoting interns, working students and doctoral candidates is part of our holistic approach to securing young talent. In addition, our International Graduate Program offers career starters an attractive entry opportunity to lay the foundation for a successful professional future with us.

Employees as of the reporting date



Research and development

Corporate research and development (R&D) and SCHOTT's business units are tasked with a common goal: to strengthen innovation, growth and competitiveness. Our R&D activities focus on both new products and the enhancement of our current products, materials and processes.

The R&D ratio for fiscal year 2023/2024 was 3.9 % of Group sales (previous year: 3.8 %). We upped R&D expenditure by EUR 4 million or 4 % to EUR 112 million. At the end of the past fiscal year, 732 people were employed in R&D, which is around 4.3 % of the Group's workforce (previous year: 4.2 %).

Our global R&D network includes the Otto Schott Research Center in Mainz, Germany, as well as R&D units in the business units and in selected regions worldwide. To strengthen the growth strategy in the focus regions of China and the United States, the new venture teams there have been further expanded. In addition, we maintain close contacts with industrial partners, universities and research institutes worldwide.

Main focus of R&D in fiscal year 2023/2024

SCHOTT pursues its opportunities along key strategic topics that include the development of ever thinner and stronger glasses and new materials, the optimization of processes and material solutions for the future markets of communication, mobility, health and resource-conserving energy use. Digitalization and artificial intelligence techniques are accelerating development processes.

Our current goal is to become a carbon-neutral company by the year 2030 (Scope 1 and Scope 2 according to the Greenhouse Gas Protocol). To this end, the technology strategy was refined in the past fiscal year and work continued on the most important topics. SCHOTT's efforts to achieve climate neutrality were recognized in October 2023 when it won a German Sustainability Award.

In order to support our current international research focus on laser fusion research with new laser glass, we have not only launched various customer projects, but have also entered into several collaborations in funded research networks.

As in the previous year, SCHOTT's research and development activities focus on the following topics:

- Material development and innovations
- Melting and hot forming processes
- Surface and laser technologies
- Simulation and data science

General statement by the board of management on the results of operations, financial position and net assets

For SCHOTT, the past fiscal year was satisfactory overall. In a challenging environment, some businesses performed below our expectations, but SCHOTT's broad and balanced business portfolio made up for this with very good performances from a number of other businesses.

Against this backdrop, sales rose by 3 % adjusted for currency effects, which was within our forecast. Adjusted for currency effects, EBIT almost matched the previous year's figure but did not quite meet our forecast.

We are satisfied with the increase in cash flow from operating activities from EUR 309 million to EUR 531 million, thanks to our ability to avoid an increase in working capital and significantly improve the profit for the period compared to the previous year. The profit for the period of EUR 308 million is the highest in SCHOTT's history.

Equity rose from EUR 3,028 million in the previous year to EUR 3,186 million as of the reporting date. The increase is mainly attributable to the profit for the period and was moderated by the lower actuarial interest rates used to calculate pension provisions and by currency translation. The equity ratio stood at 66 %, compared to 63 % in the previous year.

Separate Financial Statements of SCHOTT AG

General

The management report of SCHOTT AG has been combined with the management report of SCHOTT Group for the first time for fiscal year 2023/2024.

While the Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG) are applied in the preparation of the separate financial statements of SCHOTT AG.

SCHOTT AG is the ultimate parent company of SCHOTT Group and has its registered office in Mainz. SCHOTT AG maintains branch offices in Jena and Müllheim. The sole shareholder of SCHOTT AG is the Carl Zeiss Foundation, which has no business activities according to its statutes and is based in Heidenheim an der Brenz and Jena, Germany.

Apart from the direct effects of its own operations, SCHOTT AG's net assets, financial position and results of operations are primarily influenced indirectly by the profit/loss of its subsidiaries and investments. The economic situation and the macroeconomic and industry-related conditions are the same as those of SCHOTT Group, which are presented in the "Economic Report" section.

Results of operations

(in EUR millions)	2023/2024	2022/2023	Change
Sales	1,198.1	1,294.3	−96.2
Changes in finished goods and work in progress	4.5	78.5	−74.0
Other own work capitalized	14.1	15.2	−1.1
Total operating performance	**1,216.7**	**1,388.0**	**−171.3**
Other operating income	112.8	95.3	+17.5
Cost of materials	−393.3	−471.9	+78.6
Personnel costs	−445.5	−495.8	+50.3
Amortization, depreciation and impairment	−69.2	−69.2	0
Other operating expenses*	−325.3	−372.6	+47.3
Result from ordinary activities	**96.2**	**73.8**	**+22.4**
Investment result	−24.2	889.1	−913.3
Other net financial income/expense	14.7	−6.9	+21.6
Income taxes	−23.4	−27.3	+3.9
Profit for the period	**63.3**	**928.7**	**−865.4**

* includes the other taxes recognized separately in the income statement of EUR 0.1 million.

SCHOTT AG's sales by segment developed as follows:

(in EUR millions)	2023/2024	2022/2023	Change
Precision Materials	405.3	451.2	−45.9
Home Appliances	413.7	481.0	−67.3
Optical Industries	235.8	223.5	+12.3
Corporate	143.3	138.6	+4.7
Total	**1,198.1**	**1,294.3**	**−96.2**

Sales in the Precision Materials segment decreased compared to those of SCHOTT Group. At the level of SCHOTT AG, following the spin-off of the activities of the Pharma business unit to SCHOTT Pharma AG & Co. KGaA, Mainz, in fiscal year 2021/2022, two business units, Electronic Packaging and Tubing, remain. The slight increase in the Electronic Packaging business unit was unable to compensate for the decline in the Tubing business unit.

In the Home Appliances segment, which at the level of SCHOTT AG only includes the Home Tech business unit, a significant decrease in sales was recorded, while sales in the Optical Industries segment increased. The development of sales in these two segments within SCHOTT AG is aligned with the development of sales within SCHOTT Group. Please refer to our comments on SCHOTT Group in the section "Course of business and development of sales."

In addition to the market environment, other factors such as the Group's internal management of production capacities and sales channels, the development of the regional markets in which SCHOTT AG operates and the product mix of SCHOTT AG, which differs from that of the Group, play a role at the level of SCHOTT AG in comparison to SCHOTT Group.

The sales reported under Corporate mainly result from technology services, in particular from tank construction projects, as well as from royalties and overheads recharged to affiliated companies. Here, sales increased slightly by EUR 5 million due to higher costs recharged to companies within the Group.

Sales fell by EUR 96 million in fiscal year 2023/2024, which meant that our forecast of a moderate increase in sales was not achieved. This is due in particular to a slower than expected recovery in demand in the Tubing and Home Tech business units.

In the past fiscal year, finished goods and work in progress increased by EUR 4 million year on year (previous year: increase of EUR 79 million). In contrast to the previous year, in which there was a significant build-up of inventories amid lower customer demand in some business units, there was only a slight increase in inventories in the current fiscal year.

Other own work capitalized fell slightly year on year by EUR 1 million to EUR 14 million and includes internally generated non-current assets.

Other operating income increased from EUR 95 million in the previous year to EUR 113 million. While currency and exchange gains decreased by EUR 11 million to EUR 54 million year on year (previous year: EUR 65 million), income from the reversal of provisions rose by EUR 12 million from EUR 5 million to EUR 17 million and income from cost allocations to affiliated companies increased by EUR 10 million from EUR 6 million to EUR 16 million, whereas the previous year's figure included the merger gain of EUR 10 million realized from the merger with SCHOTT-Rohrglas AG & Co. KG, Mainz. Other operating income also includes income from the reversal of loss allowances on receivables of EUR 10 million (previous year: EUR 6 million).

At EUR 393 million, the cost of materials also fell year on year (previous year: EUR 472 million) in line with the decline in total operating performance and amounted to 32 % of total operating performance (previous year: 34 %). The slightly more than proportional decline in the ratio of cost of materials to total operating performance is due in particular to lower procurement costs for certain raw materials.

Compared to the previous year, personnel costs fell by EUR 50 million to EUR 446 million and accounted for 37 % of total operating performance (previous year: 36 %). The decrease is mainly explained by lower expenses for retirement benefits, which fell by EUR 35 million compared to the previous year, and expenses for wages and salaries (EUR 345 million, previous year: EUR 36 million), which is mainly attributable to the lower variable remuneration. This was partly offset by expenses for social security contributions, which increased by EUR 4 million from EUR 62 million to EUR 66 million. Expenses for retirement benefits declined as a result of the EUR 36 million decrease in additions to pension provisions compared to the previous year.

The average number of wage earners and salaried employees employed by SCHOTT AG decreased slightly from 5,025 in the previous year to 5,002.

At EUR 69 million (previous year: EUR 69 million), amortization, depreciation and impairment of intangible assets and property, plant and equipment remained at the previous year's level.

Other operating expenses decreased from EUR 373 million in the previous year to EUR 325 million due to a number of factors, in particular the EUR 20 million reduction in currency and exchange losses, which was partly offset by an increase in loss allowances on receivables of EUR 10 million.

In the reporting year, other operating expenses included administrative expenses (EUR 94 million; previous year: EUR 101 million), production costs (EUR 53 million; previous year: EUR 58 million), currency and exchange losses (EUR 42 million; previous year: EUR 62 million) and selling expenses (EUR 37 million; previous year: EUR 45 million). This item also includes expenses for temporary workers and ancillary personnel costs totaling EUR 23 million (previous year: EUR 35 million). In the previous year, other operating expenses also included the final allocation of EUR 10 million resulting from the transition to the German Accounting Law Modernization Act (BilMoG) due to the change in the valuation of pension provisions.

The investment result decreased from EUR 889 million in the previous year to EUR –24 million. This decrease is explained by the income of EUR 892 million received in the previous year from the profit transfer from SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, while losses of EUR 21 million were absorbed in the current fiscal year. The high profit recorded by this company in the previous year was mainly attributable to the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz, in September 2023. There were also expenses from loss absorption for SCHOTT GLAS Mainz Grundstücks-GmbH & Co. KG, Mainz (previous year: loss of EUR 2 million), in the amount of EUR 5 million and for SCHOTT JENAer Glas GmbH, Jena, in the amount of EUR 0 million (previous year: EUR 1 million). Income from investments amounted to EUR 1 million in the current fiscal year (previous year: EUR 0 million) and comprises dividend income from SCHOTT Insurance Risk Management GmbH, Mainz.

Impairment of financial assets in the reporting year of EUR 87 million mainly relates to the shares in SCHOTT Technical Glass Solutions GmbH, Jena (EUR 56 million), SCHOTT MiniFAB Pty. Ltd, Scoresby/Australia (EUR 16 million), SCHOTT Tubing (Zhejiang) Co, Ltd, Huzhen Town/China (EUR 9 million), SCHOTT Primoceler Oy, Tampere/Finland (EUR 4 million) and to the shares in SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz (EUR 1 million), to reflect their lower net realizable value.

Interest expense came to EUR 19 million compared to EUR 33 million in the previous year. The main reason for the decline is the lower interest portion in the pension provisions, which fell from EUR 18 million in the previous year to EUR 0 million in the reporting year. The amount of the provisions was calculated using an actuarial interest rate of 1.87 % (previous year: 1.81 %).

Other interest and similar income increased from EUR 42 million in the previous year to EUR 117 million in the reporting year, driven by higher interest income from bank balances, time deposits and securities classified as current assets, which rose from EUR 3 million to EUR 23 million, a EUR 16 million increase in interest income from affiliated companies and a EUR 39 million increase in net interest income from plan assets for pensions.

In the past fiscal year, there was a net income tax expense of EUR 23 million (previous year: EUR 27 million). The decrease is mainly due to the fact that taxes were incurred in the previous year on which a flat-rate allowance was not deductible in connection with tax-exempt income. This decrease more than compensates for the higher taxes due on the improved operating and financial results.

SCHOTT AG closed fiscal year 2023/2024 with a profit for the period of EUR 63 million (previous year: EUR 929 million), which is EUR 866 million down on the previous year. The decline in the profit for the period is mainly due to the investment result, though at EUR 96 million, the result from ordinary activities was an improvement on the figure of EUR 74 million in the previous year. This is in line with our forecast, which had assumed a moderate increase in the profit for the period before the investment result. The main drivers behind the improved result from ordinary activities compared to the previous year are the EUR 48 million decrease in other operating expenses and the EUR 35 million lower expenses for retirement benefits as a result of the decrease in additions to pension provisions, which more than compensated for the EUR 96 million decrease in sales.

Order book

As of the reporting date, the order book is sufficient to ensure full production capacity utilization for an average of around four months (previous year: four months).

Financial position

(in EUR millions)	2023/2024	2022/2023	Change
Cash flow from operating activities	1,170.9	28.8	+1,142.1
Cash flow from investing activities	−672.7	−128.8	−543.9
Cash flow from financing activities	−127.8	−16.9	−110.9
Change in cash and cash equivalents	370.4	−116.9	+487.3
Cash and equivalents at the beginning of the period	61.9	178.8	−116.9
Cash and cash equivalents at the end of the period	432.3	61.9	+370.4

The cash flow from operating activities climbed by a significant EUR 1,142 million, up from EUR 29 million in the previous year to EUR 1,171 million. While the profit for the period decreased from EUR 929 million in the previous year to EUR 63 million, the investment result (EUR 889 million) reported in the previous year only became cash-effective in the reporting year.

Net cash used in investing activities increased from EUR 129 million in the previous year to EUR 673 million. This includes cash-effective investments in intangible assets and property, plant and equipment of EUR 112 million and, conversely, cash inflows from the disposal of property, plant and equipment of EUR 3 million. There was a cash outflow for investments in financial assets of EUR 287 million against a cash inflow from the disposal of financial assets of EUR 4 million. Net cash used in investing activities also includes the allocation to plan assets of EUR 104 million and interest received of EUR 24 million.

Investments in property, plant and equipment and intangible assets totaling EUR 112 million in the fiscal year relate primarily to the Home Tech, Electronic Packaging and Tubing business units. Investments focused on growth projects and expanding capacity, the construction and conversion of melting tanks and energy infrastructure.

For non-current assets (excluding financial assets), we had expected investments to be at the same level as the previous year, when investments totaling around EUR 130 million were made. Actual investments in the past fiscal year were slightly lower than this at EUR 112 million.

SCHOTT AG's financing activities led to a cash outflow of EUR 128 million (previous year: EUR 17 million). The cash outflow primarily resulted from loan repayments of EUR 96 million and the dividend of EUR 29 million to the shareholder of SCHOTT AG, the Carl Zeiss Foundation. The difference compared to the previous year is mainly due to the fact that the cash outflow from the balance of loan repayments and borrowings increased by EUR 109 million and the dividend was EUR 3 million higher.

All in all, cash and cash equivalents increased by EUR 370 million to EUR 432 million as of the reporting date.

Order commitments from investments in property, plant and equipment and intangible assets amounted to EUR 63 million (previous year: EUR 68 million). The largest current investment projects relate to the expansion and modernization of production capacities in the Home Tech and Tubing business units.

Net assets

(in EUR millions)	Sept. 30, 2024	Sept. 30, 2023	Change
Non-current assets	1,408.6	1,172.8	+235.8
Current assets and prepaid expenses	2,371.8	2,748.8	−377.0
Total assets	**3,780.4**	**3,921.6**	**−141.2**
Equity	2,207.3	2,173.2	+34.1
Provisions	840.3	1,050.5	−210.2
Liabilities and deferred income	732.8	697.9	+34.9
Total equity and liabilities	**3,780.4**	**3,921.6**	**−141.2**

SCHOTT AG's total assets decreased by EUR 141 million year on year to EUR 3,781 million. Non-current assets made up 37 % of total assets (previous year: 30 %); the equity ratio stood at 58 % (previous year: 55 %).

Intangible assets decreased by EUR 3 million year on year to EUR 30 million. Additions and reclassifications of EUR 2 million contrasted with amortization and impairment of EUR 5 million.

Property, plant and equipment increased from EUR 43 million as of the reporting date in the previous year to EUR 557 million. Additions in the fiscal year amounted to EUR 111 million and mainly relate to technical equipment and machinery (EUR 11 million) and advance payments and assets under construction (EUR 89 million). Property, plant and equipment was reduced by depreciation and impairment of EUR 64 million and asset disposals of EUR 4 million.

Financial assets increased in the reporting period from EUR 626 million to EUR 822 million. In the past fiscal year, additions of EUR 287 million were recorded, of which EUR 89 million was attributable to shares in affiliated companies and EUR 198 million to securities classified as non-current assets. These are partly offset by EUR 4 million in disposals and EUR 87 million in impairment. Additions in the fiscal year are mainly attributable to capital increases at SCHOTT Technical Glass Solutions GmbH, Jena (EUR 60 million), and SCHOTT Tubing (Zhejiang) Co., Ltd., Huzhen Town/China (EUR 27 million) as well as the acquisition of fixed-interest corporate and government bonds of EUR 197 million. Disposals in the fiscal year include EUR 3 million from the repayment of a loan to SCHOTT Technologies Brazil Ltda., Rio de Janeiro/Brazil, and EUR 1 million from the disposal of shares in SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz, due to a capital reduction. Impairment of financial assets in the reporting year of EUR 87 million mainly relates to the shares in SCHOTT Technical Glass Solutions GmbH, Jena (EUR 56 million), SCHOTT MiniFAB Pty. Ltd, Scoresby/Australia (EUR 16 million), SCHOTT Tubing (Zhejiang) Co, Ltd, Huzhen Town/China (EUR 9million), SCHOTT Primoceler Oy, Tampere/Finland (EUR 4 million) and to the shares in SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz (EUR 1 million), to reflect their lower net realizable value.

Inventories decreased slightly year on year by EUR 3 million to EUR 356 million. Of the decrease, EUR 5 million was attributable to raw materials and supplies, EUR 4 million to work in progress and EUR 2 million to advance payments made. This was offset by the increase in finished goods and merchandise of EUR 8 million.

Trade receivables decreased by EUR 7 million to EUR 112 million due to end-of-period effects. Loss allowances of EUR 3 million (previous year: EUR 8 million) were recognized on receivables as of the reporting date.

Receivables from affiliated companies decreased from EUR 2,162 million on the previous year's reporting date to EUR 1,231 million. These are mainly receivables from the cash pool, trade receivables and receivables from profit and loss transfer agreements. The large decrease is due in particular to the receivable recognized in the previous year from the profit and loss transfer agreement with SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, whose profit for the period had increased significantly in connection with the successful IPO of SCHOTT Pharma AG & Co. KGaA, Mainz. This receivable was settled in the reporting year.

Other assets declined by EUR 39 million to EUR 27 million, mainly due to lower advance payments made year on year of EUR 4 million compared to EUR 19 million as of September 30, 2023.

EUR 201 million of the proceeds from the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz, was invested in money market funds for the purposes of short-term financial management. The funds are reported as other securities under current assets.

Cash and cash equivalents amounted to EUR 432 million as of the reporting date compared to EUR 62 million in the previous year. In this context, we refer to the comments in the section entitled “Financial position.”

The increase in equity by EUR 34 million is due to the profit for the period of EUR 63 million less the dividend of EUR 29 million paid in the past fiscal year.

Pension provisions decreased by EUR 159 million to EUR 691 million. The decrease is due to allocations to plan assets of EUR 104 million, payments to pensioners of EUR 47 million and net interest income of EUR 39 million. The net interest income resulted from the return on plan assets (EUR 50 million), the income from the effect of the change in the actuarial interest rate (EUR 12 million) and the interest portion of the addition to the pension obligation (EUR 23 million). Other additions to pension provisions amounted to EUR 31 million compared to EUR 67 million in the previous year.

Tax provisions decreased from EUR 35 million to EUR 29 million, in particular due to higher advance payments. Furthermore, other provisions fell by EUR 45 million to EUR 121 million as of the reporting date. This was mainly due to lower provisions for variable remuneration, warranties and potential losses from derivative financial instruments.

Liabilities to banks fell from EUR 96 million to EUR 0 million. The loans that were in place in the previous year were repaid in full in the reporting year with the help of the proceeds received from the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz.

Trade payables decreased from EUR 145 million to EUR 115 million. Liabilities to affiliated companies increased by EUR 162 million to EUR 599 million and mainly relate to liabilities from the cash pool, which increased as of the reporting date.

Other liabilities decreased slightly by EUR 1 million to EUR 17 million compared to the reporting date of the previous year. These mainly include debtors with credit balances, tax liabilities and contingent purchase price liabilities from company acquisitions.

Employees

As of the reporting date, the number of employees had fallen by 133 compared to the previous fiscal year. As of September 30, 2024, SCHOTT AG employed 5,215 people (previous year: 5,348).

In addition, dual vocational training continues to be an important pillar in securing our future demand for skilled workers. In fiscal year 2023/2024, SCHOTT AG trained an average of 244 young people (previous year: 248).

Research and development

SCHOTT AG’s total expenses for research and development in fiscal year 2023/2024 amounted to EUR 55 million (previous year: EUR 55 million). The R&D ratio (expenses expressed as a percentage of total operating performance) therefore stands at 4 % (previous year: 4 %).

General statement by the board of management on the results of operations, financial position and net assets

After a weaker first half of the year, fiscal year 2023/2024 ended on a better note in the second half, despite very challenging economic conditions. Against this backdrop, sales fell by EUR 96 million or 7 %. Profit for the period declined from EUR 929 million in the previous year to EUR 63 million, which is mainly due to the significant drop in the investment result. In the previous year, the investment result was dominated by the non-recurring effect from the successful IPO of SCHOTT Pharma AG & Co. KGaA, Mainz, which was passed on to SCHOTT AG via the profit and loss transfer agreement with SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz. The result from ordinary activities improved by EUR 22 million from EUR 74 million in the previous year to EUR 96 million. This is due in particular to a decline in expenses for retirement benefits and lower other operating expenses.

Cash flow from investing activities increased from EUR 29 million in the previous year to EUR 1,171 million. The rise is mainly due to the cash inflow from the proceeds generated by the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz. At EUR 673 million, the level of investment increased significantly compared to the previous year, with the proceeds from the IPO being used to invest in securities classified as non-current assets and money market funds for short-term financial management.

Thanks to a high profit carry-forward, the equity ratio increased from 55 % as of the reporting date of the previous year to 58 %.

Opportunities and risks

The business development of SCHOTT AG is subject to the same opportunities and risks as SCHOTT Group. Due to its function as a holding company, SCHOTT AG participates in the risks of its investments and subsidiaries in line with its ownership interest in the respective companies. The risks and opportunities of SCHOTT Group are presented in the chapter “Risk and Opportunity Report.”

Forecast

In the management report as of September 30, 2023, sales, profit for the period and investments were the key performance indicators of SCHOTT AG. Starting from fiscal year 2023/2024, the focus has shifted to the result from ordinary activities as the key financial performance indicator of SCHOTT AG, as the operational management of SCHOTT Group takes place at the level of the business units and not at the company level.

We expect SCHOTT AG’s result from ordinary activities in fiscal year 2024/2025 to be significantly below that of the previous year.

For a discussion of the expected future development of SCHOTT Group, see the “Forecast report” section.

Forecast Report

In their joint economic forecast from fall 2024, the leading German economic research institutes expect the global economy to continue to gain little momentum in the coming year. The economy is likely to be bolstered by the service sector and consumption. The expansion in the rest of Europe should be somewhat stronger than in calendar year 2024, while growth in the USA and China is likely to slow down. There continue to be numerous risks that could have a significant impact on economic development, including the current geopolitical tensions, trade conflicts and turbulence on the financial markets. Overall, the institutes expect global production to increase by 2.5 % in calendar year 2025, compared to 2.7 % in 2024.[3]

We expect growth rates of between 3 % and 5 % in the industries relevant to SCHOTT in calendar year 2025, which represents a slight improvement compared to 2024.[4]

If the economic expectations, our estimates of the expected development of industries and technologies, and the trend in exchange rates are confirmed, we expect the development described below. Significant changes in the assumptions may, however, lead to considerable deviations.

On the basis of what we know today and the above assumptions, adjusted for the effects of acquisitions and disposals, we expect Group sales to increase by between 3 % and 6 % and EBIT to grow at a similar rate in fiscal year 2024/2025. By contrast, we expect the key performance indicators derived from EBIT – especially the SCHOTT Value Added – to remain at around the previous year’s level, as the planned high volume of investment will lead to an increase in the cost of capital. As in the two previous years, at the time of our forecast, there are significant risks posed by a fast changing environment and therefore forecasting uncertainties.

According to our financial plan, our solvency is guaranteed for the forecast period. SCHOTT intends to continue growing sustainably in its core businesses in the future. To this end, we will make appropriate investments and examine selected acquisition and cooperation opportunities, as in the past. For the upcoming fiscal year, we are planning to invest a similar volume as in the past fiscal year.

[3] Data according to the joint economic forecast of the leading German economic research institutes published on September 26, 2024. All figures are inflation-adjusted based on the joint economic forecast.
[4] Internal forecast taking relevant market studies such as those from statistics service providers, banks and management consultancies into account.

Risk and Opportunity Report

Group-wide management of opportunities and risks

The Board of Management of SCHOTT AG bears overall responsibility for an effective risk management system. It sets the framework to ensure the early identification of developments that could jeopardize the continued existence of the company and the introduction of appropriate measures. The risk management system comprises all organizational measures, policies and processes for identifying, evaluating and controlling opportunities and risks. The main elements of the risk management system are the established planning and governance processes, the internal control system and the early warning system. The Finance function is responsible for coordinating and refining this system and for aggregated risk reporting, while the management of the business units and Group functions identifies, controls and reports on operational and strategic risks.

The Supervisory Board of SCHOTT AG monitors the effectiveness of the risk management system; preparatory work is done by the Audit Committee of the Supervisory Board. Finally, Internal Audit regularly tests the operating effectiveness of the risk management system. The key results of these tests are discussed at meetings of the Board of Management, Supervisory Board and Audit Committee. Any adjustments to the risk management system are then implemented by the central Risk Management function.

Planning and governance processes

Decentralized Controlling is responsible for planning and forecasting and continually analyzing the results of the business units. It also coordinates the systematic identification, assessment and documentation of the corresponding opportunities and risks.

The Corporate Finance function works with the operating units and analyzes the development of key performance indicators for the individual business units and the Group as a whole. These efforts are supplemented by evaluations of the opportunities and risks as part of the established planning and forecasting processes. Regular reports to the Board of Management, coupled with appropriate recommendations for action, ensure value-oriented portfolio management tailored to these risks and opportunities.

Internal control system

SCHOTT Group's internal control system comprises the policies, procedures and measures that are designed to aid the organizational implementation of management's decisions. With regard to the (Group) financial reporting process, the focus is on ensuring the efficiency and propriety of financial reporting. The elements of the internal control system are process-integrated and process-independent monitoring activities. The Supervisory Board of SCHOTT AG, in particular the Audit Committee, and the Group Internal Audit department are involved in SCHOTT Group's internal control system through process-independent review activities.

The financial reporting processes are consistently organized according to the principles of segregation of duties and dual control. There is a clear segregation of duties between the departments and companies involved. The segregation of duties relating to administration, execution, billing and approval reduces the possibility of fraud. It also plays a key role in detecting potential errors at an early stage and preventing any misconduct.

Access to the IT applications used in financial reporting processes is restricted, with only authorized persons granted controlled access to systems and data. Access authorizations are assigned on a need-to-know and need-to-do basis. In addition, the dual control principle is applied in designing IT processes and allocating user access rights.

SCHOTT Group's central Accounting department continuously reviews changes in laws and accounting standards for their relevance to the financial statements and, if necessary, makes adjustments to its accounting manual. There are also written local and global procedural instructions that are regularly updated and communicated throughout the Group. In addition, further data are prepared and aggregated at Group level for the compilation of external information in the notes and management report. The reporting itself is carried out using a standardized reporting system implemented throughout the Group, in which all consolidation processes are mapped. Internal controls ensure that the group financial reporting is correctly compiled from the financial statements of the Group companies.

The Group Accounting department supports the local units in complex accounting issues and thus ensures a consistent and appropriate presentation in the Consolidated Financial Statements. The services of specialized service providers are sometimes used for complex valuations such as actuarial calculations or purchase price allocations.

The Internal Audit department at SCHOTT AG uses regular systematic reviews and technical measures to monitor the operating effectiveness of the systems and processes implemented. The Internal Audit department draws up an annual risk-based audit plan and applies sampling procedures to test compliance with the legal framework and internal Group guidelines for the Group's entire control and risk management system. The results of the audits are reported directly to the auditees and thus enable the efficient remediation of identified deficiencies and the ongoing enhancement of the internal control system. The Board of Management and Supervisory Board receive regular reports on the audit activities.

On the basis of the organizational, control and monitoring structures established within SCHOTT Group, the internal control and risk management system enables the complete capture, processing and evaluation of company-related matters and their proper presentation in the financial reporting. However, it should be noted that no internal control system, regardless of its design, can provide absolute assurance that matters are recognized correctly and completely in the group financial reporting. These statements refer only to the subsidiaries included in the Consolidated Financial Statements of SCHOTT AG over which SCHOTT AG has direct or indirect control as defined by the International Financial Reporting Standards.

Risk early warning system

The risk early warning system is integrated into SCHOTT's planning and governance processes. Roles, responsibilities and processes are documented in a Group-wide guideline, which is updated on a timely basis to reflect changes in the environment.

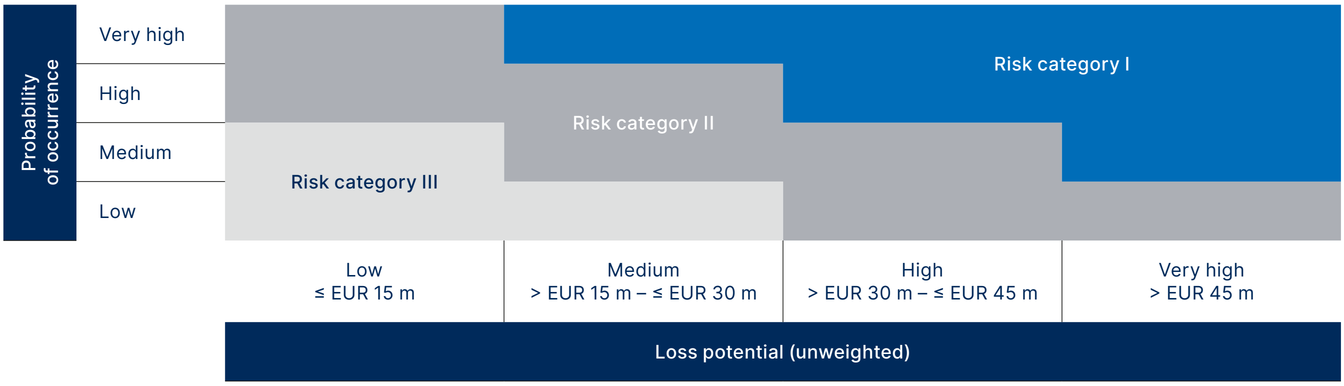
Risks are defined for the purposes of the early warning system as all developments and events that can have a negative impact on SCHOTT's future development, to the extent that these have not already been fully anticipated in the company's planning. Accordingly, opportunities are defined as developments and events that can have a positive impact on SCHOTT's future development, to the extent that these have not already been fully anticipated in the company's planning. The planning horizon for strategic risks is usually three years.

Identified opportunities and risks are assessed on the basis of the possible economic effects on planned consolidated profit for the period and the expected probability of their occurrence. Risks are presented on a net basis, taking into account risk mitigation measures.

We categorize the economic effects into low, medium, high and very high on the basis of the net loss potential determined. The low category now includes all risks with a net loss potential of up to and including EUR 15 million and the very high category begins with a net loss potential of more than EUR 45 million. We use the following criteria for the probability of occurrence:

Criterion	Description
Low	Occurrence of the opportunity/risk is considered to be highly improbable
Medium	Occurrence of the opportunity/risk is considered to be improbable
High	Occurrence of the opportunity/risk is considered to be probable
Very high	Occurrence of the opportunity/risk is considered to be highly probable

Based on the estimated probability of occurrence and their economic effects, we classify risks into the following three risk categories, with the significant risks classified as risk category I.



At the time of reporting, these include the following risks in order of relative importance:

Due to the global nature of its activities, SCHOTT is exposed to risks from changes in the political environment. In addition to the amendment to or termination of trade agreements, there are increasing risks from protectionist trends in certain countries, which in the worst case could lead to the expropriation of production facilities. In general, this risk is mitigated by our global presence with sites in over 30 countries. In addition, business and location development are an integral part of our strategic corporate planning. Due to current geopolitical developments, in our most recent risk inventory we increased the probability of occurrence of this risk to risk category I due to the very high loss potential.

SCHOTT has issued guarantees on certain products with terms of duration that extend beyond the legal scope of guarantees and guarantee periods. In addition to our quality management and the conclusion of insurance policies, we have made provisions for this risk in the Consolidated Financial Statements on the basis of our knowledge and insight as of the reporting date. Nevertheless, it cannot be ruled out for the future that expenses may arise, for example, as a result of court or official decisions or the agreement of settlements, which are not covered or not fully covered by the risk provisions made. In some business units we are currently observing negative market trends in a number of regional markets in Asia in particular. If we are unable to win sufficient new customer orders, this could lead to underutilization of some production plants. The risk assessment for both risks was confirmed in the risk inventory and we continue to classify them as risk category I.

The following sections describe the strategic and operational opportunities and risks; similar risks are grouped together.

The market and competition

As a globally operating technology group, SCHOTT is dependent on the economic conditions and development of its target markets. Our plans and forecasts for future fiscal years were prepared on the basis of the expected economic development. Uncertainties caused, for example, by geopolitical conflicts were taken into account in setting the targets.

Due to the many factors influencing the future economic development, uncertainties remain with regard to the achievement of the Group's targets. In this context, political, regulatory or economic events in particular represent direct or indirect uncertainty factors that could have a significant impact on the business.

In terms of our productivity targets, both opportunities and risks arise across all segments, while the continued increase in competitive and price pressure represents a risk. The diversification of our product portfolio as well as our global presence and strong position of our brands and our products in our target markets give us leeway to take advantage of opportunities and minimize risks.

Precision materials segment

In the Pharma business unit, the diversification of our product portfolio as well as our global presence and strong position of our brands and products in our target markets give us leeway to take advantage of opportunities and minimize risks. In particular, we see the transformation of the product portfolio from core to high-value solutions (HVS) that we have initiated as an opportunity to offer our customers enhanced high-quality containment solutions and delivery systems, which should have a positive impact on future business development.

We are seeing a general increase in demand for containment solutions and delivery systems for injectable drugs, which is why we are making targeted investments to expand our production capacities. However, it can be observed that our competitors are also expanding their production capacities, which therefore harbors a risk of price pressure caused by surplus production capacities on the market.

Long-term customer orders have already been received for most of the capacities currently being built up. These are orders for new developments by our customers and for existing products. Delays in building up production capacities, for example due to supply chain problems, could mean that production starts later than originally planned. At the same time, there may be delays in our customers' new developments, which could hold up the start of production.

In the Tubing business unit, we are continuing to see a reluctance to buy on the part of customers, combined with a reduction of inventory levels. In this context, a further decline in demand or additional price reductions to defend our market share represent significant risks for us. In certain regional markets in Asia, we continue to see negative trends in market development and intensifying competition. If we are unable to win sufficient new customer orders, this could lead to underutilization of some production plants. Factor cost inflation also represents a risk, especially if we are unable to increase our revenue to a commensurate degree. We see opportunities in the acquisition of additional customer orders in various regional markets.

Following the recovery in the past fiscal year, we believe that the opportunity/risk profile for the future development of the Electronic Packaging business unit is well balanced. Opportunities could arise from further growth in our core markets, an accelerated recovery of businesses that were affected by lower market demand in the past fiscal year 2024 and from accelerated product innovations. We see relevant risks in a cooling of market demand, particularly in the automotive sector in the wake of a regional or global recession, in the lack of market success of product innovations and in higher precious metal prices and factor costs.

Optical industries segment

In the Optical Industries segment, we currently see risks emanating from geopolitical conflicts, mounting competitive pressure, dependence on customers in some target markets and the loss of market share.

In the Advanced Optics business unit, both opportunities and risks arise from the development of focus markets, the market success of product innovations and the development of factor costs.

In Lighting and Imaging, there are opportunities and risks due to the development of the relevant markets and price trends, which we consider to be well balanced.

Home appliances segment

Risks significantly outweigh opportunities in the Home Appliances segment on the whole and include the price trend for raw materials and supplies as well persistently weak demand in some regional or sector-specific target markets, which is also leading to more intense competition.

We see opportunities in the Home Tech business unit in the shape of greater economic activity, higher project-related sales with individual customers and a recovery in the relevant target markets. In the Flat Glass business unit, opportunities arise from a faster than planned recovery of the target markets.

Procurement opportunities and risks

SCHOTT's purchasing organization continuously monitors relevant procurement markets and suppliers in order to identify procurement risks and opportunities at an early stage and respond appropriately. A particular focus here is on the procurement of high-quality production resources, such as raw materials, which can be subject to strong price fluctuations due to limited availability, for example, or plant components.

The production of many of the intermediate products we use is energy-intensive. Any interruption in the energy supply of our suppliers or in the supply chains could lead to supply shortages or interruptions, resulting in production stoppages at our plants.

There is also a risk that deviations from agreed product specifications and supply shortages or supplier insolvency, particularly in the raw materials sector, could cause unplanned production downtime at short notice. We regularly monitor the days of critical production resources on hand and maintain buffer stocks. We also continuously research the material composition of our products so that we can switch to alternative materials if necessary. In addition, we are working to reduce our dependency on individual suppliers (single sourcing).

Within the framework of the established procurement processes, opportunities arising, for example, from the bundling of procurement activities are used, as are those to limit the volatility of energy prices. Developing and implementing procurement strategies for electricity, gas and emission rights is the responsibility of Purchasing, with the support of Treasury.

Production and quality risks

The manufacturing of our products hinges on having functional manufacturing facilities and a reliable energy and media supply. Any interruption to the energy supply or the dependent supply chains could lead to production stoppages at our plants or those of our suppliers. Regular maintenance work, a redundant energy supply or backup infrastructures, for example, help to prevent unplanned production downtimes. Nevertheless, downtimes and defects at manufacturing facilities cannot be ruled out due to the complex technical processes. Any necessary repair work could lead to unplanned production outages.

We see both opportunities and risks in terms of achieving our productivity targets.

Some SCHOTT products are used by our customers in critical production processes, for example in the manufacture of medical products. Risks in this context exist, for example, in the failure to meet defined quality criteria, thereby affecting the performance of the delivered products and, in the worst case, leading to losses on the part of the customer, for which SCHOTT can be held liable in the form of damages.

SCHOTT ensures that our products meet the agreed quality standards and relevant regulatory requirements through extensive quality controls, the use of state-of-the-art production techniques and extensive training programs for the ongoing training of our employees. Moreover, the production techniques and processes used are subject to continuous review as part of improvement processes and are optimized in line with current requirements. Quality controls are applied both within the production processes and during testing of end products. This ensures that critical or essential product quality attributes are consistently achieved, though potential defects can never be completely ruled out given the complex technical processes involved.

The effectiveness of the quality management systems in place is tested in internal and external audits and in some cases supplemented by certification to relevant standards such as ISO 9001. Irrespective of the foregoing, product liability risks are insured to a significant extent.

In addition, tracking systems ensure that affected batches can be identified immediately and recalled if necessary. This minimizes the consequences of discovering a defect or a non-compliant component in a product. Customer reports are promptly handled and systematically documented using complaint management systems that ensure efficient analysis of reported cases and the initiation of necessary measures.

A trend towards ever higher quality standards can be observed in some of our target markets, triggered not least by more exacting requirements from the competent authorities. New laws and regulations entail the risk of being difficult to implement or only at additional cost. At the same time, however, they also open up opportunities for us, as they raise the barriers to entry for potential market participants. They also create an incentive to develop further technological innovations.

Risks and opportunities arising from technological innovation

SCHOTT operates in markets that are characterized by constant innovation. The latest scientific and research findings can significantly accelerate product and development cycles. In addition, it is possible for products to be partially or completely replaced by alternative technologies. SCHOTT's success and reputation thus depend not only on the ongoing development of innovative products that cater to market requirements, but also on the company's ability to recognize and implement new technological trends quickly. To this end, SCHOTT enters into relevant development partnerships and also cooperates with external research institutes.

Potential risks in this category arise from product developments that do not conform to market or application requirements or from overruns on planned development times and budgets. Such risks are reduced through continuous monitoring of trends, proof-of-concept activities, project management and the early involvement of customers in the development process. Moreover, we counter this exposure through ongoing investment in research and development, protection of our technical expertise through patents and other industrial property rights as well as continuous observation of the market and strategic business development. We have also improved the processes for the ongoing monitoring of third-party property rights. However, a violation of third-party property rights in Germany and abroad cannot be completely ruled out, despite these measures.

Financial risks

The Treasury department of SCHOTT AG manages the financing and hedging activities and controls the Group's cash management system centrally. The nature and scope of SCHOTT's financing and hedging activities are governed by a binding Group guideline. Financial transactions are entered into only with selected business partners and subject to fixed limits. We conclude derivative financial instruments for hedging purposes.

Due to its international orientation, SCHOTT is exposed to risks resulting from fluctuations in exchange rates, including the financial impact of hyperinflation. The goal of centralized currency management is to protect our business operations from transaction risks that result from exchanging foreign currencies. Generally speaking, our global presence, including local production and global purchasing activities, mitigates transaction risks. Net currency flows that we determine on a regular basis using currency-differentiated liquidity forecasts serve as the basis for hedging. Forward exchange transactions are used as hedging instruments. The majority of our transaction risks are the result of the exchange rate trend of the euro against the US dollar.

We aim to protect consolidated profit against the negative effects of changes in interest rates through interest rate management. Attention is paid here to an appropriate ratio between fixed and variable interest rates and short-term and long-term financing arrangements while taking costs and risks into consideration.

SCHOTT has defined benefit pension plans that could lead to actuarial risks and financial market risks for the Group. Moreover, relevant legal or regulatory amendments affecting the funding of pension plans could increase our funding obligations. SCHOTT has been successively funding its pension obligations as part of its financial strategy.

The liquidity risk of the Group is the risk that a Group company will not be able to meet its financial obligations. SCHOTT counteracts this risk by maintaining sufficient liquidity reserves in the form of cash and cash equivalents, short-term investments and binding credit lines. For more information on this topic, please refer to the information provided in the discussion of our financial instruments.

Some of the financial liabilities owed to banks and other lenders are bound by adherence to financial covenants. Any breach of these covenants could result in a deterioration of financing conditions or repayment of financial liabilities. We counter this risk by continuously monitoring the covenants on the basis of the applicable actual, plan and forecast values of the related ratios.

As part of treasury activities, counterparty risk is managed through a diversified business allocation and investment policy. This entails a regular, structured counterparty evaluation including individual limit allocation and continuous monitoring of limit utilization. Security and accessibility are more important than yield aspects when it comes to investing available funds.

In order to minimize the risk of non-payment on the part of our customers, we have linked up our SAP-based customer credit management systems in major SCHOTT units worldwide. Our sales and finance organization thus has access to customers' current credit limits, credit exposures as well as order and payment transactions at all times. SCHOTT also uses credit insurance to mitigate customer credit and country risks.

The value of non-current assets and inventories recognized in the Consolidated Statement of Financial Position is dependent on the future economic development of SCHOTT and the company's target markets. SCHOTT Group's business portfolio contributes significantly to the mitigation of this risk through diversification. If SCHOTT's future development should fall short of the planned development, there would be the risk of loss allowances and restructuring charges.

Personnel risks

SCHOTT also competes with other companies for skilled workers and executives. Changing demographics, ever changing requirements due to digitalization and different training and qualification standards around the globe pose a challenge to the hiring process. SCHOTT therefore sees a risk that growth cannot be realized as planned due to staffing shortages. SCHOTT Group counters this risk with targeted training and development programs, international development prospects, performance-related compensation systems, a family-friendly personnel policy, extensive health promotion programs and flexible working time models.

IT risks

SCHOTT's business processes are supported by IT components in all areas. This inevitably entails risks to the stability of the business processes and to the availability, confidentiality, integrity of information and data, risks that cannot be fully eliminated despite the security infrastructure in place. Cyber attacks have been on the rise around the globe in recent years and are becoming increasingly professional. As business processes become more digitalized, the potential impact of cyber attacks represents a relevant risk. To mitigate the possible consequences of this risk, we took out cyber insurance in the previous fiscal year to complement the established technical safeguards.

To ensure information security in terms of confidentiality, integrity and availability, SCHOTT has written guidelines, adequate contingency plans for the critical processes and IT systems supporting them, and has implemented the appropriate control mechanisms. SCHOTT is guided by the normative requirements of ISO/IEC 27001, which can be supplemented, if necessary, by action recommendations of the IT-Grundschutz Catalog of the Federal Office for Information Security (BSI). This enables us to manage all security-relevant IT issues.

The introduction of new technologies or the upgrade of existing IT products also poses a challenge to the availability of systems and processes due to the interconnectedness of systems and components. SCHOTT therefore counters risks from IT projects with stringent testing and project management in order to ensure the functionality and availability of the IT systems and thus the reliable operation of downstream business processes as best we can.

We have put safeguards in place to ensure data protection and information security when using artificial intelligence (AI). However, it cannot be ruled out that AI systems may inadvertently disclose sensitive data, which could lead to data breaches. In addition, the use of cloud systems from certain providers can violate company policies and jeopardize the protection of company and customer data.

Employees are an important factor when it comes to protecting IT-supported business processes. They are therefore trained on an ongoing basis in dealing with risks arising from increasing digitalization and interconnectedness. In this way, we raise employees' awareness of the importance of IT security when dealing with current technologies.

Regulatory risks

SCHOTT is exposed to numerous regulatory risks, such as, in particular, risks in the areas of product liability (including liability for long-term performance guarantees), competition and anti-trust laws, industrial property rights, foreign trade and payments legislation, tax laws and environmental protection.

SCHOTT has issued guarantees on certain products with terms of duration that extend beyond the legal scope of guarantees and guarantee periods. We have made provisions for risks in the Consolidated Financial Statements on the basis of the knowledge and insight as of the reporting date. Nevertheless, there is a risk that future expenses may arise, as a result of court or official decisions or the agreement of settlements, for example, that are not covered or not fully covered by the risk provisions made.

SCHOTT counters risks arising from non-compliance with laws and other rules of conduct by using a compliance management system, Group policies and corresponding training (face-to-face and online training). Nevertheless, the risk of violating the law or rules of conduct due to an individual's inappropriate actions cannot be ruled out completely.

Protecting the environment and promoting the health and safety of employees are key company goals of SCHOTT. The EHS directive, which describes the integrated management system for the environment, health and safety at SCHOTT, is aimed at achieving these goals and minimizing the related risks.

As a partner to the global pharmaceutical, biotechnology and life sciences industries, we are also affected by regulatory changes in these sectors. This entails, for example, the risk of a potentially more restrictive approach by the regulatory authorities when approving new drugs or medical devices. Inadequate compliance with the applicable regulations on the part of SCHOTT customers could delay approval processes or even reduce the number of newly approved drugs and thus also negatively impact the future prospects in SCHOTT's relevant target markets in the medium term. The Group is also subject to extensive approval, registration and reporting obligations in numerous countries for its own products. Failure to comply with the sometimes complex requirements can lead to sales or import bans and fines. The functions responsible for regulatory affairs within SCHOTT monitor the relevant markets and evaluate whether changes to processes are necessary.

SCHOTT and its subsidiaries operate worldwide and are therefore subject to a wide variety of national tax laws and regulations. Changes to tax laws, rulings and interpretation by the tax authorities or courts in these countries can lead to additional tax expenses and payments and therefore also have an impact on the corresponding tax items in the statement of financial position and statement of income. The central Group Tax department, which is supported by external consultants in the various countries, continuously observes and analyzes the tax environment in order to manage the resulting risks.

SCHOTT AG and certain Group subsidiaries are party to various judicial, arbitration and official proceedings. The outcome of these proceedings is uncertain. All precautionary accounting provisions deemed necessary for these proceedings are included in the Consolidated Financial Statements based on an estimate of the respective risk. Based on the current status of the proceedings, the Board of Management assumes that these legal disputes can be settled without causing a going concern risk. However, court or official decisions or settlement agreements could result in expenses that are not, or not fully, covered by provisions or insurance benefits and could have a negative impact on our business and its results.

Unauthorized use or appropriation of our intellectual property rights (including infringement of our patents or other technical property rights) could jeopardize SCHOTT Group's technological lead and thus its competitive position. The infringement of our brands would have the same effect on our competitive position. Internal security rules and an actively pursued intellectual property rights strategy have been our successful response to this type of risk. Furthermore, we ensure that we do not come into conflict with third-party patents, in particular, as far as possible by regularly monitoring third-party intellectual property rights. However, a violation of third-party property rights in Germany and abroad cannot be completely ruled out, despite these measures.

Other external risks

In principle, direct or indirect consequences of general life risks such as natural disasters, pandemics, armed conflicts or force majeure and the resulting damage to economically relevant or even critical infrastructure can only be predicted and controlled to a limited extent. However, proactive measures are taken to enable an appropriate and swift response to crises or to ensure that the corresponding losses are insured.

Damage to SCHOTT Group's buildings, production facilities and warehouses or those of its suppliers and to goods in transit could result in property damage or business interruption. Despite the insurance coverage in place, there is a risk that potential losses are not fully covered.

In addition, epidemics or pandemics can directly or indirectly affect our production and performance processes. Depending on the spread of an infectious disease, delivery routes to us or our customers could be affected regionally or globally, for example. Local plant shutdowns could also occur, as a result of measures ordered by the authorities or insufficient availability of employees, for example. In addition to our insurance coverage, we have established Group-wide rules on managing emergencies and crises.

Furthermore, SCHOTT is exposed to risks from changes in political conditions. These include, among other factors, the modification or termination of current trade agreements, increasing protectionism or uncertainties regarding the future political orientation at home and abroad.

The growing number of violent conflicts and wars, and the related sanctions, are having a negative impact on the world economy, global supply chains and on the prices and availability of key energy sources and commodities. SCHOTT has taken various steps, such as expanding backup infrastructures already in place, in order to mitigate any resulting negative impact.

Overall situation with respect to risks and opportunities

The uncertainty surrounding the future development of the geopolitical conflicts with their direct and indirect consequences, coupled with still relatively high inflation rates over recent years have created an environment that is extremely challenging for politics, the economy and society. In these difficult circumstances, SCHOTT relies on its skills, capacities and resources to adjust flexibly to changing market conditions and thus capitalize on opportunities for the long-term development of the Group.

While our assessments of some of the risks have changed since the previous year, the overall risk situation for SCHOTT has not changed significantly year on year and we continue to view the risk situation as tense, in particular due to geopolitical developments. Taking account of the scenarios used in planning and measures that have been taken or are planned, no current risks have been identified which, individually or in the aggregate, could jeopardize SCHOTT's ability to continue as a going concern. Risk-bearing capacity has improved significantly thanks to the extremely positive development of equity and liquidity.

Provision for the promotion of women's participation in executive positions according to section 76 (4) and section 111 (5) of the german stock corporation act

Under the Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (FührposGleichberG) of April 24, 2015, certain companies in Germany are required to set targets for the proportion of women on the Supervisory Board, the Board of Management and the two management levels below the Board of Management and to state by when the respective proportion of women should be reached. The respective companies were required to decide on their targets and periods for implementation by September 30, 2015. For setting the first period for implementation, the period was not, by law, permitted to extend beyond June 30, 2017. The next period for implementation, and any subsequent periods, was up to five years.

At its meeting on May 19, 2022, the Supervisory Board resolved to make full use of the five years for the period beginning on July 1, 2022. The target for the proportion of women on both the Supervisory Board and the Board of Management is 25 % by June 30, 2027. As of September 30, 2024, there was one women on the four-member Board of Management of SCHOTT AG and three women on the 12-member Supervisory Board at the end of the fiscal year.

At the two management levels below the Board of Management, the proportion of women was 28.6 % and 25.9 %, respectively, as of September 30, 2024. At its meeting held on April 25, 2022, the Board of Management resolved to increase the proportion of women at management level 1 to 31 % and at management level 2 to 30 % in the period to June 30, 2027.

Concluding Statement by the Board of Management in Accordance with Section 312 no. 3 of the German Stock Corporation Act (AktG)

SCHOTT AG, Mainz, and Carl Zeiss AG, Oberkochen, are both wholly owned by the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena. The conditions of Section 312 AktG are considered to be met. We have therefore prepared a report on our company's relationships with affiliated companies (dependent company report).

This report contained the following concluding statement by the Board of Management of SCHOTT AG:

"We declare that SCHOTT AG, Mainz, received appropriate consideration for all legal transactions according to the circumstances that were known to us at the time the legal transactions were effected. In the reporting year, there were no actions or omissions at the instigation of or in the interests of the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, or its affiliated companies."

Supplementary Report

Significant events after the reporting date

Dr. Frank Heinricht is retiring from the Board of Management of SCHOTT AG on December 31, 2024. He will be succeeded by Dr. Torsten Derr as of January 1, 2025.

Mainz, December 11, 2024

Dr. Frank Heinricht   Dr. Andrea Frenzel   Dr. Heinz Kaiser   Marcus Knöbel

Consolidated Financial Statements

For the fiscal year from October 1, 2023 to September 30, 2024

Consolidated Statement of Income

From October 1, 2023 to September 30, 2024

(in EUR thousands)	Notes	2023/2024	2022/2023
Sales	4	2,836,286	2,872,448
Cost of sales		–1,905,223	–1,860,081
Gross profit		931,063	1,012,367
Selling expenses	5	–278,775	–310,622
Research and development costs	6	–111,528	–107,720
General administrative expenses	5	–179,735	–192,992
Other operating income	7	55,611	48,131
Other operating expenses	8	–25,368	–47,932
Income from investments accounted for using the equity method	9	9,192	11,669
Result from operating activities		400,460	412,901
Interest income	10	29,091	9,442
Interest expense	10	–34,530	–28,549
Other net financial income/expense	10	7,437	–10,152
Financial result		1,998	–29,259
Result from continuing operations before income taxes		402,458	383,642
Income taxes	11	–93,659	–109,751
Result from continuing operations		308,799	273,891
Result from discontinued operations (after taxes)	12	–551	2,923
Consolidated profit for the period		308,248	276,814
of which attributable to non-controlling interests	13	39,140	1,588
of which attributable to the owner of SCHOTT AG		269,108	275,226

Consolidated Statement of Comprehensive Income

From October 1, 2023 to September 30, 2024

(in EUR thousands)	Notes	2023/2024	2022/2023
Consolidated profit for the period		308,248	276,814
Amounts that will not be reclassified to profit or loss in subsequent periods			
Actuarial gains/losses from pension provisions	24	−95,365	5,856
Deferred taxes	24	25,481	−2,874
		−69,884	2,982
Amounts that may be reclassified to profit or loss in subsequent periods			
Currency translation differences		−31,649	−50,320
Gains/losses on the mark-to-market valuation of securities	24	2,855	0
Deferred taxes	24	−794	0
Non-controlling interests*		−5,708	88
Other comprehensive income/loss from investments accounted for using the equity method		−3,402	−4,531
		−38,698	−54,763
Other comprehensive income/loss		−108,582	−51,781
Total comprehensive income		199,666	225,033
of which attributable to non-controlling interests		33,432	1,676
of which attributable to the owner of SCHOTT AG		166,235	223,357

* The amounts shown for the non-controlling interests pertain mainly to currency translation differences.

Consolidated Statement of Financial Position

As of September 30, 2024

Assets

(in EUR thousands)	Notes	Sept. 30, 2024	Sept. 30, 2023
Non-current assets			
Intangible assets	14	113,609	122,696
Property, plant and equipment	15	2,068,330	1,871,165
Investments accounted for using the equity method	16	109,336	106,771
Deferred taxes	11	154,164	148,560
Other financial assets	17	214,183	12,699
Other non-financial assets	18	3,166	2,823
		2,662,788	2,264,714
Current assets			
Inventories	19	702,485	743,978
Contract assets	20	122,006	108,456
Trade receivables	20	472,177	485,452
Income tax refund claims		25,729	13,107
Other financial assets	21	442,624	975,196
Other non-financial assets	22	88,524	111,179
Cash and cash equivalents	23	295,149	118,391
		2,148,694	2,555,759
Total assets		4,811,482	4,820,473

Equity and Liabilities

(in EUR thousands)	Notes	Sept. 30, 2024	Sept. 30, 2023
Equity			
Subscribed capital	24	150,000	150,000
Capital reserves	24	322,214	322,214
Generated Group capital	24	2,509,526	2,339,502
Accumulated other Group capital	24	−31,255	1,734
Non-controlling interests	24	235,129	214,679
		3,185,614	3,028,129
Non-current liabilities			
Provisions for pensions and similar commitments	25	508,024	522,282
Provisions for income taxes		14,282	24,854
Other provisions	26	63,092	67,391
Deferred taxes	11	35,532	48,443
Contract liabilities	28	103,465	88,538
Other financial liabilities	30	146,249	148,123
Other non-financial liabilities	31	2,411	646
		873,055	900,277
Current liabilities			
Other provisions	26	40,404	50,835
Accrued liabilities	27	197,885	255,418
Contract liabilities	28	68,977	50,515
Trade payables	29	283,248	300,032
Income tax liabilities		78,698	67,323
Other financial liabilities	30	48,304	131,538
Other non-financial liabilities	31	35,297	36,406
		752,813	892,067
Total equity and liabilities		4,811,482	4,820,473

Consolidated Statement of Cash Flows

From October 1, 2023 to September 30, 2024

(in EUR thousands)	2023/2024	2022/2023
Consolidated profit for the period after taxes	308,248	276,814
Depreciation and amortization/impairment reversals on non-current assets	234,643	211,267
Increase/decrease in provisions and accrued liabilities	−59,091	−40,527
Other non-cash expenses and income	4,073	13,071
Gain/loss on the disposal of intangible assets and property, plant and equipment	2,555	1,179
Gain/loss from financial assets	−12,179	−1,427
Increase/decrease in inventories and advance payments made on inventories	32,139	−156,894
Increase/decrease in contract assets	−13,551	−5,870
Increase/decrease in trade receivables	−2,181	−13,975
Increase/decrease in other assets	6,793	−17,655
Increase/decrease in contract liabilities	31,267	39,322
Increase/decrease in trade payables	−11,723	−29,274
Increase/decrease in other liabilities	5,092	29,230
Increase/decrease in deferred taxes	5,187	3,491
Cash flow from operating activities (A)*	**531,272**	**308,752**
Cash inflow from the disposal of property, plant and equipment/intangible assets	1,611	1,831
Cash outflow for investments in property, plant and equipment/intangible assets	−389,734	−413,617
Cash inflow from the disposal of consolidated companies (or parts thereof)	1,583	0
Dividends received	4,815	6,409
Cash outflow for the acquisition of consolidated companies and other business divisions	−1,540	−816
Cash flow from ongoing investing activities*	**−383,265**	**−406,193**
Cash inflow from the disposal of financial assets	2,428	909
Cash outflow for investments in financial assets	−402,608	−3,695
Cash flow from investing activities (B)	**−783,445**	**−408,979**
Dividends paid	−39,782	−26,546
Allocation to equity	911,223	0
Increase/decrease in non-controlling interests in the capital reserves	−2,400	0
Proceeds from loans	2,540	86,037
Repayment of loans	−102,587	−67,665
Allocation to plan assets	−108,906	−11,441
Cash inflow/outflow from financial receivables	−194,300	18,240
Raising/repayment of financial liabilities	−6,148	−6,917
Payment of principal portion of lease liabilities	−24,998	−21,515
Cash flow from financing activities (C)	**434,642**	**−29,807**
Change in cash and cash equivalents (A+B+C)	**182,469**	**−130,034**
Opening balance of cash and cash equivalents	**118,391**	**258,958**
– Checks, cash on hand	141	441
– Deposits with banks	118,250	258,517
Change in cash and cash equivalents due to exchange rates	−5,711	−10,533
Closing balance of cash and cash equivalents	**295,149**	**118,391**
– Checks, cash on hand	161	141
– Deposits with banks	294,988	118,250

* Free cash flow is calculated as cash flow from operating activities less cash flow from investing activities.
The Consolidated Statement of Cash Flows is discussed under Note 35.

43

(in EUR thousands)	2023/2024	2022/2023
Additional notes to the consolidated statement of cash flows*		
Interest paid	−14,390	−9,927
Interest received	23,829	9,442
Income taxes paid	−100,877	−113,425

* Included in cash flow from operating activities

Consolidated Statement of Changes in Equity

From October 1, 2023 to September 30, 2024

	Attributable to the owner		
(in EUR thousands)	Subscribed capital	Capital reserves	Generated Group capital
Balance as of Oct. 1, 2022	150,000	322,214	1,298,501
Consolidated profit for the period			275,226
Other comprehensive income			2,982
Total comprehensive income			278,208
Dividends			−25,600
Transactions involving non-controlling interests			788,393
Change in the scope of consolidation			0
Balance as of Sept. 30, 2023	150,000	322,214	2,339,502
Balance as of Oct. 1, 2023	150,000	322,214	2,339,502
Consolidated profit for the period			269,108
Other comprehensive income			−69,884
Total comprehensive income			199,224
Dividends			−29,200
Transactions involving non-controlling interests			0
Balance as of Sept. 30, 2024	150,000	322,214	2,509,526

Equity is discussed in Note 24.

Accumulated other Group capital				
Currency translation differences	Securities measured at fair value	Shareholder of SCHOTT AG	Non-controlling interests	SCHOTT Group equity
63,090	0	1,833,805	63,525	1,897,330
		275,226	1,588	276,814
–54,851	0	–51,869	88	–51,781
–54,851	0	223,357	1,676	225,033
		–25,600	–946	–26,546
–3,500	0	784,893	150,424	935,317
–3,005	0	–3,005	0	–3,005
1,734	0	2,813,450	214,679	3,028,129
1,734	0	2,813,450	214,679	3,028,129
		269,108	39,140	308,248
–35,050	2,061	–102,873	–5,708	–108,581
–35,050	2,061	166,235	33,432	199,667
		–29,200	–10,582	–39,782
0	0	0	–2,400	–2,400
–33,316	2,061	2,950,485	235,129	3,185,614

Notes to the Consolidated Financial Statements

For fiscal year 2023/2024

General Information

1 Preliminary remarks

SCHOTT AG, Mainz, (for short: SCHOTT) is an unlisted company incorporated under German law that operates internationally in 35 countries in the business units Advanced Optics, Electronic Packaging, Flat Glass, Home Tech, Lighting and Imaging, Pharma and Tubing. SCHOTT AG has its registered office at Hattenbergstrasse 10, 55122 Mainz, Germany, and is entered in the commercial register of the local court in Mainz under HRB 8555. The sole shareholder of SCHOTT AG is the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena.

SCHOTT is an international technology group that develops and manufactures specialized materials, components and systems. It operates mainly in the home appliance, pharmaceutical, electronics, optics, life sciences, automotive and aviation industries.

The Consolidated Financial Statements of SCHOTT were prepared on the legal basis of Section 315e (3) of the German Commercial Code (HGB) in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, supplemented by the applicable commercial law regulations under Section 315e (1) HGB. Necessary adjustments under IFRSs have been made to the extent that the consolidated companies' separate financial statements according to local GAAP diverge from these principles. Interim financial statements are used for subsidiaries whose reporting date differs from the Group reporting date.

For greater transparency, contract liabilities have been presented separately in the Consolidated Statement of Financial Position since fiscal year 2023/2024. They were previously included in other non-financial liabilities. For the same reason, the amounts previously reported under provisions for income taxes and tax liabilities have been reported under income tax liabilities since fiscal year 2023/2024. The previous-year presentation was adjusted accordingly. With the exception of these changes, the accounting methods, presentation and disclosure requirements are the same as in the previous year.

The Consolidated Financial Statements are prepared in euros. Unless noted otherwise, all amounts are stated in thousand euros (EUR thousands). The Consolidated Statement of Income has been prepared according to the cost of sales (function of expense) method.

The Consolidated Financial Statements prepared as of September 30, 2024, and the Group Management Report were authorized for issue by the Board of Management on December 11, 2024. The plan is for the Supervisory Board to approve the Consolidated Financial Statements at its meeting on December 17, 2024.

2 Changes in accounting standards and application of new and revised accounting standards

2.1 Standards and interpretations to be applied in the past fiscal year

The following standards and amendments to standards, which were to be mandatorily applied for the first time in the fiscal year under review, have been published by the International Accounting Standards Board (IASB).

		Application mandatory for fiscal years beginning on or after	Revised/expanded notes disclosures
Standards			
IAS 12	Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules	Immediately* and Jan. 1, 2023	Yes
IFRS 17	Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Jan. 1, 2023	No
IAS 12	Amendments to IAS 12: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	No
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Jan. 1, 2023	No
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	Jan. 1, 2023	No
IFRS 17	Insurance Contracts	Jan. 1, 2023	No

* Entities may apply the exemption immediately, but are required to comply with certain disclosure requirements in annual reporting periods beginning on or after January 1, 2023.

Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

The Act to Ensure a Global Minimum Level of Taxation for Enterprise Groups (MinStG) came into force in Germany on December 28, 2023. SCHOTT AG is the ultimate parent entity of a multinational enterprise group and falls within the scope of the Act because it is resident in Germany for tax purposes. The Act applies to all fiscal years beginning after December 30, 2023. It will therefore apply to SCHOTT AG for the first time in fiscal year 2024/2025.

As the ultimate parent entity of SCHOTT Group, SCHOTT AG is required to file the legally required minimum tax return, to calculate the tax and to pay any top-up taxes that may arise. The minimum tax rate for the purposes of the Act is 15 %.

SCHOTT AG has carried out a corresponding impact analysis. If the global minimum taxation regulations were to be applied in fiscal year 2023/2024, this would, according to the current assessment and considering the temporary safe harbor, give rise to an approximate EUR 3.0 million increase in current taxes, mainly relating to Switzerland.

In accordance with IAS 12 **Income Taxes**, tax effects that may arise from the future application of the global minimum taxation regulations are not taken into account when determining the amount of deferred tax assets and liabilities to be recognized.

Amendments to IAS 12: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction

IAS 12 **Income taxes** prohibits the recognition of deferred taxes arising from the initial recognition of an asset or liability in a transaction that is neither a business combination nor affects accounting or taxable profit. Previously, there was uncertainty about whether the exemption applies to transactions involving leases and decommissioning obligations. The amendment now clarifies that deferred taxes must be recognized on such transactions.

For SCHOTT, the amendment particularly affects the right-of-use assets and lease liabilities to be recognized in accordance with IFRS 16 **Leases** and any related temporary differences for which the recognition of deferred taxes is now mandatory. However, there are no material effects on the Consolidated Financial Statements or a retrospective restatement, as the Group has already recognized deferred taxes on differences from leases reported in the Consolidated Statement of Financial Position.

IFRS 17: Insurance Contracts

IFRS 17 **Insurance Contracts** establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. The Standard applies to all types of insurance contracts as well as to certain reinsurance contracts and investment contracts with discretionary participation features. No insurance-type contracts with customers were identified during the impact analysis. The Standard therefore is not currently expected to have any impact on the presentation of SCHOTT's net assets, financial position and results of operations.

The other published new and amended standards and interpretations that were mandatory for the first time in the fiscal year did not have any material impact on the presentation of SCHOTT's net assets, financial position and results of operations. However, they could affect the accounting for future transactions.

2.2 Published standards and interpretations that have not yet been applied

Besides the mandatory IFRSs mentioned in Note 2.1, the IASB published other IFRSs, of which several have been endorsed by the EU but will only become mandatory at a later date.

		Application mandatory for fiscal years beginning on or after	Endorsement by the EU Commission
Standards			
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-Current; Classification of Liabilities as Current or Non-Current – deferral of the effective date; Non-Current Liabilities with Covenants	Jan. 1, 2024	Dec. 19, 2023
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	Jan. 1, 2024	Nov. 20, 2023
IAS 7 and IFRS 7	Amendments to IAS 7 and IFRS 7: Reverse Factoring Transactions	Jan. 1, 2024	May 15, 2024
IAS 21	Amendments to IAS 21: Lack of Exchangeability	Jan. 1, 2025	No
IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	Jan. 1, 2026	No
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRSs – Volume 11	Jan. 1, 2026	No
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	No
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	No

IFRS 18: Presentation and Disclosure in Financial Statements

On April 9, 2024, the International Accounting Standards Board (IASB) published the accounting standard IFRS 18 **Presentation and Disclosures in Financial Statements**. IFRS 18 applies to all financial statements that are prepared in accordance with IFRSs and contains new general requirements for the presentation of financial statements and disclosures in the notes. Application in the EU is subject to adoption into EU law under the endorsement process. SCHOTT does not make use of the existing option for early adoption. IFRS 18 exclusively affects the presentation of the Group's net assets, financial position and results of operations. No other significant effects are currently expected.

SCHOTT likewise does not make use of any existing options for early adoption of the remaining standards. These standards will be implemented in the Consolidated Financial Statements on the date of mandatory adoption. According to current estimates, the new or amended regulations mentioned above will not have any significant effects on the Group's net assets, financial position and results of operations.

3 Significant accounting policies and consolidation methods

3.1 Scope of consolidation, acquisitions and divestment

Scope of consolidation

In addition to SCHOTT AG, 12 companies (previous year: 12) based in Germany and 52 foreign companies (previous year: 52) were fully consolidated in the Consolidated Financial Statements. A subsidiary is fully consolidated from the date on which SCHOTT obtains control. SCHOTT has control if it is exposed, or has rights, to variable returns from its involvement in the company and can affect those returns through its power over the company. The reporting date for the separate financial statements of the subsidiaries included in the Consolidated Financial Statements was in most cases the same as the reporting date for the Consolidated Financial Statements. Interim financial statements were prepared for companies with a different reporting date. Five companies (previous year: five) were included in the scope of consolidation as of the reporting date using the equity method of accounting.

As neither acquisitions nor divestments were made in fiscal year 2023/2024, there was no change in the scope of consolidation.

Please refer to the separate list of shareholdings with respect to the disclosures required by Section 313 (2) HGB.

Acquisitions/divestments

Acquisitions

There were no acquisitions with a significant impact on the net assets, financial position and results of operations in the fiscal year.

Divestments

In the previous year, as part of the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz ("SCHOTT Pharma AG & Co. KGaA"), a total of 34,641,362 ordinary shares of SCHOTT Pharma AG & Co. KGaA were successfully placed with investors at an offer price of EUR 27.00 per ordinary share and thus at a total value of approximately EUR 935.3 million. The ordinary shares of SCHOTT Pharma AG & Co. KGaA have been traded on the regulated market of the Frankfurt Stock Exchange since September 28, 2023. 23.0 % of the shares are in free float, comprising 34,641,362 ordinary shares.

As this transaction did not lead to a loss of control, the sale of the shares to non-controlling interests was treated as an equity transaction between two groups of shareholders in accordance with IFRS 10.23 and recognized directly in equity. SCHOTT Group's equity therefore increased by EUR 935.3 million, of which EUR 150.4 million was recognized as non-controlling interests, and profit or loss was not affected. The transaction costs incurred in connection with the IPO were recognized in full as an expense (see also Note 8). The cash inflow for the ordinary shares was received in October 2023.

Subsidiaries with material non-controlling interests

Since September 28, 2023, a total of 34,641,362 ordinary shares or 23.0 % of the capital stock of SCHOTT Pharma AG & Co. KGaA, Mainz, have been traded on the regulated market of the Frankfurt Stock Exchange. EUR 172.8 million was reported as non-controlling interests as of September 30, 2024 (previous year: EUR 150.4 million). The profit for the period attributable to non-controlling interests amounted to EUR 34.9 million (previous year: EUR 0 million).

The following table contains condensed financial information of SCHOTT Pharma Group, showing the amounts before intragroup eliminations.

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Current assets	588,601	468,338
Non-current assets	853,668	763,490
Current liabilities	435,480	351,146
Non-current liabilities	214,520	188,503
Sales	957,091	898,602
Profit for the period	150,345	151,934
Other comprehensive income/loss	–27,277	–20,304
Total comprehensive income	123,068	131,630
Cash flow from operating activities	225,326	181,652
Cash flow from investing activities	–145,929	–171,411
Cash flow from financing activities	–78,156	–11,395
Net cash flow	1,241	–1,154

Dividends of EUR 5.6 million were distributed to non-controlling interests of SCHOTT Pharma AG & Co. KGaA, Mainz, in the reporting year.

The non-controlling interests in SCHOTT Flat Glass Holding B.V., Tiel/Netherlands, remained unchanged at EUR 11.3 million compared to the previous year as of September 30, 2024, with an ownership interest of 33 %. The aggregated assets and liabilities of the company, including the subsidiaries it held, amounted to EUR 196.4 million and EUR 83.8 million, respectively, as of the reporting date of the past fiscal year (previous year: EUR 186.2 million and EUR 72.9 million, respectively). Aggregate sales of EUR 229.4 million (previous year: EUR 250.1 million) and total comprehensive income of EUR 9.3 million (previous year: EUR 6.8 million) were achieved in fiscal year 2023/2024.

As of the reporting date, material non-controlling interests were held in SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz.

The ownership share of non-controlling interests amounts to:

		Sept. 30, 2024	
Name	Country of incorporation and principal place of business	Voting rights	Equity shares
SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz	Germany	25 %	67 %

Voting rights and equity shares remained unchanged compared to September 30, 2023.

The cumulative balance of material non-controlling interests is as follows:

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz	1,046	3,143

Total comprehensive income of SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz, in fiscal year 2023/2024 came to EUR 522 thousand (previous year: EUR –2,644 thousand). The equity of the company as of September 30, 2024 amounted to EUR 1,569 thousand (previous year: EUR 4,714 thousand).

3.2 Consolidation methods

In accordance with IFRS 3 **Business Combinations**, capital is consolidated using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, SCHOTT elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognized as expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

The share of equity attributable to third parties not associated with the Group is reported under equity in the Consolidated Statement of Financial Position as "Non-controlling interests."

Intercompany receivables and liabilities as well as expenses and income of the consolidated companies are offset against each other as part of consolidation. Intercompany profits or losses from deliveries and services to other Group companies are likewise eliminated.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A contractual arrangement with the other vote holders
- Rights resulting from other contractual arrangements
- Voting rights and potential voting rights of the Group

The results, assets and liabilities of material associated companies have been included using the equity method in accordance with IAS 28 **Investments in Associates and Joint Ventures**. Associates are investments over which significant influence can be exercised. As a rule, SCHOTT's accounting policies are also applied to its associated companies. Joint ventures within the meaning of IFRS 11 **Joint Arrangements** are also accounted for using the equity method. In the past fiscal year, SCHOTT Group was not involved in joint operations as defined by IFRS 11 **Joint Arrangements**.

The shares are presented at cost on initial recognition in the Consolidated Statement of Financial Position and adjusted during subsequent measurement to reflect changes in the Group's share in the equity (net assets) after the acquisition date as well as losses resulting from impairments.

3.3 Currency translation

The separate financial statements of the foreign Group companies were translated based on the functional currency concept in accordance with IAS 21 **The Effects of Changes in Foreign Exchange Rates**. The functional currency of the relevant companies is their respective national currency, since all of their economic, financial and organizational operations are carried out independently in their national currencies.

Foreign currency receivables and payables in the separate financial statements of Group companies are translated at the currency rates applicable on the reporting date. Translation differences arising therefrom are recognized in profit or loss under other operating expenses or other operating income, as appropriate.

The assets and liabilities of subsidiaries whose functional currency is not the euro are translated at the mean rate of exchange on the reporting date, while their expenses and income are translated at the average exchange rate of the month in which the transaction took place. Equity is translated at historical rates of exchange. Resulting translation differences are not reported in the Consolidated Statement of Income, but instead in a separate line item of equity.

The following table shows the exchange rates of the foreign currencies of greatest importance to SCHOTT Group:

	Mean rate of exchange on the reporting date Sept. 30		Average rate for the fiscal years	
1 euro =	2024	2023	2023/2024	2022/2023
Chinese renminbi	7.84	7.67	7.80	7.44
Japanese yen	159.58	158.00	162.80	146.56
Swiss franc	0.94	0.97	0.96	0.98
Singapore dollar	1.43	1.44	1.46	1.44
Czech koruna	25.19	24.32	24.86	23.99
Hungarian forint	397.04	389.10	388.06	390.62
US dollar	1.12	1.06	1.08	1.06

The functional currencies of SCHOTT Envases Argentina S.A., Buenos Aires/Argentina, and SCHOTT Orim Cam Sanayi ve Ticaret A.S., Çerkezköy/Türkiye, which are included in the Consolidated Financial Statements, i.e., the Argentine peso and the Turkish lira, are considered to be hyperinflationary within the meaning of IAS 29 **Financial Reporting in Hyperinflationary Economies**. IAS 21.43 therefore requires that the reporting packages of these two companies have to be restated pursuant to IAS 29 to reflect the purchasing power as of the end of the reporting period before they are included in the Consolidated Financial Statements of SCHOTT AG. This restatement was applied to all of the companies' assets and liabilities prior to translation. Then all amounts in the reporting packages were translated at the closing rate on the reporting date for inclusion in the Consolidated Financial Statements.

The restatement pursuant to IAS 29 was based on the provisions for historical cost financial statements. Non-monetary assets and liabilities, equity and total comprehensive income must be restated to reflect the change in the applicable price index. Monetary items are not restated because they are already expressed in terms of the monetary unit current as of the reporting date. Monetary items are money held and items to be received or paid in money.

A general price index that reflects the changes in purchasing power must be determined for the restatement. This index should be applied by all companies reporting in the currency of this economy. For the company in Argentina, SCHOTT applies the indices proposed by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) in Resolution JG 539/18, which companies using the Argentine peso as their functional currency should apply to determine any restatement required due to hyperinflation. These indices are mainly based on the wholesale price index for periods until December 31, 2016 and on the retail price index for periods thereafter. The FACPCE publishes a detailed index table every month. The index for fiscal year 2023/2024 was 3.10 on the basis of the purchasing power as of September 30, 2023 (previous year: 2.37).

For SCHOTT Orim Cam Sanayi ve Ticaret A.S., Çerkezköy/Türkiye, the consumer price index (TÜİK, Tüketici Fiyat Endeksi) of the Turkish Statistical Institute (TurkStat) was used. The index for fiscal year 2023/2024 was 1.49 on the basis of the purchasing power as of September 30, 2023 (previous year: 1.62).

For the restatement of non-monetary items (not including equity), SCHOTT applied the change in the general price index from the date of initial recognition of the transaction (e.g., the date of acquisition for property, plant and equipment) until the end of the reporting year. For non-monetary assets and liabilities that are carried at amounts current at the end of the reporting period, such as net realizable value and fair value, no restatement is necessary. Under IAS 29, restated non-monetary assets must be tested for impairment in accordance with appropriate IFRSs. If the recoverable amount of an item of property, plant and equipment or an intangible asset (or net realizable value for inventories) falls below its restated amount, an impairment loss must be recognized in profit or loss even if no impairment was identified prior to the restatement.

At the beginning of the first period of application of IAS 29, the components of equity (except retained earnings) are restated by applying a general price index from the date the components were contributed or otherwise arose. This includes reserves consisting of amounts recognized in other comprehensive income. Retained earnings are adjusted by the net amount derived from the restatement of the other amounts in the opening statement of financial position. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. As the Group currency, the euro, is the currency of a non-hyperinflationary economy, the previous year's Consolidated Financial Statements were not restated in accordance with IAS 21.42b.

All items in the Consolidated Statement of Comprehensive Income for the reporting year are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements. The restated profit for the current period is added to the restated retained earnings in the opening statement of financial position. Current income tax expenses are restated in line with the change in the general price index.

The gain or loss on the net monetary position is calculated as the difference between historical cost and the restatement of non-monetary assets, equity and items in the Consolidated Statement of Comprehensive Income. The total loss on the net monetary position amounted to EUR 2,852 thousand in the reporting year (previous year: EUR 9,433 thousand) and is included in the financial result. SCHOTT presented the net effect from the changes in inflation and exchange rates in currency translation differences within other comprehensive income in these Consolidated Financial Statements.

3.4 Significant judgments and estimates

Judgments in applying accounting policies

For companies in which SCHOTT holds less than 100 % of the voting rights, it may be necessary to exercise judgment over whether control, joint control or significant influence exists. Judgment is also required in the classification of certain financial assets, such as securities. The assessment of whether assets that are to be disposed of can be disposed of in their current condition and whether their disposal is highly probable is also subject to judgment.

Use of estimates

The preparation of financial statements in accordance with IFRSs requires estimates that affect the measurement of assets and liabilities, the nature and scope of contingent liabilities, concrete purchase commitments as of the reporting date as well as the amount of income and expenses in the reporting period.

The assumptions and estimates mainly relate to:

- the determination of the transaction price in the case of variable consideration and the recognition of revenue over a period of time versus at a point in time (Note 4);
- the uniform determination of economic useful lives of property, plant and equipment and intangible assets throughout the Group (Notes 14 and 15);
- the determination of the lease term and the incremental borrowing rate for leases. In particular, when determining the term of leases, all facts and circumstances which represent an economic incentive to exercise extension options or not to exercise termination options are taken into account (Note 33);
- the recoverability of goodwill (Note 14);
- the recoverability of inventories (Note 19);
- the recoverability of receivables (Note 32);
- the recognition and measurement of provisions (Notes 25 and 26), in particular warranty provisions due to the long terms of up to 30 years and the wide range of possible claims, and
- the realizability of future tax relief in the recognition and measurement of deferred tax assets (Note 11).

The assumptions and estimates are based on premises that are in turn based on the most current information available at the time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the Group. Thus, the actual results can differ from the estimates. Changes are recognized in profit or loss as and when better information is available.

In particular, our expectations with respect to the development of business are based on both the circumstances prevailing when the Consolidated Financial Statements are prepared as well as our realistic expectations regarding the future development of the industry and global environment.

Effects of climate change

Potential risks related to climate change are continuously analyzed using the risk management system. The risks identified by SCHOTT include rising energy and commodity prices as well as volatile material availability in particular. In addition, extreme weather events are already becoming increasingly apparent, which can cause damage to buildings, production facilities and warehouses and lead to increasing fragility in supply chains. During the risk analysis, SCHOTT did not identify any significant risks to SCHOTT's business model as of the reporting date, considering the measures taken by SCHOTT to limit risks. Therefore, SCHOTT does not currently expect such risks to have a significant impact on the business model or on its net assets, financial position and results of operations. This assessment is derived from various estimates and related assumptions based on historical experience and various other factors that are believed to be reasonable under the circumstances.

3.5 Accounting policies

General

With the exception of the measurement of certain financial instruments at fair value, the Consolidated Financial Statements of SCHOTT AG are prepared on the basis of accounting policies applied uniformly throughout the Group, based on historical cost.

The significant accounting policies have not changed since the previous year and are explained below.

Recognition of sales revenue and other revenue, contract assets

In accordance with IFRS 15, SCHOTT recognizes sales revenue when control of the products has been transferred or the service has been rendered, in other words, when the customer has the ability to control the use of the transferred goods or services and substantially obtains all of the remaining benefits. The prerequisite for this is that a contract with enforceable rights and obligations exists and, among other things, the receipt of the consideration is sufficiently probable. Sale revenue comprises the consideration that SCHOTT is expected to receive for the transfer of goods or the rendering of services.

When standard products are sold, sales revenue is recognized when control is transferred to the buyer, usually upon delivery of the goods. However, in the case of order-related production where a specific product is owed and the final product cannot be sold to any other customer (customer-specific asset without alternative use), sales revenue is recognized in accordance with IFRS 15 over time. Generally speaking, SCHOTT's production is based on standardized manufacturing processes, which are each carried out on an order-by-order basis. As a rule, the production time is short (a few days) and series production (standardized production for customer-specific specifications) takes place. For SCHOTT, the output for the customer is therefore the most important factor. Accordingly, sales revenue recognition on the basis of the units produced is generally considered to be suitable for accurately showing the progress towards completion. In this case, a contract asset must be recognized because SCHOTT has recognized sales revenue from the satisfaction of the performance obligation before the conditions for invoicing and thus the recognition of a trade receivable have been met.

A contract asset is the right to receive consideration in exchange for goods or services transferred to a customer. If SCHOTT satisfies its performance obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are recognized as current assets because they arise and become due during the normal operating cycle. Impairment losses on contractual assets follow the rules for financial assets. Further details are provided in Note 32.

In contrast to contract assets, receivables represent the unconditional right to consideration, i.e., the payment becomes due automatically as a result of the passage of time.

If a single contract with a customer contains several performance obligations, the agreed transaction price is allocated to the separate performance obligations in accordance with the relative stand-alone selling prices. The relative stand-alone selling prices generally correspond to the contractually agreed prices for the separate performance obligations.

SCHOTT has concluded long-term series supply contracts with selected customers, under which the customers make advance payments for series deliveries in subsequent fiscal years. These advance payments will be offset in the future provided customers purchase contractually agreed minimum quantities. The advance payments therefore represent contract liabilities within the meaning of IFRS 15 **Revenue from Contracts with Customers** and are recognized in the Consolidated Statement of Financial Position according to their maturity. If the agreed date of the advance payment represents a significant benefit from financing for SCHOTT, SCHOTT adjusts the amount of the promised consideration for the effects of the financing component when determining the transaction price. The resulting interest expenses are recognized in the financial result.

If the period between the transfer of a promised good to the customer and its payment by the customer does not exceed one year, SCHOTT, applying the practical expedient in accordance with IFRS 15.63, does not adjust the promised consideration for the effects of a significant financing component.

SCHOTT agrees on payment terms of up to 90 days, depending on the market and region.

SCHOTT typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are recognized in accordance with IAS 37 **Provisions, Contingent Liabilities and Contingent Assets**.

To the extent that SCHOTT provides services, sales revenue is recognized over time in accordance with IFRS 15.35a. Services provided by SCHOTT in connection with the sale of products generally relate to transportation services. Such sales revenue is recognized as soon as the service has been rendered.

SCHOTT makes use of IFRS 15.121 and does not publish any information on transaction prices allocated to any remaining performance obligations, if the underlying contracts have an expected original term of no more than one year.

When granting a license, SCHOTT examines whether the customer is granted a right of access to SCHOTT's intellectual property as that intellectual property exists over the entire license period or a right to use SCHOTT's intellectual property as that intellectual property exists at the time the license was granted. In the first case, the sales revenue is recognized over time, in the second case at the point in time at which the license is granted.

Interest income is recognized over time. Dividends are recognized at the point in time at which the right to receive payment arises.

Sales revenue is recognized net of sales-related taxes and variable components such as bonuses, cash discounts and rebates. If a contractual consideration contains a variable component, SCHOTT determines the amount of the consideration due to the company in exchange for the transfer of the goods to the customer. Discounts are generally allocated to the separate performance obligations on the basis of the relative stand-alone selling prices. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative sales revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Recognition of expenses

Costs incurred in order to generate sales revenue and the cost of merchandise are reported under cost of sales. This item also includes expenses related to additions to provisions to cover warranties.

Besides personnel and non-personnel costs and depreciation in the sales functions, selling expenses include shipping, advertising, sales promotion, market research and customer service costs as well as outbound freight.

General administrative expenses include personnel and non-personnel costs and depreciation attributable to administrative operations.

Taxes other than income taxes, such as property tax and motor vehicle tax, are assigned to production cost, research and development, selling and administrative expenses based on where they were actually incurred.

Fair value measurement

SCHOTT measures certain financial instruments, derivatives, for example, at fair value on every reporting date. The fair value of financial instruments measured at amortized cost is presented in Note 32.

The fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants on the measurement date. Fair value is measured based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the most advantageous market for the asset or liability in the absence of a principal market.

The Group must have access to the principal or most advantageous market.

The fair value of an asset or liability is measured based on assumptions that market participants would make in setting the price of the asset or liability. Here, it is assumed that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value with as many significant, observable inputs as possible and as few unobservable inputs as possible.

All assets and liabilities for which the fair value is determined or presented in the Consolidated Financial Statements are categorized in the fair value hierarchy described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Valuation methods for which the lowest level input that is significant to the entire fair value measurement can be directly or indirectly observable on the market
- Level 3: Valuation methods for which the lowest level input that is significant to the entire fair value measurement cannot be observed on the market

For assets and liabilities that are recognized on a recurring basis in the financial statements, SCHOTT determines whether there have been any reclassifications between the hierarchy levels by reviewing the classification at the end of each reporting period (based on the lowest level input that is significant to the entire fair value measurement).

External appraisers are brought in as needed for the measurement of significant assets, such as property, as well as significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and compliance with professional standards, for example.

In order to meet the fair value reporting requirements, SCHOTT has established classes of assets and liabilities on the basis of their nature, characteristics and risks as well as the levels of the fair value hierarchy described above.

Research and development costs

Research costs are always expensed.

Development costs must be capitalized if certain conditions are demonstrably and cumulatively met. For instance, it must be possible to use or sell the internally generated intangible asset, resulting in an economic benefit flowing to the company. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is demonstrated, usually when a product development project has reached a defined milestone according to an established project management model. In order to determine the amounts to be capitalized, assumptions are made regarding the future cash flows from assets, applicable discount rates and the period in which asset-generating cash flows are expected to accrue. There were no capitalizable development costs in either the reporting year or the previous year.

Development costs that cannot be capitalized are expensed.

Intangible assets

Intangible assets are recognized if (a) the intangible asset can be identified (this means it can be separated or arises from contractual or other rights), (b) it is probable that future economic benefits will flow to SCHOTT Group from the intangible asset, and (c) the costs of the intangible asset can be reliably determined. Intangible assets with finite useful lives are recognized at cost and amortized over the estimated useful life or a shorter contract term using the straight-line method. Amortization of intangible assets with finite useful lives is recognized in the Consolidated Statement of Income under the expense category corresponding to the function of the intangible asset for the company.

The useful lives of intangible assets are generally as follows:

	Years
Development costs	5
Patents and licenses	2 to 20
Software	3 to 5

Property, plant and equipment

Property, plant and equipment, with the exception of right-of-use assets, is carried at cost less accumulated depreciation in accordance with IAS 16 **Property, Plant and Equipment**. Subsequent measurement is based on the cost model (IAS 16.30). This also applies to spare parts that are used for longer than one period. In addition to direct material and labor costs, the cost of self-constructed property, plant and equipment also includes a share of indirect costs as well as borrowing costs as long as the requirements of IAS 23 are met. Property, plant and equipment is depreciated according to the straight-line method. Additions during the course of the year are depreciated pro rata temporis.

If significant parts of a non-current asset have different useful lives, they are recognized as separate non-current assets and depreciated accordingly (component accounting). At SCHOTT Group, this affects in particular large machines for manufacturing specialty glass products and buildings.

Depreciation is generally based on the following useful lives:

	Years
Buildings	10 to 50
Technical equipment and machinery	5 to 25
Other equipment, operating and office equipment	3 to 20

Maintenance and repairs are expensed, while investments in replacement and expansion as well as restoration and waste disposal commitments are capitalized. Gains and losses on the disposal of non-current assets are recognized under other operating income and other operating expenses, respectively.

Right-of-use assets

SCHOTT recognizes right-of-use assets on the commencement date of the lease (i.e., the date on which the underlying leased asset is ready for use). Right-of-use assets are measured at cost less all accumulated depreciation and all accumulated impairment losses and are adjusted for any remeasurement of the lease liabilities. The cost of right-of-use assets comprises the lease liabilities recognized, the initial direct costs incurred and the lease payments made at or before the commencement date, less any incentives received.

The right-of-use assets are also reviewed for impairment. Details of the accounting policies are set out in the section "Impairment of non-financial assets."

Government grants

Government grants are not recognized until it is reasonably certain that SCHOTT will be able to meet the associated terms and conditions and the grant will actually be approved. Government grants for assets are deducted from the cost of the respective asset. Other government grants are recognized as income over the period that is necessary to match them to the expenses which they are intended to compensate.

Impairment of non-financial assets

Goodwill acquired as part of business combinations is tested for impairment once a year and whenever there are indications of impairment. For the purposes of this impairment test, the assets are assigned to cash-generating units that benefit from their use. In accordance with the provisions of IAS 36, an impairment loss is recognized if the carrying amount of the cash-generating unit to which the goodwill is assigned exceeds its recoverable amount. The recoverable amount of a cash-generating unit is the higher of the fair value of the cash-generating unit less costs to sell and its value in use. The value in use is determined using a discounted cash flow method for each cash-generating unit. If the carrying amount of a cash-generating unit (CGU) exceeds its recoverable amount, the goodwill is written down to its recoverable amount. It is prohibited to reverse impairment losses on goodwill.

The other intangible assets as well as property, plant and equipment are tested for impairment if there are indications that there could be reasons for an impairment. Assets must be adjusted for impairment if the carrying amount exceeds the net sales proceeds that would result from an arm's length sale or the value in use. The value in use is determined on the basis of the expected future cash inflows that the asset or the cash-generating unit to which the asset belongs is likely to generate over the period of use, assuming no change in use. If there are indications that reasons that led to an impairment loss in the past no longer apply, a test is performed to determine whether the impairment is to be reversed up to the amortized carrying amount.

The detailed planning periods used generally comprise three years, after which a terminal value is applied based on past experience as well as management's best estimate of future development. Longer planning periods of up to 10 years are only used in justified exceptional cases, in particular when developing new business areas, as meaningful historical figures are not yet available. As in the previous year, the long-term growth rate used for the terminal value amounts to 1.0 % p.a.

The expected cash flows are discounted using the weighted average cost of capital. This cost of capital is derived from capital market models and also from the debt-equity ratios and cost of debt of comparable companies in the industry (peer group). The discount rates thus determined for the individual CGUs in the year under review ranged between 9.8 % and 12.2 % before taxes (previous year: between 10.3 % and 12.7 %), adjusted where necessary for other currency areas. Further details, including the carrying amounts, can be found under Notes 14 and 15.

Investments accounted for using the equity method

The carrying amounts of investments in associated companies accounted for using the equity method are increased or decreased by the amount of the Group's share in income, dividends distributed or other changes in equity. Any losses of an associate that exceed the Group's investment in the investee are recognized only to the extent that the Group has entered into legal or constructive obligations or made payments for the investee.

Inventories

Inventories are measured at the lower of cost or net realizable value, i.e., the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is determined on the basis of the weighted average cost. Production cost includes directly attributable material and personnel costs as well as appropriate portions of material and production overheads, including depreciation, determined on the basis of normal capacity utilization of the production facilities. Financing costs are taken into account in accordance with IAS 23.

Tax refund claims and tax liabilities

In accordance with IAS 12 **Income Taxes**, tax refund claims relate exclusively to claims for refunds of taxes on income and earnings. Tax refund claims are recognized if the Group can expect a corresponding refund on the basis of the applicable legal situation. Conversely, a liability for current income taxes is recognized when an obligation has arisen. SCHOTT regularly assesses individual tax matters to determine whether there is any scope for interpretation in light of applicable tax regulations. Tax provisions are recognized if necessary.

Deferred taxes

Under IAS 12 **Income Taxes**, deferred tax assets and liabilities are recognized for all temporary differences between tax and IFRS carrying amounts, tax credits and tax loss carry-forwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period in which an asset is realized or a liability is settled. SCHOTT uses the tax rates and tax laws applicable as of the reporting date when calculating deferred tax assets and liabilities. The effects of tax rate changes on deferred taxes are recognized when changes to relevant laws are enacted. Deferred tax assets are recognized only to the extent that it is likely that temporary differences, tax loss carry-forwards or tax credits can be offset against future taxable income. When determining the amount of deferred tax assets, management must use significant judgment with respect to the timing and amount of future taxable income as well as future tax planning strategies. Tax planning takes place for a period of up to five years. Further details, including the carrying amounts, can be found under Note 11.

The minimum taxation rules in accordance with the OECD guidelines on international taxation (BEPS Pillar Two) have been adopted in a number of countries with relevant business activities of SCHOTT Group. The Group makes use of the exemption from accounting for deferred taxes in connection with BEPS Pillar Two, which was the subject of the amendment to IAS 12 **Income Taxes** published in May.

Value-added tax

Expenses and assets are recognized net of value-added tax. The following cases are exceptions:

- If the value-added tax that is incurred when assets are purchased or services are utilized is not recoverable from the tax authorities, the value-added tax is recognized as part of the production cost of the asset or as part of the expense item, as applicable.
- If assets and liabilities are stated with the amount of value-added tax included.
- For Group companies for which only a pro rata refund of the value-added tax is possible the non-refundable portion of the tax is not deducted.
- No value-added tax is deducted for Group companies for which no value-added tax refund is possible.

The value-added tax amount recoverable from or payable to the tax authorities is reported in the Consolidated Statement of Financial Position under receivables or payables.

Other current non-financial assets

This item includes prepaid expenses for goods or services, receivables from other taxes, as well as entitlements to investment grants or government subsidies. These receivables do not meet the definition of a financial instrument and are measured at cost or their lower fair value.

Cash and cash equivalents

SCHOTT treats cash on hand and checks, demand deposits and time deposits with original maturities of up to three months as cash and cash equivalents. These cash and cash equivalents meet the criteria of IAS 7 **Statement of Cash Flows**.

Non-current assets held for sale and discontinued operations

When non-current assets are held for sale, no further depreciation or amortization is applied; instead, the fair value is determined. Impairment losses are recognized to the extent that the carrying amount of these assets exceeds their fair value less expected costs to sell. The basis for calculating the fair value is an estimate of the realizable sales proceeds. The operating results and write-downs on assets held for sale are reported under the result from operating activities.

Discontinued operations are presented separately as soon as a component of an entity that represents a separate major line of business or geographical area of operations or a subsidiary acquired exclusively to be resold is available for sale and management has initiated an official sales process. When a business area is reported as a discontinued operation for the first time, the previous year's disclosures relating to the Consolidated Statement of Income and the Consolidated Statement of Cash Flows are adjusted in accordance with IFRS 5.34. If the company decides not to sell a business area and it is accounted for as a continuing operation again, then the information from the current and previous years with respect to the Consolidated Statement of Income and the Consolidated Statement of Cash Flows is to be shown under the results and cash flows from continuing operations in accordance with IFRS 5.36. On the reporting date September 30, 2024, the former business units Photovoltaics, Advanced Optics Lithotec, Display Glass and Traditional Television Glass met the requirements for discontinued operations. Even after they were discontinued in the years 2007 to 2012, these areas still generated follow-up expenses, income and cash flows in subsequent years and in this fiscal year. These are mainly the result of changes in estimates regarding guarantee commitments and the utilization of the respective provisions.

The result from discontinued operations, comprised of net current income and disposal income, is presented separately in the Consolidated Statement of Income.

If the discontinued operation does not meet the definition of a major line of business, it is reported as a disposal group.

Provisions for pensions and similar commitments

Defined contribution plans are expensed in the period in which the payment obligation arises. There is no requirement to recognize an obligation in the case of pure contribution commitments. Defined benefit pension commitments are measured using the projected unit credit method stipulated in IAS 19 **Employee Benefits**, taking future salary and pension adjustments into account. Revaluations, including actuarial gains and losses, the effects of asset ceilings excluding net interest (not applicable to the Group) and the return on plan assets excluding net interest are recognized immediately in generated Group capital. Pension commitments in Germany are determined on the basis of the biometric bases of calculation set forth in the Heubeck Mortality Tables 2018 G.

Past service cost is recognized as an expense either at the time at which the plan amendment/curtailment takes place or when the costs associated with the restructuring or termination of employment are recorded, whichever is earlier. Accordingly, the unvested past service costs can no longer be deferred and recognized over the future vesting period.

Pension commitments outside of Germany are determined using local actual parameters and bases of calculation.

The present value of the defined benefit obligation at the end of the fiscal year is compared with the fair value of plan assets (funded status). The asset values are netted with the corresponding obligations. Provisions for pensions also include a small amount of employee-financed pension commitments (deferred compensation).

According to the long-term orientation of these plans, such estimates are subject to substantial uncertainties. Further details, including the carrying amounts, can be found under Note 25.

Other provisions

In accordance with IAS 37 **Provisions, Contingent Liabilities and Contingent Assets**, SCHOTT recognizes provisions for obligations to third parties if the company has a present obligation as a result of a past event, an outflow of resources embodying economic benefits that will probably (that means more likely than not) be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions with a remaining term of more than one year are recognized at the present value of the settlement amount.

Restructuring provisions

Restructuring provisions are recognized if a restructuring plan is available and restructuring has already begun or the respective parties have been informed as of the reporting date. The amount of the provision includes all direct expenditure necessarily incurred within the scope of restructuring which is not associated with the ongoing or future activities of the company.

Warranty provisions

Warranty provisions are reported under sales provisions along with other provisions arising in connection with sales. Warranty provisions are determined on the basis of known individual cases, historical data and empirical values. The original estimate of costs related to warranties is reviewed annually. Due to their nature and the multi-year period of some warranties, provisions for warranties are based on estimates that are fraught with significant uncertainties.

Provisions for litigation risks

Provisions are recognized for risks arising from litigation in which a SCHOTT Group company is the defendant. The amount recognized corresponds to the amount likely to be paid in the event of a negative outcome. This includes in particular compensation for damages, settlements, litigation costs and penalties.

Share-based payments

Provisions are recognized for the cash-settled share-based payment programs granted to members of the Management Board of SCHOTT Pharma and reported under other personnel-related provisions.

The fair value of the obligations is determined as of the reporting date using a Monte Carlo simulation. The most significant inputs in the valuation of the cash-settled share-based payment programs are long-term company KPIs, sustainability targets and the performance of the share price of SCHOTT Pharma AG & Co. KGaA, Mainz. There are also payment caps.

Due to the lack of history, the expected volatilities are based on the volatilities of a peer group for the residual term of the respective tranche. The dividend payments factored into the valuation model are based on medium-term dividend expectations. In addition, the Monte Carlo simulation uses the risk-free interest rate for the residual term of the respective tranche.

Income or expenses resulting from the valuation are allocated to the functional area in which they arose.

Accrued liabilities

An accrued liability is recognized if a current legal or constructive obligation to third parties has arisen that will result in a probable outflow of resources, but the timing or the amount of the probable outflow of resources is no longer uncertain (in contrast to provisions). The financial liabilities reported are recognized at amortized cost.

Other non-financial liabilities

Other non-financial liabilities include liabilities from other taxes, advance payments received that do not meet the definition of contract liabilities under IFRS 15 **Revenue from Contracts with Customers** and other liabilities that do not meet the definition of financial liabilities. They are recognized at cost or the respective settlement amount.

Leasing

The determination of whether an arrangement contains a lease is made based on the economic substance of the arrangement at the inception of the lease. This requires an assessment as to whether fulfillment of the contractual arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to the use of the asset, even if this right is not expressly set forth in the arrangement.

The Group as lessee

According to IFRS 16 **Leases**, lessees are required to account for all leases in the form of a right-of-use asset and a corresponding lease liability. The lease liability is measured at the present value of the lease payments not yet made. It is presented in the Consolidated Statement of Income as a financing transaction, so that the right-of-use asset is depreciated on a straight-line basis and the lease liability is amortized using the effective interest method. When measuring the lease liability for the first time, extension, termination and purchase options are taken into account if their exercise is deemed to be reasonably certain. SCHOTT considers a probability of more than 75 % to be a prerequisite for the existence of reasonable certainty. The practical expedient is used for leases of low-value assets and for short-term leases. Leases for assets sold and leased back (sale-and-leaseback) are presented according to the same principles.

The Group as lessor

The Group acts as lessor in some cases, particularly for buildings. Since substantially all of the risks and benefits associated with the ownership of the asset are not transferred from the Group to the lessee under these leases, they are classified as operating leases. Lease payments from operating leases are generally recognized on a straight-line basis as lease income over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense accordingly as rental income is earned over the term of the lease. Conditional lease payments are recognized as income in the period in which they are earned.

Contingent assets and liabilities

These are potential assets or liabilities which are the result of past events and whose existence is dependent on the occurrence or non-occurrence of one or several future events over which SCHOTT does not have full control. Contingent liabilities can also be current liabilities that are the result of a past event in which a resulting outflow of resources is improbable or cannot yet be reliably determined. In accordance with IAS 37 **Provisions, Contingent Liabilities and Contingent Assets**, they are not recognized.

Notes to the Consolidated Statement of Income

4 Sales

	2023/2024		2022/2023	
	(in EUR thousands)	%	(in EUR thousands)	%
Germany	328,419	11.6	360,501	12.5
Europe excluding Germany	1,058,088	37.3	1,077,215	37.5
Asia and South Pacific	669,934	23.6	671,003	23.4
North America	605,877	21.4	603,923	21.0
South America	133,093	4.7	128,124	4.5
Middle East and Africa	40,875	1.4	31,682	1.1
	2,836,286	100.0	2,872,448	100.0

Sales mainly result from the sale of goods.

The timing of sales revenue recognition is determined as follows:

(in EUR thousands)	2023/2024	2022/2023
Goods transferred at a point in time	2,555,503	2,636,014
Goods and services transferred over time	280,783	236,434
	2,836,286	2,872,448

The table below shows sales by customer industry:

(in EUR thousands)	2023/2024	2022/2023
Precision Materials (electronics, automotive industry, pharmaceuticals)	1,622,229	1,567,086
Optical Industries (optics, electronics, automotive and aviation industries)	430,609	413,361
Home Appliances (home appliance industry)	794,803	910,520
Trade and others/consolidation	−11,355	−18,519
	2,836,286	2,872,448

5 Selling and general administrative expenses

Selling expenses include in particular personnel and non-personnel costs, depreciation and impairment losses related to sales functions, logistics, market research, shipping, advertising, and certification costs. Personnel and non-personnel costs of the management and administrative centers are reported under general administrative expenses, unless they have been charged to other functional areas as internal services.

6 Research and development costs

Research and development costs increased by EUR 3.8 million in fiscal year 2023/2024 to EUR 111.5 million (this corresponds to 3.9 % of sales; previous year: 3.8 %).

7 Other operating income

Other operating income includes income arising from operating activities that cannot be allocated to other functional areas.

(in EUR thousands)	2023/2024	2022/2023
Income from the reversal of provisions/accrued liabilities	20,366	8,617
Income from grants and reimbursements	12,200	5,050
Income from on-charging	10,011	11,551
Income from non-income taxes	3,705	1,872
Income from commissions, rentals and licenses	2,855	2,112
Scrap proceeds	2,215	2,577
Income from insurance payments	1,554	1,215
Gain on disposals of property, plant and equipment	1,188	1,669
Adjustments to loss allowances on receivables and other assets	389	0
Income from write-ups of property, plant and equipment	93	5,660
Exchange gains	0	3,330
Other	1,035	4,478
	55,611	**48,131**

The increase in income from the reversal of provisions and accrued liabilities is mainly due to the fact that provisions for litigation risks in connection with warranties were reversed in the reporting year.

The changes in loss allowances on receivables and other assets are reported on a net basis.

As in the previous year, income from grants and cost reimbursements relates solely to government grants for which the conditions for collection have been finally met.

8 Other operating expenses

Other operating expenses include all expenses that are not specifically allocated to the functional areas of production, sales, research and development or administration, or are not reported separately elsewhere.

(in EUR thousands)	2023/2024	2022/2023
Bank charges	6,348	21,313
Exchange losses	6,108	0
Expenses for restructuring	3,984	2,343
Expenses from non-income taxes	2,726	2,380
Expenses from the recognition of provisions/accrued liabilities	2,713	2,059
Donations	978	650
Impairment losses on property, plant and equipment and intangible assets	15	7,771
Loss allowances on receivables and other assets	0	5,101
Other	2,496	6,315
	25,368	**47,932**

The changes in loss allowances on receivables and other assets are reported on a net basis.

The bank charges include costs related to the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz, in the amount of EUR 4.8 million (previous year: EUR 19.7 million).

9 Income from investments accounted for using the equity method

Please refer to the comments in Note 16 "Investments accounted for using the equity method."

Income from investments accounted for using the equity method shown under consolidated profit for the period can be broken down as follows:

(in EUR thousands)	2023/2024	2022/2023
SCHOTT Poonawalla Pvt. Ltd., Mumbai/India	10,291	9,605
EMPHA S.p.A., Turin/Italy	2,230	2,412
Zhejiang Crystal-SCHOTT Optical Technology Co., Ltd., Taizhou/China	–7	–160
Smart Skin Technologies Inc., Fredericton/Canada	–30	–275
Glaverpane S.A., Jemeppe-sur-Sambre/Belgium	–3,292	87
	9,192	11,669

10 Financial result

(in EUR thousands)	2023/2024	2022/2023
Interest and similar income	29,091	9,442
Interest and similar expenses	–34,530	–28,549
of which net interest expense from pensions	–22,002	–20,713
Interest result	**–5,439**	**–19,107**
Income from investments	2,815	2,021
Income/expenses from securities and financial assets	9,364	–594
Loss on the net monetary position (hyperinflation)	–2,852	–9,433
Other financial expenses	–1,890	–2,146
Other financial result	**7,437**	**–10,152**
Total financial result	**1,998**	**–29,259**

The net interest expense from pensions includes the interest expense from unwinding the discount on the pension obligations and the expected return on plan assets. The expected return on plan assets is assumed to be equal to the discount rate applied to the pension obligations.

11 Income taxes

Income taxes can be broken down according to their sources as follows:

(in EUR thousands)	2023/2024	2022/2023
Current taxes	–85,176	–106,676
Deferred taxes	–8,483	–3,075
Income taxes	**–93,659**	**–109,751**

Deferred taxes are calculated on the basis of the tax rates that will apply on the expected realization date, based on the legal environment in the individual countries. Corporate income tax, trade tax and the solidarity surcharge result in a tax rate totaling 28 % for German companies (previous year: 28 %). Tax rates outside of Germany ranged between 11 % and 35 % (previous year: between 11 % and 35 %).

As of September 30, deferred tax assets and liabilities are attributable to the following Consolidated Statement of Financial Position items:

	Sept. 30, 2024		Sept. 30, 2023	
(in EUR thousands)	Assets	Liabilities	Assets	Liabilities
Intangible assets	13,275	7,100	14,363	8,143
Property, plant and equipment	12,590	57,297	14,480	61,136
Inventories	7,945	13,173	15,899	1,009
Other current and non-current assets	11,375	25,695	18,318	29,547
Provisions for pensions and similar commitments	124,711	0	92,864	0
Other current and non-current provisions and accrued liabilities	16,548	1,569	22,569	7,203
Other current and non-current liabilities	44,109	6,844	57,464	29,159
Tax loss carry-forwards	4,521	0	5,240	0
Other	0	4,764	0	4,883
Deferred taxes before offsetting	**235,074**	**116,442**	**241,197**	**141,080**
Offset amounts*	80,910	80,910	92,637	92,637
Carrying amount	**154,164**	**35,532**	**148,560**	**48,443**

* Amounts offset within individual taxable entities

The change in deferred taxes in fiscal year 2023/2024 as well as in the previous year is presented below:

	2023/2024		2022/2023	
(in EUR thousands)	Consolidated Statement of Income	Recognized in other comprehensive income	Consolidated Statement of Income	Recognized in other comprehensive income
Intangible assets	−45		3,779	
Property, plant and equipment	1,949		3,265	
Inventories	−20,118		4,902	
Other current and non-current assets	−2,297	−794	−1,670	
Provisions for pensions and similar commitments	6,364	25,481	−10,632	−2,874
Other current and non-current provisions and accrued liabilities	−387		−3,651	
Other current and non-current liabilities	8,960		−3,070	
Tax loss carry-forwards	−719		−6,259	
Other	119		9,327	
Deferred taxes before exchange rate effects	**−6,174**	**24,687**	**−4,009**	**−2,874**
Exchange rate effects	1,203		934	
Deferred tax expense	**−4,971**		**−3,075**	
of which for continuing operations	−8,483		−3,075	
of which for discontinued operations	3,512		0	

Deferred taxes on deductible temporary differences are recognized insofar as it is probable that the temporary differences will reverse as a result of sufficient future taxable income. The same applies for deferred taxes on tax loss carry-forwards, provided the losses can be used within the relevant planning period. Due to positive forecasts of taxable profits, SCHOTT Italvetro S.R.L., Borgo a Mozzano, Italy, recognized deferred tax assets for temporary differences of EUR 851 thousand and other companies recognized EUR 1,088 thousand in total, although these companies suffered tax losses in the past fiscal year or in the previous year.

An assessment of recoverability during a corresponding planning period resulted in no deferred tax assets being recognized for certain tax loss carry-forwards and deductible differences. Tax loss carry-forwards, interest carry-forwards and tax credits for which no deferred tax assets are recognized exist in the amount of EUR 140,661 thousand (previous year: EUR 122,757 thousand) for corporate income tax and comparable foreign taxes, in the amount of EUR 139,000 thousand (previous year: EUR 113,945 thousand) for trade tax and comparable foreign taxes and in the amount of EUR 684 thousand (previous year: EUR 2,460 thousand) for tax credits. Furthermore, no deferred taxes were recognized on future deductible differences in the amount of EUR 25,967 thousand (previous year: EUR 9,143 thousand). The resulting unrecognized deferred tax assets amount to EUR 38,764 thousand (previous year: EUR 39,159 thousand) for tax loss carry-forwards, interest carry-forwards and tax credits and EUR 7,290 thousand (previous year: EUR 2,312 thousand) for future deductible differences.

Of the unrecognized tax loss carry-forwards (corporate income tax), an amount of EUR 0 thousand expires within the next three years, EUR 777 thousand expires after five years and another EUR 47,271 thousand expires after six years or later. There is no time limit on the utilization of the other unrecognized tax loss carry-forwards.

In the reporting year, deferred taxes of EUR 24,687 thousand (previous year: EUR –2,874 thousand) were recognized in other comprehensive income. Of this amount, EUR 25,481 thousand (previous year: EUR –2,874 thousand) related to adjustments to pension provisions recognized directly in other comprehensive income. In the reporting year, deferred tax liabilities of EUR 4,989 thousand (previous year: EUR 4,882 thousand) were recognized for retained earnings of foreign subsidiaries to the extent that they are likely to be realized in the foreseeable future as a result of a planned dividend distribution or sale. If all earnings that are reinvested in the long term and whose distribution is not planned were distributed as dividends in full, an additional tax liability of a maximum of EUR 32,152 thousand (previous year: EUR 29,256 thousand) could arise if current tax law were to continue to apply.

The following table shows a reconciliation of the expected to the actually recognized tax expense. To determine the expected tax rate, the result from continuing operations before income taxes is multiplied by a tax rate of 28 % (previous year: 28 %). This comprises a tax rate of 15.8 % (previous year: 15.8 %) for corporate income tax including the solidarity surcharge and 12.2 % (previous year: 12.2 %) for trade tax:

(in EUR thousands)	2023/2024	2022/2023
Result from continuing operations before income taxes	**402,458**	**383,642**
Calculated tax expense at the anticipated tax rate (28.0 %; previous year: 28.0 %)	112,688	107,420
Effect of tax rate changes	182	–422
Non-deductible expenses	5,622	23,151
Tax-exempt components of income	–2,644	–7,636
Tax difference due to foreign tax rates	–28,843	–3,809
Change in impairment losses on deferred tax assets	11,341	4,948
Taxes relating to previous periods	–5,025	–3,764
Change in deferred taxes (outside basis differences)	107	–9,328
Other	231	–809
Income taxes according to the consolidated statement of income	**93,659**	**109,751**
Effective tax rate according to the Consolidated Financial Statements	23.3 %	28.6 %

Effects from non-deductible expenses included EUR 2,030 thousand for intragroup services and EUR 1,233 thousand for intragroup dividends. EUR 16,380 thousand of the high previous-year figure was attributable to expenses for which the actual costs or a flat rate allowance were not deductible in connection with the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz.

Effects from taxation differences due to foreign tax rates relate to SCHOTT Pharma Schweiz AG, St. Gallen/Switzerland, in the amount of EUR –22,379 thousand (previous year: EUR –12,088 thousand) and SCHOTT Suisse SA, Yverdon-les-Bains/Switzerland, in the amount of EUR –2,227 thousand (previous year: EUR –1,937 thousand). The current year's tax differences were affected by the higher than proportional increase in the unconsolidated pre-tax results of the Swiss companies, measured against the pre-tax results of all Group companies, from 19.7 % in fiscal year 2022/2023 to 36.5 % in fiscal year 2023/2024. Moreover, in the previous year, this item also included Indian withholding taxes of EUR 10,589 thousand on the sale of the investment in SCHOTT Poonawalla Pvt. Ltd, Mumbai/India, by SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, to SCHOTT Pharma Schweiz AG, St. Gallen/Switzerland.

Effects from the change in impairment losses on deferred tax assets totaling EUR 11,341 thousand related in particular to SCHOTT Technical Glass Solutions GmbH, Jena, in the amount of EUR 8,193 thousand and SCHOTT Tubing (Zhejiang) Co., Ltd., Huzhen Town/China, in the amount of EUR 5,365 thousand. This was offset in particular by effects from tax assets recognized for the first time or from the use of tax assets not previously recognized, in particular in the amount of EUR –2,519 thousand at SCHOTT Flat Glass do Brasil, São Paulo, Brazil, and of EUR –1,744 thousand at SCHOTT North America, Inc., Rye Brook/USA.

Taxes relating to previous periods comprise EUR –2,500 thousand from a one-time change in an estimate used in the valuation of deferred taxes in the first half of fiscal year 2023/2024, EUR –1,800 thousand from the reversal of tax risk provisions and EUR –575 thousand from successfully concluded appeal proceedings in Singapore.

The change in deferred tax liabilities on outside basis differences came to EUR 107 thousand (previous year: EUR –9,328 thousand). In the previous year, EUR –10,589 thousand of the change was due to the sale of the investment in SCHOTT Poonawalla Pvt. Ltd, Mumbai/India, to SCHOTT Pharma Schweiz AG, St. Gallen/Switzerland, as a result of which the deferred tax liability thousand recognized for this purpose in fiscal year 2021/2022 was realized.

For SCHOTT, the regulations on global minimum taxation (Pillar Two) will apply for the first time from fiscal year 2024/2025. If the global minimum taxation regulations were to be applied in fiscal year 2023/2024, this would, according to the current assessment and considering the temporary safe harbor, give rise to an approximate EUR 3,000 thousand increase in current taxes, which would relate exclusively to Switzerland and be levied as a qualified domestic top-up tax in Switzerland.

12 Discontinued operations

In fiscal year 2023/2024, as in the previous year, discontinued operations mainly comprised the Photovoltaics business unit. Accordingly, the Photovoltaics business unit is reported in the result from discontinued operations in the Consolidated Statement of Income for the year under review and the previous year in accordance with the provisions of IFRS 5 concerning the presentation of discontinued operations.

The result from discontinued operations is as follows:

(in EUR thousands)	2023/2024	2022/2023
Sales	0	0
Cost of sales	0	0
Gross profit	**0**	**0**
Selling and administrative expenses	–2,172	–6,840
Other operating income	1,421	10,119
Other operating expenses	–12	–25
Financial result	194	94
Result before income taxes	**–569**	**3,348**
Income taxes	18	–425
Result from discontinued operations	**–551**	**2,923**

The result before income taxes of the discontinued operation Photovoltaics mainly relates to the reversal of provisions for warranties, the addition to provisions for performance guarantees and effects from the liquidation of an investment.

The result before income taxes amounts to EUR –569 thousand (previous year: EUR 3,348 thousand).

The following tables contain a breakdown of the results of the individual business units:

2023/2024

(in EUR thousands)	Photovoltaics	Other	Total
Sales	0	0	0
Cost of sales	0	0	0
Gross profit	**0**	**0**	**0**
Selling and administrative expenses	–2,174	2	–2,172
Other operating income	1,421	0	1,421
Other operating expenses	–12	0	–12
Financial result	194	0	194
Result before income taxes	**–571**	**2**	**–569**
Income taxes	19	–1	18
Result from discontinued operations	**–552**	**1**	**–551**

2022/2023

(in EUR thousands)	Photovoltaics	Other	Total
Sales	0	0	0
Cost of sales	0	0	0
Gross profit	**0**	**0**	**0**
Selling and administrative expenses	–6,840	0	–6,840
Other operating income	10,119	0	10,119
Other operating expenses	–25	0	–25
Financial result	94	0	94
Result before income taxes	**3,348**	**0**	**3,348**
Income taxes	–425	0	–425
Result from discontinued operations	**2,923**	**0**	**2,923**

The discontinued operations' cash flows are presented below:

(in EUR thousands)	2023/2024	2022/2023
Operating activities	–2,437	–3,626
Investing activities	1,582	87
Financing activities	–2	–9

13 Share of profit/loss attributable to non-controlling interests

Profits attributable to non-controlling interests amounted to EUR 46,242 thousand (previous year: EUR 4,094 thousand), whereas losses came to EUR 7,102 thousand (previous year: EUR 2,506 thousand).

14 Intangible assets

The annual goodwill impairment test was performed on June 30, 2024. The value in use served as the basis for determining the recoverable amount for the cash-generating units to which goodwill is assigned. Further details can be found under Note 3.5.

The following tables show the main goodwill reported in the Consolidated Statement of Financial Position:

Cash-generating unit	G*	WACC after taxes	WACC before taxes	Sept. 30, 2024 EUR millions
Home Tech	1.0 %	8.7 %	11.4 %	38.2
Pharma	1.0 %	8.7 %	11.6 %	29.3
Advanced Optics	1.0 %	9.2 %	12.2 %	7.2
Lighting and Imaging	1.0 %	7.9 %	10.6 %	4.5
Tubing	1.0 %	9.2 %	12.0 %	2.3

* The growth rate that was used to extrapolate the cash flow forecasts

Cash-generating unit	G*	WACC after taxes	WACC before taxes	Sept. 30, 2023 EUR millions
Home Tech	1.0 %	8.7 %	11.7 %	38.5
Pharma	1.0 %	8.9 %	11.8 %	29.5
Advanced Optics	1.0 %	9.6 %	12.7 %	7.2
Lighting and Imaging	1.0 %	8.4 %	11.1 %	4.8
Tubing	1.0 %	9.2 %	12.2 %	2.2
Flat Glass	1.0 %	8.2 %	10.9 %	0.0

* The growth rate that was used to extrapolate the cash flow forecasts

As of June 30, 2024, for all cash-generating units, the recoverable amount exceeds the carrying amount. A negative change in a key assumption could lead to an impairment loss for the cash-generating units Home Tech and Tubing under the following circumstances. Key assumptions in determining the recoverable amount are, in particular, the weighted average cost of capital and the operating free cash flow (“OFCF”) following the detailed planning period (“terminal value”). All other planning assumptions being equal, an increase in the WACC (after taxes) of more than 0.2 percentage points (Home Tech) or more than 1.5 percentage points (Tubing) would lead to an impairment loss. Likewise, falling short of the OFCF planned for the terminal value by more than 3 % (Home Tech) or more than 23 % (Tubing) would lead to an impairment loss.

The Board of Management believes that no reasonably possible change in any of the key assumptions used in determining the value in use of the other cash-generating units would cause the carrying amount of the cash-generating units to materially exceed their recoverable amount.

As it is not expected that a sustainable level of sales and earnings will have been achieved by the Tubing business unit by the end of the detailed planning period (fiscal year 2026/2027), the detailed planning period for this business unit has been extended by two years until a sustainable level of sales and earnings is achieved.

The following table includes impairment losses on intangible assets of EUR 110 thousand (previous year: EUR 6,152 thousand) in accumulated amortization and impairment. Of this amount, EUR 6,129 thousand related to the full impairment of the goodwill of the cash-generating unit Flat Glass in the previous year. The impairment losses are mainly attributable to the values in use falling below their carrying amounts. Impairment losses of EUR 110 thousand (previous year: EUR 6,134 thousand) were recognized in other operating expenses. No impairment losses were reported in the functional areas (previous year: EUR 18 thousand).

(in EUR thousands)	Development costs	Patents, licenses and similar rights	Goodwill	Total
Cost				
Balance as of Oct. 1, 2022	683	113,800	189,289	303,772
Change in the scope of consolidation	0	0	124	124
Additions	0	1,544	2	1,546
Disposals	382	2,322	95,138	97,842
Repostings	0	1,053	0	1,053
Currency translation**	0	−4,554	−3,497	−8,051
Balance as of Sept. 30, 2023	301	109,521	90,780	200,602
Accumulated amortization and impairment				
Balance as of Oct. 1, 2022	683	66,352	94,207	161,242
Current amortization*	0	10,952	6,129	17,081
Disposals	382	2,118	95,138	97,638
Repostings	0	−1	0	−1
Currency translation**	0	−2,364	−414	−2,778
Balance as of Sept. 30, 2023	301	72,821	4,784	77,906
Carrying amount				
Balance as of Sept. 30, 2023	0	36,700	85,996	122,696
Cost				
Balance as of Oct. 1, 2023	301	109,521	90,780	200,602
Additions	0	1,611	0	1,611
Disposals	301	23,795	0	24,096
Repostings	0	297	0	297
Currency translation**	0	−1,755	−891	−2,646
Balance as of Sept. 30, 2024	0	85,879	89,889	175,768
Accumulated amortization and impairment				
Balance as of Oct. 1, 2023	301	72,821	4,784	77,906
Current amortization	0	9,700	0	9,700
Disposals	301	23,683	0	23,984
Currency translation**	0	−1,212	−251	−1,463
Balance as of Sept. 30, 2024	0	57,626	4,533	62,159
Carrying amount				
Balance as of Sept. 30, 2024	0	28,253	85,356	113,609

* Impairment losses are included in current amortization.
** Currency translation includes effects from the hyperinflation restatement pursuant to IAS 29 of EUR 2,219 thousand (previous year: EUR 2,758 thousand) under cost and EUR 87 thousand (previous year: EUR 73 thousand) under accumulated amortization and impairment.

15 Property, plant and equipment

Impairment losses on property, plant and equipment were recognized in the amount of EUR 2,427 thousand in the past fiscal year (previous year: EUR 3,153 thousand). These impairment losses can mainly be attributed to write-downs of property, plant and equipment at various production sites in Germany and abroad and are related to restructuring and other measures for location adjustment and optimization. Impairment losses attributable to property, plant and equipment include EUR 1,672 thousand (previous year: EUR 2,089 thousand) for technical equipment and machinery, EUR 0 thousand (previous year EUR 1,024 thousand) for assets under construction, EUR 711 thousand (previous year: EUR 8 thousand) for land, land rights and buildings and EUR 44 thousand (previous year: EUR 32 thousand) for other equipment, operating and office equipment.

Impairment losses of EUR 614 thousand (previous year: EUR 2,271 thousand) were recognized in other operating expenses, thereof EUR 600 thousand (previous year: EUR 634 thousand) in restructuring expenses. Impairment losses of EUR 1,813 thousand (previous year: EUR 882 thousand) were recognized in the functional areas, thereof EUR 1,808 thousand (previous year: EUR 882 thousand) in cost of sales.

Reversals of impairment losses of EUR 93 thousand (previous year: EUR 5,660 thousand) mainly relate to technical equipment and machinery and are included in other operating income.

Government grants, which are deducted from the cost of the related assets, developed as follows:

(in EUR thousands)	2023/2024
Balance as of Oct. 1	**16,313**
Received during the fiscal year	25,657
Amortized to profit or loss	−2,523
Currency translation	−26
Balance as of Sept. 30	**39,422**

The grants received in the current fiscal year are mainly attributable to the subsidiaries SCHOTT Pharma US, Inc., Lebanon/USA, and SCHOTT Hungary Kft., Lukácsháza/Hungary, and resulted from production-related projects. There are no unfulfilled conditions or contingencies attached to the grants.

Purchase commitments for non-current assets amounted to EUR 203,090 thousand as of the reporting date (previous year: EUR 247,892 thousand).

As in the previous year, no significant borrowing costs under IAS 23 were capitalized during the past fiscal year, as there were no significant qualifying assets. Similarly, no collateral, for instance in the form of recorded liens on real property, was provided to third parties.

The asset classes include right-of-use assets. Further information on leases at SCHOTT Group is provided in Note 33.

(in EUR thousands)	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Total
Cost					
Balance as of Oct. 1, 2022	979,559	2,100,509	393,529	389,132	3,862,729
Additions	46,343	87,681	26,443	290,097	450,564
Disposals	7,550	52,226	17,571	39	77,386
Repostings	62,220	113,448	19,524	−196,246	−1,054
Currency translation**	−18,707	−34,149	−6,761	−12,986	−72,603
Balance as of Sept. 30, 2023	1,061,865	2,215,263	415,164	469,958	4,162,250
Accumulated depreciation and impairment					
Balance as of Oct. 1, 2022	524,244	1,396,983	279,623	1,781	2,202,631
Current depreciation*	44,370	121,186	32,770	1,519	199,845
Reversal of impairment losses	896	4,742	22	0	5,660
Disposals	6,981	47,490	17,216	0	71,687
Repostings	95	−122	53	−25	1
Currency translation**	−8,605	−20,866	−4,444	−130	−34,045
Balance as of Sept. 30, 2023	552,227	1,444,949	290,764	3,145	2,291,085
Carrying amount					
Balance as of Sept. 30, 2023	509,638	770,314	124,400	466,813	1,871,165
Cost					
Balance as of Oct. 1, 2023	1,061,865	2,215,263	415,164	469,958	4,162,250
Additions	86,805	73,023	28,539	258,568	446,935
Disposals	5,904	57,634	19,278	171	82,987
Repostings	56,367	128,189	22,867	−207,720	−297
Currency translation**	−6,553	−21,526	−2,800	−2,539	−33,418
Balance as of Sept. 30, 2024	1,192,580	2,337,315	444,492	518,096	4,492,483
Accumulated depreciation and impairment					
Balance as of Oct. 1, 2023	552,227	1,444,949	290,764	3,145	2,291,085
Current depreciation*	53,988	133,739	36,766	542	225,035
Reversal of impairment losses	0	93	0	0	93
Disposals	5,588	53,481	18,356	0	77,425
Repostings	1	115	19	−135	0
Currency translation**	−1,191	−11,249	−1,920	−89	−14,449
Balance as of Sept. 30, 2024	599,437	1,513,980	307,273	3,463	2,424,153
Carrying amount					
Balance as of Sept. 30, 2024	593,143	823,335	137,219	514,633	2,068,330

* Impairment losses are included in current depreciation.

** Currency translation includes effects from the hyperinflation restatement pursuant to IAS 29 of EUR 32,304 thousand (previous year: EUR 26,073 thousand) under cost and EUR 6,389 thousand (previous year: EUR 19,405 thousand) under accumulated depreciation and impairment.

16 Investments accounted for using the equity method

Equity investments in associated companies and joint ventures accounted for using the equity method are shown in the following table:

Company	Country	Primary activity	Equity shares Sept. 30, 2024	Equity shares Sept. 30, 2023
EMPHA S.p.A.	Turin/Italy	Holding	50 %	50 %
Glaverpane S.A.	Jemeppe-sur-Sambre/Belgium	Flat Glass	35 %	35 %
SCHOTT Poonawalla Pvt. Ltd.	Mumbai/India	Pharma	50 %	50 %
Smart Skin Technologies Inc.	Fredericton/ Canada	Pharma	20 %	20 %
Zhejiang Crystal-SCHOTT Optical Technology Co., Ltd.	Taizhou/China	Advanced Optics	41 %	41 %

The following overview summarizes the financial information on investments accounted for using the equity method as of September 30 (basis of calculation: 100 %):

2023/2024

(in EUR thousands)	Assets as of Sept. 30	Liabilities as of Sept. 30	Equity as of Sept. 30	Sales	Result after taxes
SCHOTT Poonawalla Pvt. Ltd.	151,895	23,465	128,430	107,835	20,582
EMPHA S.p.A.*	15,633	22	15,611	0	4,030
Zhejiang Crystal-SCHOTT Optical Technology Co., Ltd.	18,749	3,631	15,118	2,631	–17
Glaverpane S.A.*	28,358	13,478	14,880	87,068	99
Smart Skin Technologies Inc.*	15,104	8,016	6,890	6,388	–565
	229,739	**48,612**	**180,929**	**203,922**	**24,129**

* Data based on the statutory financial statements as of December 31, 2023

2022/2023

(in EUR thousands)	Assets as of Sept. 30	Liabilities as of Sept. 30	Equity as of Sept. 30	Sales	Result after taxes
SCHOTT Poonawalla Pvt. Ltd.	155,997	40,434	115,564	106,547	19,210
EMPHA S.p.A.*	15,601	20	15,581	0	4,034
Zhejiang Crystal-SCHOTT Optical Technology Co., Ltd.	18,602	3,151	15,451	2,146	–390
Glaverpane S.A.*	86,190	71,409	14,781	116,791	248
Smart Skin Technologies Inc.*	15,550	7,730	7,820	5,443	–3,022
	291,940	**122,744**	**169,197**	**230,927**	**20,080**

* Data based on the statutory financial statements as of December 31, 2022

The changes recognized in other comprehensive income due to currency differences amount to EUR –3,858 thousand (previous year: EUR –5,293 thousand) for SCHOTT Poonawalla Pvt. Ltd., EUR –137 thousand (previous year: EUR –677 thousand) for Zhejiang Crystal-SCHOTT Optical Technology Co. and EUR –65 thousand (previous year: EUR –86 thousand) for Smart Skin Technologies Inc. For goodwill, the changes recognized in other comprehensive income due to currency differences amount to EUR –244 thousand (previous year: EUR –431 thousand) for SCHOTT Poonawalla Pvt. Ltd. and EUR –73 thousand (previous year: EUR –84 thousand) for Smart Skin Technologies Inc.

The development of the carrying amount of the investments is summarized in the following table:

(in EUR thousands)	2023/2024	2022/2023
Balance as of Oct. 1	106,771	108,286
Income from investments accounted for using the equity method	9,192	11,669
Dividend distributions	−2,250	−6,614
Exchange rate-related effects (other comprehensive income)	−4,377	−6,570
Balance as of Sept. 30	109,336	106,771

EMPHA S.p.A. accounted for the full amount of the dividend distributions of EUR 2,250 thousand (previous year EUR 4,000 thousand). In the previous year, SCHOTT Poonawalla Pvt. Ltd. made dividend distributions of EUR 2,614 thousand.

17 Other non-current financial assets

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Securities classified as non-current assets	202,764	943
Investments	6,048	5,847
Shares in non-consolidated affiliated companies	3,448	3,935
Loans/credits to third parties and employees	468	529
Shares not measured at equity	50	24
Miscellaneous other financial receivables	1,405	1,421
	214,183	12,699

Other non-current financial assets relate to the measurement categories “financial assets not subject to IFRS 9” (EUR 3,497 thousand; previous year: EUR 3,961 thousand), “assets recognized at fair value through profit or loss” (FVTPL) (EUR 7,416 thousand; previous year: EUR 6,763 thousand) and “loans and receivables” (EUR 1,874 thousand; previous year: EUR 1,975 thousand). See also the comments under Note 32.1 “Financial assets and financial liabilities.”

EUR 201 million of the proceeds from the IPO of SCHOTT Pharma was invested in money market funds for the purposes of short-term financial management. The funds are reported as other securities under current assets.

There is no collateral on non-current financial assets.

There are no non-current financial assets whose terms have been renegotiated and which would otherwise be past due or impaired.

Shares in non-consolidated affiliated companies are recognized at cost. Investments held as financial instruments are recognized at fair value through profit or loss.

18 Other non-current non-financial assets

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Receivables from tax authorities	930	907
Prepaid expenses	474	627
Miscellaneous other non-financial receivables	1,762	1,289
	3,166	2,823

19 Inventories

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Raw materials and supplies	349,539	329,967
Work in progress	226,119	232,900
Finished goods and merchandise	283,773	311,697
Write-downs	–156,946	–130,586
	702,485	743,978

In the year under review, write-downs of inventories to their net realizable value amounting to EUR 27,870 thousand (previous year: EUR 12,811 thousand) and reversals of write-downs due to changes in estimates of future sales volumes amounting to EUR 1,510 thousand (previous year: EUR 11,912 thousand) were recognized. The carrying amount of inventories recognized at fair value less costs to sell is EUR 256,965 thousand (previous year: EUR 266,737 thousand). The amount of inventories recognized as an expense in fiscal year 2023/2024 is EUR 1,718 million (previous year: EUR 1,602 million).

As in the previous year, no inventories were pledged as collateral for liabilities as of the reporting date of the fiscal year just ended, apart from the usual retentions of title.

20 Trade receivables and contract assets

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Trade receivables from third parties	457,154	469,799
Trade receivables from participations	6,659	5,779
Trade receivables from affiliated companies	1,543	4,175
Notes receivable from third parties	6,821	5,699
Trade receivables (after loss allowances)	**472,177**	**485,452**
Contract assets	122,006	108,456
Trade receivables and contract assets (after impairment allowances)	**594,183**	**593,908**

All trade receivables have a remaining term to maturity of less than one year. The fair value of the receivables therefore corresponds to the carrying amount. Trade receivables from affiliated companies relate to ongoing transactions with companies not included in the Consolidated Financial Statements of SCHOTT AG.

The loss allowances on trade receivables developed as follows compared to the previous year:

(in EUR thousands)	2023/2024	2022/2023
Balance as of Oct. 1	**14,199**	**10,447**
Currency translation	–385	–183
Additions	6,071	8,078
Utilization	–5,413	–371
Reversals	–6,521	–3,772
Balance as of Sept. 30	**7,951**	**14,199**

An overview of the maturities of trade receivables, including the loss rate and allowance rates, is provided in the risk management report in the notes on credit risk.

The increase in the utilization of the loss allowance on trade receivables is attributable to the derecognition of a receivable from an insolvent customer that had been impaired for a long time.

The receivables portfolio does not include any receivables whose conditions have been renegotiated and which would otherwise be past due or impaired. With the exception of the retentions of title customary in the industry, there is no collateral for trade receivables. Of the trade receivables, EUR 57,403 thousand is secured by credit insurance. In order to meet the special requirements, SCHOTT cooperates with several credit insurers. In addition to a global insurance contract covering the companies domiciled in the EU, several local insurance contracts exist worldwide for the entities participating in credit insurance. The insurance ratio is 95 % for virtually all insurance contracts.

Contract assets amounted to EUR 122,006 thousand as of September 30, 2024 (previous year: EUR 108,456 thousand). This includes an allowance for expected credit losses of EUR 114 thousand (previous year: EUR 352 thousand). As of the reporting date, contract assets increased by EUR 13,550 thousand.

21 Other current financial assets

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Other marketable securities	210,650	1,532
Time deposits (maturity > 3 months, < 1 year)	205,427	7,434
Positive fair values of derivatives	9,522	13,233
Loan receivables	8,141	3,964
Restricted cash and cash equivalents	3,399	4,697
Excess of plan assets over pension and similar commitments	2,014	2,161
Creditors with debit balances	1,414	2,361
Cash clearing receivables from participations	403	0
Factoring receivables	328	376
Receivables from IPO of the Pharma business unit	0	935,317
Dividends receivable	0	2,000
Miscellaneous other financial receivables	1,522	2,301
Impairment losses	–196	–180
	442,624	975,196

The placement of ordinary shares during the IPO of SCHOTT Pharma AG & Co. KGaA, Mainz, resulted in receivables of EUR 935.3 million as of September 30, 2023, which were settled in October 2023.

Due to the overfunding of plan assets in one of the contractual trust arrangements, an excess of plan assets over pension and similar commitments was recognized on the assets side of the Consolidated Statement of Financial Position.

Results from impairment losses and derecognitions of other financial assets are reported under other operating income as income from the reversal of impairment losses or under other operating expenses as expenses from impairment losses.

In the case of other financial assets, there were no assets in the reporting periods whose conditions were renegotiated and which would otherwise be past due or impaired.

22 Other current non-financial assets

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Receivables from other taxes	42,075	49,522
Prepaid expenses	19,454	17,399
Advance payments made	12,951	29,609
Emission certificates	7,419	7,115
Asset value from reinsurance policies	329	321
Miscellaneous other non-financial receivables	6,296	7,213
	88,524	111,179

23 Cash and cash equivalents

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Checks, cash on hand	161	141
Deposits with banks (terms up to 90 days)	161,161	99,584
Time deposits (maturity up to 90 days)	133,827	18,666
	295,149	118,391

The effective interest rates for bank deposits and time deposit investments with a term to maturity of up to 90 days were between 3.28 % and 4.00 % in the euro region (previous year: 1.17 % and 3.98 %). The fair value of cash and cash equivalents corresponds to the carrying amount. Restricted cash and cash equivalents is reported under other current financial assets (Note 21).

24 Equity

The subscribed capital of SCHOTT AG amounts to EUR 150,000 thousand and capital reserves to EUR 322,214 thousand. Subscribed capital consists of 150,000,000 registered shares with a nominal value of EUR 1.00 each. Each share has one voting right and is entitled to dividends.

Income and expenses recognized in other comprehensive income (excluding non-controlling interests) developed as follows:

(in EUR thousands)	Profit/loss from revaluation of defined benefit pension plans	Currency translation	Securities measured at fair value	Total income and expenses recognized in other comprehensive income
Balance as of Oct. 1, 2022	**–156,040**	**63,090**	**0**	**–92,950**
Changes recognized in other comprehensive income	5,856	–58,351	0	–52,495
Reclassification adjustments	0	–3,005	0	–3,005
Deferred taxes	–2,874	0	0	–2,874
Balance as of Sept. 30, 2023	**–153,058**	**1,734**	**0**	**–151,324**
Balance as of Oct. 1, 2023	**–153,058**	**1,734**	**0**	**–151,324**
Changes recognized in other comprehensive income	–95,365	–35,050	2,855	–127,560
Deferred taxes	25,481	0	–794	24,687
Balance as of Sept. 30, 2024	**–222,942**	**–33,316**	**2,061**	**–254,197**

The range of the possible dividend distribution is determined in accordance with Article 24 of the Articles of Association of the Carl Zeiss Foundation and depends on the consolidated equity ratio and the consolidated profit for the period after non-controlling interests. In accordance with the resolution of the Annual General Meeting on March 18, 2024, for fiscal year 2022/2023, a dividend of EUR 29,200 thousand was paid to the Carl Zeiss Foundation, and EUR 1,621,799 thousand was carried forward to new account. For fiscal year 2023/2024, the Board of Management of SCHOTT AG proposes to distribute a dividend of EUR 28,600 thousand and to carry forward the remaining amount to new account.

Non-controlling interests

Non-controlling interests relate mainly to externally held shares in the listed SCHOTT Pharma AG & Co. KGaA, Mainz, in SCHOTT Flat Glass Holding B.V., Tiel/Netherlands, and in SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz.

Capital management

The purpose of capital management is to maximize the company’s income by optimizing the relationship between equity and borrowed capital. It also ensures that all Group companies can operate under the premise of continuing as a going concern.

The equity and borrowed capital relevant for capital management mainly comprises financial liabilities and equity in SCHOTT AG attributable to the Carl Zeiss Foundation. This consists of issued shares, the capital reserves and retained earnings.

At SCHOTT, capital management measures in accordance with IAS 1 include in particular the use of borrowed capital, the optimization of investment activities, dividend payments, the optimization of net working capital and capital increases and reductions.

SCHOTT's corporate management strategy is guided, among other factors, by the value-based SCHOTT Value Added (SVA) concept. All strategic and operating activities are assessed based on their contribution to increasing the company's value. SCHOTT seeks to successfully utilize its business assets and create value in excess of the Group's cost of capital.

SCHOTT's corporate planning and monthly reporting both include the continuous calculation of net liquidity and operating free cash flow at the level of the individual business units as well as at the Group level. Net liquidity includes all cash and cash equivalents as well as time deposits less financial liabilities. Net liquidity provides information on the financial status. Operating free cash flow identifies the cash surplus remaining after deducting investments in non-current assets. Surplus funds could be used, for example, to repay financial liabilities or finance investments without drawing on external sources. In this way, measures needed to influence the capital structure can be identified early.

The majority of financial liabilities owed to banks and other lenders require compliance with financial covenants that refer to the ratio of net debt to EBITDA (leverage). We continuously monitor the covenants on the basis of the respectively applicable actual, plan and forecast values of the related ratios. Based on the current plan and forecast values, SCHOTT assumes that the covenants will be adhered to for the foreseeable intermediate future.

In addition, the Board of Management constantly reviews the capital structure. This review includes an assessment of the equity ratio and the debt-equity ratio. The equity ratio corresponds to the ratio of equity to total assets in the Consolidated Statement of Financial Position. As of September 30, 2024, the equity ratio is 66.2 % (previous year: 62.8 %).

The net cash/(debt) position, which represents an important internal key figure for the financial management of SCHOTT, comprises the following:

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Cash and cash equivalents	295,149	118,391
Time deposits (maturity > 3 months, < 1 year)	205,427	7,434
Other marketable securities	210,650	1,532
Securities classified as non-current assets	201,396	0
Lease liabilities	−166,256	−134,347
Net cash clearing liabilities	−4,678	−8,893
Liabilities to banks	−3,934	−105,115
Other financial liabilities	−31	0
Net cash/(debt) position	737,723	**−120,998**

The overall strategy remained unchanged compared to last year.

25 Provisions for pensions and similar commitments

For defined contribution plans abroad, EUR 13,985 thousand (previous year: EUR 15,795 thousand) and in Germany EUR 37,953 thousand (previous year: EUR 36,225 thousand) were recognized as expenses, thereof EUR 43,034 thousand (previous year: EUR 42,457 thousand) in contributions to state pension insurance institutions. Pension provisions in Germany also include employee-financed pension commitments (deferred compensation) in the amount of EUR 3,384 thousand (previous year: EUR 2,697 thousand). The asset values were netted against the corresponding obligations. The pension provisions for defined benefit obligations include current pensions as well as company- and employee-funded pension entitlements. In addition, provisions of the US companies for healthcare obligations are recognized as liabilities under this item. Under IAS 19 **Employee Benefits**, these allowances are classified as defined benefit plans.

In Germany, a distinction is made between four major pension commitments:

Pension Charter "P74" is a remuneration-dependent, overall benefit scheme netted with social security, for which the defined benefit obligation (DBO) is calculated proportionately.

The "P 82 old" and "P 82 new" Pension Charters are likewise remuneration-dependent pension schemes. In these schemes, the pension benefit increases by a percentage of pensionable remuneration for each year of eligible service; salary components in excess of the income threshold are more heavily weighted. The DBO is also calculated proportionately.

The pension scheme "VO 2015" as well as the previously applicable pension scheme "VO 2000" which was replaced on October 1, 2015 are defined contribution plans with a dynamic benefit contribution in which the DBO is calculated according to the earned pension method. These are building block schemes within the scope of which a benefit contribution is determined each year which is then converted into a pension building block using actuarial methods. This pension building block is credited to the employee's individual benefit account. The pension contribution depends on pensionable income and also on SCHOTT Group's pre-tax profits.

The currently valid "VO 2015 NEW," which has been valid for new entrants since November 1, 2015, is a defined contribution plan with a dynamic benefit contribution. The calculation of the benefit contribution is similar to that of the "VO 2015." This is awarded to the employee as a minimum capital payment and credited to an individualized account within the framework of a CTA (contractual trust arrangement).

As of October 1, 2025, the "VO 2015 NEW" pension scheme, including transitional arrangements, will also apply for employees who were employed by the Group by November 1, 2015, when "VO 2015 NEW" came into effect.

Outside of Germany (in particular in the USA), the committed benefits depend mainly on the length of service and the most recent salary. Decisions regarding the allocation of plan assets generally reflect the development of plan assets and pension commitments. In addition, decisions outside of Germany are often shaped by requirements that pension commitments have to be covered by plan assets as well as tax regulations regarding the deductible amounts.

The assumptions that calculation of the DBO are based on with respect to actuarial interest rates, wage and pension trends, but also mortality rates, vary depending on the economic and other parameters of the respective country in which the plans exist. The actuarial interest rates are calculated as of the reporting date for each specific company depending on the average weighted duration of the pension commitments using matching maturities and currencies.

The calculation of the benefit obligations as well as the related plan assets in certain cases is based on the following actuarial parameters (weighted average):

	Sept. 30, 2024			Sept. 30, 2023		
(in %)	Total	Germany	Abroad	Total	Germany	Abroad
Discount rate	3.36	3.50	2.79	4.36	4.50	3.82
Future salary increases	2.81	3.00	1.51	2.86	3.00	1.92
Future pension increases	1.91	2.23	0.01	1.93	2.23	0.00
Expected rate of inflation	2.12	2.25	1.60	2.15	2.25	1.78

The following actuarial parameters apply for the entities based outside of Germany for each country or region:

	Sept. 30, 2024			Sept. 30, 2023		
(%)	Discount rate	Future salary increases	Expected rate of inflation	Discount rate	Future salary increases	Expected rate of inflation
USA	4.55 – 4.75	N/A	2.30	5.50 – 5.60	N/A	2.30
Switzerland	1.10	1.30	1.00	1.90 – 2.00	1.50	1.20

Based on IAS 19, the defined benefit pension obligations exhibit the following funded status. The table also contains the employee-financed pension commitments:

	Sept. 30, 2024			Sept. 30, 2023		
(in EUR thousands)	Total	Germany	Abroad	Total	Germany	Abroad
Present value of obligations not financed by a fund	38,596	18,785	19,811	39,477	16,473	23,004
Present value of obligations wholly or partly financed by a fund	1,315,734	1,066,444	249,290	1,146,843	925,553	221,290
Total present value of benefit obligations	**1,354,330**	**1,085,229**	**269,101**	**1,186,320**	**942,026**	**244,294**
Benefit obligations recognized in the consolidated statement of financial position	**1,354,330**	**1,085,229**	**269,101**	**1,186,320**	**942,026**	**244,294**
Plan assets recognized in the consolidated statement of financial position	**846,306**	**622,717**	**223,589**	**664,038**	**467,099**	**196,939**
Funded status	**508,024**	**462,512**	**45,512**	**522,282**	**474,927**	**47,355**
Pension provisions	**508,024**	**462,512**	**45,512**	**522,282**	**474,927**	**47,355**

Net pension expense can be broken down as follows:

	2023/2024			2022/2023		
(in EUR thousands)	Total	Germany	Abroad	Total	Germany	Abroad
Service cost	33,167	26,498	6,669	24,630	20,264	4,366
Net interest expense	22,002	20,104	1,898	20,713	18,909	1,804
Past service cost	−4,423	0	−4,423	−317	−205	−112
Administration expenses	1	0	1	6	0	6
Total expenses recognized in the consolidated statement of income	**50,747**	**46,602**	**4,145**	**45,032**	**38,968**	**6,064**

Net interest expense is included in the interest result. Other expense components recognized in the Consolidated Statement of Income are presented under the corresponding functional area within the result from operating activities (EBIT).

The following table presents the development of the defined benefit obligation:

	2023/2024			2022/2023		
(in EUR thousands)	Total	Germany	Abroad	Total	Germany	Abroad
Defined benefit obligation at the beginning of the fiscal year	1,186,320	942,026	244,294	1,208,826	964,786	244,040
Changes in exchange rates	−3,400	0	−3,400	−11,736	0	−11,736
Service cost	33,167	26,498	6,669	24,630	20,264	4,366
Past service cost	−4,423	0	−4,423	−317	−205	−112
Interest expense	50,144	41,472	8,672	46,487	37,765	8,722
Actuarial gains (–) or losses (+) from changes in financial assumptions	150,289	127,766	22,523	−54,827	−60,246	5,419
Actuarial gains (–) or losses (+) from changes in demographic assumptions	−7,595	−7,613	18	−1,148	0	−1,148
Actuarial gains (–) or losses (+) from experience adjustments	3,123	3,625	−502	28,814	27,188	1,626
Pension payments	−58,662	−49,567	−9,095	−57,447	−47,982	−9,465
Other changes	5,367	1,022	4,345	3,038	456	2,582
Defined benefit obligation at the end of the fiscal year	1,354,330	1,085,229	269,101	1,186,320	942,026	244,294
of which committed without plan assets	38,596	18,785	19,811	39,477	16,473	23,004
of which partially covered by plan assets	1,315,734	1,066,444	249,290	1,146,843	925,553	221,290

Plan assets developed as follows in the fiscal year:

	2023/2024			2022/2023		
(in EUR thousands)	Total	Germany	Abroad	Total	Germany	Abroad
Plan assets at the beginning of the fiscal year	666,199	469,260	196,939	664,525	466,861	197,664
Interest income from plan assets	28,142	21,368	6,774	25,774	18,856	6,918
Changes in exchange rates	−1,974	0	−1,974	−8,724	0	−8,724
Actuarial gains (+) and losses (–)	50,451	29,199	21,252	−21,273	−20,853	−420
Employer contribution	108,906	105,685	3,221	11,441	4,976	6,465
Benefits paid	−7,099	−1,115	−5,984	−8,501	−954	−7,547
Other changes	3,695	334	3,361	2,957	374	2,583
Fair value of plan assets	848,320	624,731	223,589	666,199	469,260	196,939
Overfunding of plan assets	−2,014	−2,014	0	−2,161	−2,161	0
Plan assets recognized in the consolidated statement of financial position at the end of the fiscal year	846,306	622,717	223,589	664,038	467,099	196,939
Actual gains (+) and losses (-) on plan assets	78,594	50,567	28,027	4,501	−1,997	6,498

Plan assets in Germany are managed mainly in the form of contractual trust arrangements (CTAs).

Under the CTAs, SCHOTT AG has transferred assets over to a trust association, which in turn transfers the funds it receives over to another trust association (custodian). This organization is obliged to manage and invest the funds it receives solely for the company in accordance with an administrative agreement. The investment takes place via special fund mandates with external asset managers. This is a mixed fund that deals with stocks and bonds and is managed by asset managers in accordance with prescribed investment guidelines, including a defined value protection strategy.

Since fiscal year 2014/2015, a CTA has invested EUR 65,016 thousand in a newly founded Group company. The company is controlled by SCHOTT AG, which holds the remaining equity interest in the company besides the CTA. The company generates its income by holding investments in non-consolidated companies, by entering into license agreements with non-group companies and by granting loans to Group companies, including SCHOTT AG. The fair value of the CTA's investment in the Group company amounts to EUR 1,050 thousand as of the reporting date. The shares in two real estate special purpose entities amounting to an ownership share of 89.9 % each in one of the CTAs have a total value of EUR 57,291 thousand as of the end of the fiscal year. SCHOTT leases back part of a property from one company and the entire property from the other.

The plan assets abroad mainly consist of two pension funds in the USA whose funding ratio amounts to nearly 100 %. The pension fund is also managed by external asset managers based on prescribed investment guidelines applying an asset/liability matching approach. Still other plan assets are managed by a dependent collective foundation based in Switzerland.

Portfolio structure of plan assets:

	Sept. 30, 2024			Sept. 30, 2023		
(%)	Total	Germany	Abroad	Total	Germany	Abroad
Securities quoted on active markets	33	36	25	29	31	23
Fixed-interest securities quoted on active markets	52	52	53	58	59	54
Qualifying insurance policies	3	3	3	4	4	4
Cash and cash equivalents	2	2	1	4	5	2
Other	10	7	18	5	1	17
	100	100	100	100	100	100

Allocations to plan assets are as follows:

	2023/2024			2022/2023		
(in EUR thousands)	Total	Germany	Abroad	Total	Germany	Abroad
Total allocation	108,906	105,685	3,221	11,441	4,976	6,465

At least EUR 15,904 thousand in contributions to plan assets are expected for the following fiscal year.

A change in the principal actuarial assumptions would have the following effects on pension obligations for Germany, the USA and Switzerland, with the vast share pertaining to Germany:

	Sept. 30, 2024			
	Increase by	(in EUR thousands)	Decrease by	(in EUR thousands)
Discount rate	+ 50 basis points	–82,649	– 50 basis points	94,265
Future change in salary	+ 50 basis points	10,089	– 50 basis points	–9,651
Future change in pensions	+ 50 basis points	56,177	– 50 basis points	–46,080
Life expectancy	+ 1 year	49,870	– 1 year	–50,091

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligation:

(in EUR thousands)	2025	2026	2027	2028	2029	2030–2034
Germany	52,103	52,095	52,979	54,700	56,864	299,744
Abroad	15,518	17,257	16,639	16,240	17,751	84,679
Total	**67,621**	**69,352**	**69,618**	**70,940**	**74,615**	**384,423**

The duration of the defined benefit obligation was 14 years (previous year: 13 years) at the end of the reporting period. The duration represents the commitment period for which the capital to cover the pension obligations is invested and depends on the payout profile and interest rates.

26 Other provisions

	Sept. 30, 2024		Sept. 30, 2023	
(in EUR thousands)	up to 1 year	over 1 year	up to 1 year	over 1 year
Sales	14,154	34,790	12,764	38,273
Personnel costs	2,707	18,408	2,537	18,915
Other	23,543	9,894	35,534	10,203
	40,404	**63,092**	**50,835**	**67,391**

(in EUR thousands)	Balance as of Oct. 1, 2023	Utilization	Reversal	Addition	Currency changes	Balance as of Sept. 30, 2024
Sales	51,037	8,612	4,693	11,373	–161	48,944
Personnel costs	21,452	6,938	2,135	8,799	–63	21,115
Other	45,737	9,269	15,754	14,066	–1,343	33,437
	118,226	**24,819**	**22,582**	**34,238**	**–1,567**	**103,496**

The sales provisions mainly comprise warranty provisions of EUR 37.1 million (previous year: EUR 38.0 million) and losses from delivery obligations. EUR 22.8 million (previous year: EUR 26.4 million) of this amount relates to discontinued operations. Of these provisions for the discontinued operations, EUR 2.1 million was utilized (previous year: EUR 3.7 million) and EUR 1.4 million was reversed (previous year: EUR 6.3 million). No additions were made (previous year: EUR 6.2 million). Warranty provisions are subject to particularly high estimation uncertainty due to the long terms of up to 30 years and the wide range of possible claims.

EUR 933 thousand of the discount on non-current provisions was unwound in fiscal year 2023/2024 (previous year: EUR 92 thousand); the amount is included in the additions column.

The anniversary obligations shown under personnel provisions in the amount of EUR 14.3 million (previous year: EUR 13.0 million) were measured at an actuarial interest rate of 3.6 % (previous year: 4.1 %) for obligations in Germany in the amount of EUR 12.7 million (previous year: EUR 11.4 million). Obligations stemming from phased retirement in the amount of EUR 12.6 million (previous year: EUR 13.1 million) are determined on the basis of actuarial calculations and biometric calculation bases set forth in the Heubeck Mortality Tables 2018 G applying an actuarial interest rate of 3.14 % (previous year: 3.99 %) according to the projected unit credit method. The obligations for phased retirement are secured by means of a value protection balance held on a notarial trust account in the amount of EUR 7,916 thousand (previous year: EUR 7,959 thousand), with the obligations netted against the value protection balance.

The reversals of provisions recognized in previous years are largely reported in other operating income and the result from discontinued operations (EUR 1.4 million; previous year: EUR 6.3 million) in the Consolidated Statement of Income.

Miscellaneous other provisions include, among other items, provisions for litigation risks of EUR 6.8 million (previous year: EUR 19.9 million), for non-income taxes of EUR 2.2 million (previous year: EUR 1.8 million), for restoration obligations, clean-up of contaminated sites, demolition and disposal totaling EUR 4.6 million (previous year: EUR 2.9 million), as well as for risks of possible penalties and interest payments of EUR 4.8 million (previous year: EUR 4.2 million), EUR 1.3 million (previous year: EUR 1.5 million) for precious metal losses, EUR 1.4 million (previous year: EUR 0.3 million) for restructuring, EUR 0.0 million (previous year: EUR 2.3 million for usage fees) and various other risks and precautionary measures.

Provisions for share-based payments

The cash-settled share-based payment program for the members of the Management Board of SCHOTT Pharma is based on the achievement of KPI targets and the long-term performance of the share of SCHOTT Pharma AG & Co. KGaA, Mainz. Each member of the Management Board of SCHOTT Pharma is allocated a certain number of performance shares at the beginning of each performance period based on an individually defined annual target amount and the share price of SCHOTT Pharma AG & Co. KGaA, Mainz. These performance shares solely represent an entitlement to a cash payment and do not entail any share-holder rights.

The performance period covers a period of four years in each case. The number of individual performance shares at the beginning of each performance period is equal to the individual annual target amount divided by the arithmetic mean of the XETRA closing price for the share of SCHOTT Pharma AG & Co. KGaA, Mainz, for the last 90 trading days prior to the beginning of the performance period. For each performance period, the Supervisory Board of SCHOTT Pharma sets performance criteria and associated target amounts, threshold amounts and caps for defined categories.

Target achievement is calculated at the end of each performance period. If the amount calculated is equal to or less than the threshold amount, the degree of target achievement is 0 %. If the amount calculated is equal to or exceeds the cap at the end of a performance period, the degree of target achievement is 180 %.

The starting share price for the 2023/2024 tranche, which has a term from October 1, 2023 to September 30, 2027, is EUR 31.09. A total of 16,307 performance shares were allocated to the members of the Management Board of SCHOTT Pharma, calculated by dividing the individual target amounts by the starting share price and rounding to the nearest whole number.

The calculation of expenses over time is based on the fair value of the performance shares at each valuation date, which is calculated using a Monte Carlo simulation. An expected volatility of 31.5 % and a risk-free interest rate of 1.88 % were used as the basis for the valuation as of the reporting date. Expenses are recognized over the four-year performance period.

The provisions amounted to EUR 65 thousand as of September 30, 2024 (previous year: EUR 0 thousand). The net expense for fiscal year 2023/2024 amounted to EUR 65 thousand (previous year: EUR 0 thousand). The arithmetic mean of the XETRA closing price for the share of SCHOTT Pharma AG & Co. KGaA, Mainz, for the last 90 trading days was EUR 31.11 as of September 30, 2024.

27 Accrued liabilities

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Christmas bonuses	60,565	66,769
Other personnel commitments	88,886	118,052
Outstanding invoices	29,018	50,074
Commissions/bonuses	15,049	16,256
Other accrued liabilities	4,367	4,267
	197,885	255,418

28 Non-current and current contract liabilities

For greater transparency, contract liabilities have been presented separately in the Consolidated Statement of Financial Position since fiscal year 2023/2024. Previously, these liabilities were included in other non-current and current non-financial liabilities. We changed the presentation because, over time, contract liabilities have become by far the largest item within other non-financial liabilities and can also be considered material in relation to total liabilities. The comparative period has also been adjusted. These are contract liabilities within the meaning of IFRS 15 **Revenue from Contracts with Customers**. The increase in contract liabilities to EUR 172,442 thousand (previous year: EUR 139,053 thousand) is mainly due to advance payments made by two customers under existing series supply contracts with multi-year terms.

Current contract liabilities reported as of September 30, 2023 led to sales in the past fiscal year. Contracts with an original term of more than 12 months are expected to generate sales of around EUR 1,013 million in fiscal years 2024/2025 to 2034/2035. As permitted by IFRS 15.121a, the transaction price allocated to performance obligations not satisfied as of the reporting date is not disclosed for contracts with an original term of one year or less.

29 Trade payables

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Trade payables to third parties	282,009	298,786
Trade payables to affiliated companies	509	936
Trade payables to participations	730	310
	283,248	300,032

All trade payables reported in the reporting period and the previous year have a remaining term to maturity of less than one year. In the fiscal year, there were no agreements with German suppliers on the extension of payment terms up to 180 days.

Trade payables to affiliated companies include liabilities from current business relationships with affiliated companies not included in the Consolidated Financial Statements.

30 Other non-current and current financial liabilities

	Sept. 30, 2024		Sept. 30, 2023	
(in EUR thousands)	up to 1 year	over 1 year	up to 1 year	over 1 year
Lease liabilities	24,356	141,900	20,736	113,611
Other liabilities to affiliated companies	5,081	0	7,824	0
Negative fair values of derivatives	4,535	0	14,048	0
Liabilities to banks	3,934	0	75,115	30,000
Factoring liabilities	3,414	0	4,697	0
Debtors with credit balances	2,109	0	2,291	0
Liabilities to participations	0	0	1,069	0
Interest on precious metal lease	687	0	1,625	0
Miscellaneous financial liabilities	4,188	4,349	4,133	4,512
	48,304	146,249	131,538	148,123

An overview of the contractual remaining maturity of undiscounted financial liabilities is included in the comments on risk management under the notes on liquidity risk.

As in the previous year, there were no delays in principal or interest payments in the Group during fiscal year 2023/2024.

The changes in lease liabilities are discussed in more detail in Note 33 “Leases.”

The liabilities to affiliated companies of EUR 5,081 thousand (previous year: EUR 7,824 thousand) and to investments of EUR 0 thousand (previous year: EUR 1,069 thousand) relate to cash clearing liabilities that are subject to interest at arm’s length conditions.

As of September 30, 2024, other financial liabilities (non-current and current) include EUR 6.9 million in liabilities due to contingent purchase price obligations from company acquisitions (previous year: EUR 7.6 million). Due to existing agreements from company acquisitions made in the USA in past years, earn-out payments totaling EUR 527 thousand were made in the year under review.

31 Other non-current and current non-financial liabilities

(in EUR thousands)	Sept. 30, 2024 up to 1 year	Sept. 30, 2024 over 1 year	Sept. 30, 2023 up to 1 year	Sept. 30, 2023 over 1 year
Social security liabilities	7,492	0	8,841	0
Payroll tax withheld from salaries and wages	6,903	0	6,352	0
Personnel liabilities	4,622	0	4,827	0
Liabilities due to tax authorities	3,432	0	3,300	0
Deferred income	2,489	2,411	3,858	646
Miscellaneous other non-financial liabilities	10,359	0	9,228	0
	35,297	2,411	36,406	646

For greater transparency, contract liabilities have been presented separately in the Consolidated Statement of Financial Position since fiscal year 2023/2024. Previously, these liabilities were included in other non-current and current non-financial liabilities. The presentation of the comparative period has also been adjusted.

Additional Notes

32 Financial instruments and risk management

32.1 Financial assets and financial liabilities

In accordance with IFRS 9 **Financial Instruments** financial assets at SCHOTT Group are broken down into the following categories:

- Measured at amortized cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets.

Financial assets that are held within a business model that provides for holding the asset in order to collect the contractual cash flows are measured at **amortized cost**. At SCHOTT Group, this includes in particular cash and cash equivalents, time deposits and trade receivables.

Financial assets are measured **at fair value through other comprehensive income (FVOCI)** if they are held within a business model whose objective is to collect contractual cash flows and to sell these assets. At the same time, the contractual terms of the financial asset specify the cash flows for payments of principal and interest on fixed dates. At SCHOTT Group, these are fixed-interest EUR bonds.

Financial assets with cash flows that are not solely payments of principal and interest (SPPI) are classified and measured at **fair value through profit or loss (FVTPL)**, irrespective of the business model. At SCHOTT Group, these are particularly investment fund units and trade receivables that SCHOTT regularly offers to a purchasing company as part of a revolving factoring program.

For equity instruments, IFRS 9 optionally permits measurement at fair value through other comprehensive income. SCHOTT has not applied this option in these Consolidated Financial Statements.

The category **"financial assets at fair value through profit or loss (FVTPL)"** at SCHOTT also includes derivative financial instruments that are not designated in hedge accounting. Derivative financial instruments are measured at fair value. This corresponds to the market value and can be either positive or negative. The fair value is calculated using present value or option pricing models. For the valuation of options, the Black-Scholes model is used and for all valuations, the respective present value is determined on the basis of current spot prices and corresponding yield curves. The relevant market prices and interest rates observed on the reporting date and obtained from recognized sources are used as inputs for the models. Any gain or loss resulting from subsequent measurement is recognized in the Consolidated Statement of Income.

The derivatives contracted by SCHOTT are partly subject to legally enforceable offsetting agreements, which, however, do not allow for the offsetting of receivables and liabilities in the Consolidated Statement of Financial Position, i.e., there is no current legal right to offset the recognized amounts with a simultaneous intention to settle on a net basis, but rather a right to set off amounts in the event of the insolvency of a counterparty. Therefore, the amounts are recognized in the Consolidated Statement of Financial Position on a gross basis.

The following table shows the financial assets and liabilities of SCHOTT Group that are subject to offsetting.

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Financial assets		
Positive fair values of derivatives	9,522	13,233
Offsettable due to master netting agreements	–3,897	–10,385
Net amount of financial assets	**5,625**	**2,848**
Financial liabilities		
Negative fair values of derivatives	4,535	14,048
Offsettable due to master netting agreements	–3,897	–10,385
Net amount of financial liabilities	**638**	**3,663**

Derivatives embedded in compound financial instruments are recognized separately at fair value if their economic characteristics and risks are not closely related with those of the underlying contracts and the compound financial instruments are not measured overall at fair value through profit or loss. These embedded derivatives are measured at fair value, whereby changes in the fair value are recognized in profit or loss. When a contract is signed that entails significant cash flows, it is assessed whether the contract includes an embedded derivative. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would have otherwise been associated with the contract.

Financial liabilities are generally allocated to the measurement category **"at amortized cost"** and are carried at amortized cost using the effective interest method. Lease liabilities are recognized at the present value of the lease payments and reported under financial liabilities.

At SCHOTT Group, regular way purchases and sales are recognized as of the settlement date, regardless of their categorization. Derivative financial instruments are recognized on the trade date. Financial assets and liabilities are generally not netted unless SCHOTT has a right of set-off and intends to settle on a net basis. Financial assets and liabilities were not netted in these Consolidated Financial Statements.

Financial assets are initially recognized at fair value. The transaction costs directly attributable to the acquisition or issue of financial instruments are taken into account when determining the carrying amount for the first time. The fair values recognized in the Consolidated Statement of Financial Position regularly correspond to market prices. If these cannot be determined directly by recourse to an active market, they are measured as far as possible using standard market valuation models based on inputs observable on the market.

Impairment of financial assets

The impairment model under IFRS 9 **Financial Instruments** is based on expected credit losses and applies to all financial assets (debt instruments) measured either at amortized cost or at fair value through other comprehensive income. In addition to losses already incurred, the model also includes expectations for the future with regard to the impairment of financial assets. IFRS 9 provides for a three-step procedure for allocating impairment losses in determining expected loan losses, which can be summarized as follows:

Stage 1: All financial assets are allocated to Stage 1 at initial recognition. An allowance is recognized for expected credit losses within the next 12 months.

Stage 2: If a financial asset has experienced a significant increase in credit risk but is not impaired in its credit quality, it is transferred from Stage 1 to Stage 2. An allowance for the full lifetime expected credit losses on the financial asset is recorded. Payments past due for more than 30 days are considered an indication of a significant increase in credit risk.

Stage 3: If a financial asset is credit-impaired or if it defaults, it is transferred to stage 3. An allowance for the full lifetime expected credit losses on the financial asset is recorded. The effective interest income is calculated on the basis of the net amount (gross amount less loss allowance). Objective evidence that a financial asset is credit-impaired includes being past due for 120 days or more and other information about significant financial difficulties of the debtor.

Cash and cash equivalents as well as time deposits are allocated to Stage 1, as cash and cash equivalents are essentially invested only with banks and financial institutions with a low default risk.

The simplified approach is applied to trade receivables and contract assets. It is not necessary to estimate any significant increase in credit risk in this case. As soon as a receivable has demonstrably defaulted, the carrying amount of the receivable is reduced immediately.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when one of the three following requirements is met:

- The contractual rights to receive cash flows from a financial asset have expired.
- SCHOTT Group retains the rights to receive cash flows from financial assets, but is obligated to immediately pay these cash flows to a third party under an agreement fulfilling the requirements of IFRS 9.3.2.5 ("pass-through arrangement").
- SCHOTT Group has transferred its contractual rights to receive cash flows from a financial asset and has either (a) transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred control of the asset.

A financial liability is derecognized from the Consolidated Statement of Financial Position when the obligation underlying the liability is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through profit or loss.

Disclosures on financial instruments

The following tables outline carrying amounts and fair values according to measurement categories and classes of financial instruments as of September 30, 2024 and September 30, 2023:

Classification, measurement categories and reconciliation to the consolidated statement of financial position items as of September 30, 2024

Measurement:			At amortized cost		At fair value	
Measurement category:			Financial assets measured at amortized cost		Financial assets at fair value through profit or loss (FVTPL)	
Class:			Loans and receivables		Investments and securities; Receivables tendered under the ABS program	
Consolidated Statement of Financial Position items (in EUR thousands)	Total carrying amounts	Total fair values	Carrying amount	Fair value	Carrying amount	Fair value
Aktiva						
Langfristige Vermögenswerte						
At-Equity-Beteiligungen	109,336	n.a.[2]	0	0	0	0
Sonstige finanzielle Vermögenswerte	214,183	214,674	1,874	1,874	7,416	7,907
Kurzfristige Vermögenswerte						
Forderungen aus Lieferungen und Leistungen	472,177	472,589	413,694	414,106	58,483	58,483
Sonstige finanzielle Vermögenswerte	442,624	442,624	220,438	220,438	210,650	210,650
Zahlungsmittel und Zahlungsmitteläquivalente	295,149	295,149	295,149	295,149	0	0
	1,533,469	1,425,036	931,155	931,567	276,549	277,040

Measurement:			At amortized cost			
Measurement category:			Financial liabilities measured at amortized cost			
Class:			Liabilities		Lease liabilities	
Consolidated Statement of Financial Position items (in EUR thousands)	Total carrying amounts	Total fair values	Carrying amount	Fair value	Carrying amount	Fair value[3]
Equity and liabilities						
Non-current liabilities						
Other financial liabilities	146,249	4,245	4,349	4,245	141,900	n.a.[2]
Current liabilities						
Accrued liabilities	197,885	197,885	44,067	44,067	0	0
Trade payables	283,248	283,248	283,248	283,248	0	0
Other financial liabilities	48,304	23,948	19,413	19,413	24,356	n.a.[2]
	675,686	509,326	351,077	350,973	166,256	0

[1] Financial assets not subject to IFRS 7 also relate to EUR 846,306 thousand in plan assets at fair value that were offset against provisions for pensions of EUR 1,354,330 thousand. The overfunding of pension obligations in the amount of EUR 2,014 thousand existing as of September 30, 2024 is recognized under other financial assets.
[2] n.a. – not applicable
[3] No fair value is stated for lease liabilities according to IFRS 16.

There were no financial guarantee contracts as of the reporting date.

	At fair value					
	Financial assets at fair value through other comprehensive income (FVTOCI)		Financial assets at fair value through profit or loss (FVTPL)			
	Securities		Derivatives		Financial assets not subject to IFRS 7[1]	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	0	0	0	0	109,336	n.a.[2]
	201,396	201,396	0	0	3,497	3,497
	0	0	0	0	0	0
	0	0	9,522	9,522	2,014	2,014
	0	0	0	0	0	0
	201,396	**201,396**	**9,522**	**9,522**	**114,847**	**5,511**

			At fair value			
			Financial liabilities at fair value through profit or loss (FVTPL)			
			Derivatives		Financial liabilities not subject to IFRS 7[1]	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
			0	0	0	0
			0	0	153,818	153,818
			0	0	0	0
			4,535	4,535	0	0
			4,535	**4,535**	**153,818**	**153,818**

Classification, measurement categories and reconciliation to the consolidated statement of financial position items as of September 30, 2023

Measurement:			At amortized cost		At fair value	
Measurement category:			Financial assets measured at amortized cost		Financial assets at fair value through profit or loss (FVTPL)	
Class:			Loans and receivables		Investments and securities	
Consolidated Statement of Financial Position items (in EUR thousands)	Total carrying amounts	Total fair values	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Non-current assets						
Investments accounted for using the equity method	106,771	n.a.[2]	0	0	0	0
Other financial assets	12,699	13,001	1,975	1,975	6,763	7,065
Current assets						
Trade receivables	485,452	485,452	413,496	413,496	0	0
Other financial assets	975,196	975,196	958,270	958,270	1,532	1,532
Cash and cash equivalents	118,391	118,391	118,391	118,391	0	0
	1,698,509	1,592,040	1,492,132	1,492,132	8,295	8,597

Measurement:			At amortized cost			
Measurement category:			Liabilities			
Class:			Liabilities		Lease liabilities	
Consolidated Statement of Financial Position items (in EUR thousands)	Total carrying amounts	Total fair values	Carrying amount	Fair value	Carrying amount	Fair value[3]
Equity and liabilities						
Non-current liabilities						
Other financial liabilities	148,123	33,181	34,512	33,181	113,611	n.a.[2]
Current liabilities						
Accrued liabilities	255,418	255,418	66,330	66,330	0	0
Trade payables	300,032	300,032	300,032	300,032	0	0
Other financial liabilities	131,538	111,138	97,090	97,090	20,400	n.a.[2]
	835,111	699,769	497,964	496,633	134,011	0

[1] Financial assets not subject to IFRS 7 also relate to EUR 664,038 thousand in plan assets at fair value that were offset against provisions for pensions of EUR 1,186,320 thousand. The overfunding of pension obligations in the amount of EUR 2,161 thousand existing as of September 30, 2023 is recognized under other financial assets.
[2] n.a. – not applicable.
[3] No fair value is stated for lease liabilities according to IFRS 16.

There were no financial guarantee contracts as of the reporting date.

	At fair value					
	Financial assets at fair value through profit or loss (FVTPL)		Financial assets at fair value through profit or loss (FVTPL)			
	Receivables tendered under the ABS program		Derivatives		Financial assets not subject to IFRS 7[1]	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	0	0	0	0	106,771	n.a.[2]
	0	0	0	0	3,961	3,961
	71,956	71,956	0	0	0	0
	0	0	13,233	13,233	2,161	2,161
	0	0	0	0	0	0
	71,956	71,956	13,233	13,233	112,893	6,122

			At fair value			
			Financial liabilities at fair value through profit or loss (FVTPL)			
			Derivatives		Financial liabilities not subject to IFRS 7[1]	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
			0	0	0	0
			0	0	189,088	189,088
			0	0	0	0
			14,048	14,048	0	0
			14,048	14,048	189,088	189,088

Fair value measurement

The following table shows the measurement of fair value of the Group's assets and liabilities by hierarchical levels.

Quantitative information on measuring the fair value of assets by hierarchical level as of September 30, 2024:

(in EUR thousands)	Valuation date	Total	Measurement of fair value using: Quoted prices on active markets (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
Financial assets measured at fair value through profit and loss:					
Investments	Sept. 30, 2024	6,538	0	0	6,538
Securities	Sept. 30, 2024	413,415	412,046	0	1,369
Trade receivables tendered under the ABS program	Sept. 30, 2024	58,483	0	0	58,483
Derivatives	Sept. 30, 2024	9,522	0	9,522	0
There were no regroupings between Level 1 and Level 2 in the valuation hierarchy in the reporting period.					
Financial liabilities at fair value through profit or loss:					
Derivatives	Sept. 30, 2024	4,535	0	4,535	0
Liabilities for which a fair value is disclosed:					
Non-current liabilities to banks and other non-current financial liabilities	Sept. 30, 2024	4,245	0	4,245	0
There were no regroupings between the Levels in the valuation hierarchy in the reporting period.					

Investments measured at fair value through profit or loss are generally measured using the discounted cash flow method. Where there are significant net asset values in the investments being measured, supplementary valuation methods, such as real estate appraisals, are also used.

The Level 3 investments relate to two real estate companies in which the Group holds shares of 10.1 % each. A recent appraisal had been conducted for each the properties held by these companies as of the reporting date. The change between the previous year's and this fiscal year's reporting date mainly relates to capital contributions for investments in a logistics center and a loss from the fair value adjustment. The loss is included in the financial result of SCHOTT Group and was not realized as of the reporting date. The key input for appraising the properties is the market rent per square meter. Significant increases (decreases) in estimated rental value and rent growth per annum would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate (risk of the loss of rent) and discount rate would also result in a significantly lower (higher) fair value.

The securities assigned to Level 3 as of September 30, 2024 relate to fund units for which there are no quoted prices or significant observable inputs. A loss of EUR 203 thousand from the adjustment of the fair value was recognized for this purpose in the past fiscal year. This loss is included in the financial result of SCHOTT Group and was not realized as of the reporting date. The valuation of the fund units depends on a large number of inputs.

Receivables tendered under the ABS program are generally measured at nominal value less an expected discount. Resulting fluctuations in value are immaterial. Details are presented in Note 32.2.

Quantitative information on measuring the fair value of assets by hierarchical level as of September 30, 2023:

			Measurement of fair value using		
(in EUR thousands)	Valuation date	Total	Quoted prices on active markets (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
Financial assets measured at fair value through profit and loss:					
Investments	Sept. 30, 2023	6,122	0	0	6,122
Securities	Sept. 30, 2023	2,475	1,532	0	943
Trade receivables tendered under the ABS program	Sept. 30, 2023	71,956	0	0	71,956
Derivatives	Sept. 30, 2023	13,233	0	13,233	0
There were no regroupings between Level 1 and Level 2 in the valuation hierarchy in the reporting period.					
Financial liabilities at fair value through profit or loss:					
Derivatives	Sept. 30, 2023	14,048	0	14,048	0
Liabilities for which a fair value is disclosed:					
Non-current liabilities to banks and other non-current financial liabilities	Sept. 30, 2023	33,181	0	33,181	0
There were no regroupings between the Levels in the valuation hierarchy in the reporting period.					

The carrying amounts of fair value financial instruments are determined on the basis of inputs that are observable on the market. If market prices are not available, they are measured using the discounted cash flow method, taking market conditions in the form of typical credit ratings and/or liquidity spreads into account when calculating their present value.

Shares in non-consolidated subsidiaries are recognized at amortized cost.

For all current financial instruments in the categories “financial assets measured at amortized cost” and “financial liabilities measured at amortized cost,” it is assumed that the carrying amount corresponds to the fair value.

The trade receivables tendered to the purchasing company as part of the revolving factoring program are categorized as “assets measured at fair value through profit or loss” (FVTPL). For these receivables, it is assumed that the impairment model applied for the financial assets valued at amortized cost represents a suitable approximation of the fair value. These receivables are therefore also subject to the uniform impairment model applied throughout the Group. The adjustments recognized in profit or loss are reported in the Consolidated Statement of Income together with the adjustments to trade receivables recognized at amortized cost.

For all non-current financial instruments in the categories “financial assets measured at amortized cost” and “financial liabilities measured at amortized cost,” the fair value is generally determined by discounting future cash flows using interest rates currently available for borrowings. In principle, interest rates at which new loans with a corresponding risk structure, original currency and term would be concluded are used.

The following tables present the expenses and income by measurement category:

Fiscal year 2023/2024:

	From subsequent measurement				
(in EUR thousands)	From interest and similar income/expenses	At fair value	Impairment losses/reversals	From disposal	Net income/ expense 2023/2024
Financial assets measured at amortized cost	27,650	0	6,233		33,883
Financial assets and financial liabilities measured at fair value through other comprehensive income (FVTOCI)	0	0	0	–158	–158
Financial assets and financial liabilities measured at fair value through profit or loss (FVTPL)	1,324	13,861	0	0	15,185
Financial liabilities measured at amortized cost	–3,840	0	0	0	–3,840
Total	**25,134**	**13,861**	**6,233**	**–158**	**45,070**
Net foreign exchange result					–12,549
Total					**32,521**

Fiscal year 2022/2023:

	From subsequent measurement				
(in EUR thousands)	From interest and similar income/expenses	At fair value	Impairment losses/reversals	From disposal	Net income/ expense 2022/2023
Financial assets measured at amortized cost	6,171	0	–3,690	0	2,481
Financial assets and financial liabilities measured at fair value through profit or loss (FVTPL)	0	19,673	0	0	19,673
Financial liabilities measured at amortized cost	–2,240	0	0	0	–2,240
Total	**3,931**	**19,673**	**–3,690**	**0**	**19,914**
Net foreign exchange result					–15,766
Total					**4,148**

Interest on financial instruments is presented under the interest result and includes interest income from financial instruments categorized as “financial assets measured at amortized cost,” “financial assets measured at fair value through profit or loss” (FVTPL) as well as interest expenses from financial liabilities.

Impairment losses and reversals of impairment losses on assets measured at amortized cost are presented in other operating income and other operating expenses. Income and expenses from “financial assets and liabilities at fair value through profit or loss” (FVTPL) are also recognized under other operating income and other operating expenses. This applies to derivative financial instruments and the receivables tendered to the purchasing company as part of the revolving factoring program.

No financial instruments whose fair value previously could not be reliably determined have been derecognized.

A net currency loss of EUR 12,549 thousand (previous year: EUR 15,766 thousand) was realized for assets and liabilities measured at amortized cost.

All other components of the subsequent measurement of financial instruments are included in other net financial income/ expense.

32.2 Derecognition of financial instruments

In 2007, a framework agreement was concluded with a purchasing company for the purchase of trade accounts receivable, which was extended for an indefinite period in fiscal year 2020/2021 and can be terminated by either party by giving three months' notice. According to this agreement, SCHOTT AG sells trade primary receivables denominated in euros on a monthly revolving basis at a discount on the purchase price to a special purpose entity up to a maximum nominal amount of EUR 50 million (previous year: EUR 50 million). SCHOTT can freely decide whether and in what volume to sell receivables. The volume of receivables sold amounted to EUR 7.7 million as of September 30, 2024, and was thus down on the previous year's level of EUR 8.2 million. SCHOTT already received payments in the amount of EUR 3.4 million on the receivables sold as of the reporting date and recognizes a corresponding obligation to forward this amount. Thus trade receivables are reduced by the sale of receivables in the net amount of EUR 4.3 million as of the reporting date.

The relevant risk for the risk assessment with respect to the receivables sold is the risk of default on the part of the customers. The maximum loss to be borne by SCHOTT based on this credit risk is limited to the purchase price discount of 1.19 %, which is retained by the special purpose entity upon sale and reimbursed in proportion to the unconsumed portion.

Retransfer of past due or defaulted receivables to SCHOTT by the special purpose entity is contractually excluded. The continuing involvement serves to partially cover late-payer risks from the receivables sold. The inherent risk from the continuing involvement is covered in SCHOTT AG's risk management by periodic monitoring of credit risks, dunning runs, etc. Defaulted amounts from transferred receivables are primarily carried by the purchasing entity. SCHOTT bears the risk of late payments on the part of the debtors.

In order to hedge the other miscellaneous defaults resulting from credit risk representing substantially all of the risks and rewards associated with the receivables, the special purpose entity has taken out separate credit insurance.

The carrying amount of the reserve account for defaults on receivables in the amount of EUR 140 thousand recognized under other current receivables represents the continuing involvement in the receivables that were derecognized from the Consolidated Statement of Financial Position as part of the ABS transaction. The fair value approximates the carrying amount. The maximum risk of loss from the continuing involvement essentially corresponds to the carrying amount cited above.

Losses amounting to EUR 52 thousand were incurred during the transfer of receivables outstanding as of the reporting date. SCHOTT recognized a total of EUR 617 thousand as an expense from its continuing involvement, including program fees, in fiscal year 2023/2024.

The framework agreement on the purchase of trade receivables will be terminated as of December 16, 2024.

32.3 Risk management

Within the course of their business operations, the companies of SCHOTT Group are subject to financial risks arising from market fluctuations of exchange rates, interest rates and commodity prices in the operational business. The Treasury Department of SCHOTT AG manages the financing and hedging activities and controls the Group's cash management centrally.

Risk exposures are identified regularly by Risk Controlling. The maximum accepted market risk is continuously monitored by the Treasury Committee on the basis of specified limits. In addition, Risk Controlling informs the Treasury Committee each month about the transactions and the result of hedging activities. Hedging strategies are reviewed by the Treasury Committee at least every year and adjusted, if necessary.

The type and scope of underlying transactions to be hedged are regulated by the Board of Management for the entire Group in a binding treasury guideline. Derivative financial instruments are exclusively used for hedging purposes; i.e., only in connection with corresponding underlying transactions arising from primary business activities that display a risk profile contrary to the hedging transaction. All transactions are conducted under strict functional separation of trading, settlement, documentation and risk controlling. All transactions are recorded and evaluated centrally in the treasury management system and are subject to constant monitoring of the risks.

Due to unforeseen fluctuations in sales volumes, the forecast for energy consumption was reduced in the course of fiscal year 2022/2023. Therefore, SCHOTT also established an energy trading portfolio in order to be able to react flexibly to further changes.

There were no significant changes in processes, goals or methods of risk management compared to the previous year. For further information on risk management, please refer to the risk report in the Group Management Report.

Credit risk

Credit risk arises when the business partner of a financial instrument is unable to meet their contractual obligations. Consequently, the maximum amount of the claim corresponds to the gross carrying amount owed by each counterparty.

Most of SCHOTT's credit risks can be attributed to trade receivables from third parties. SCHOTT reduces credit risks with respect to the receivables portfolio by continuously monitoring the credit rating and payment history of its business partners. Each business partner is assigned an individual credit limit on the basis of these criteria. SCHOTT does not see any noteworthy credit risk for the company, as it continuously monitors credit limits for a large and heterogeneous customer base. In addition, SCHOTT also uses factoring and credit insurance in individual cases to mitigate customer credit risk.

The credit risk arising from cash and cash equivalents and from derivatives is limited by working exclusively with selected business partners. Furthermore, general bank counterparty risk is mitigated by periodic structured valuation, limit allocation and a diversified business transaction and investment policy. In addition, SCHOTT only employs marketable instruments authorized under the treasury guideline with sufficient market liquidity.

The following table outlines the carrying amounts of the financial assets. They are broken down into classes and are equivalents of SCHOTT Group's maximum default risk and credit exposure as of the reporting date:

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Loans, receivables and cash and cash equivalents	931,155	1,492,132
Financial assets not subject to IFRS 7	114,847	112,893
Financial assets at fair value through profit or loss (FVTPL):		
– Derivatives	9,522	13,233
– Investments	7,416	6,763
– Non-current marketable securities	201,396	0
– Other marketable securities	210,650	1,532
– Tendered receivables	58,483	71,956
	1,533,469	1,698,509

As of the reporting date (as in the previous year), no collateral was held that would allow the debtor to sell the collateral or provide it as their own collateral in the event of default.

A simplified approach is used to determine loss allowances on trade receivables and contract assets as they do not contain any significant financing components. Trade receivables are classified into a total of eight credit risk classes and according to the corresponding past due dates. SCHOTT defines a receivable as a default if the contractual cash flows are more than 120 days past due or the creditworthiness of the debtor has deteriorated to such an extent that repayment can no longer be assumed. SCHOTT assumes that there has been no significant increase in the credit risk when calculating loss allowances on cash and cash equivalents. Cash and cash equivalents totaling EUR 295 million are mainly invested with banks that have high credit ratings. For cash and cash equivalents, the loss allowance was calculated on the basis of 12-month expected losses and reflects the short maturities.

The following table provides an overview of past due amounts, default risk and expected credit losses for trade receivables from third parties and contract assets:

(in EUR thousands)	Gross carrying amount	Loss rate (weighted average)	Loss allowance	Credit-impaired
Not past due	421,047	0.2 %	725	No
1–30 days past due	38,755	0.5 %	197	No
31–60 days past due	9,685	1.5 %	143	No
61–90 days past due	4,476	1.3 %	57	No
More than 90 days past due	10,020	68.2 %	6,828	Yes
Market value adjustments (without breakdown by maturity)	–3,856			
Total trade receivables	**480,127**		**7,950**	
Contract assets (not past due)	**122,120**	**0.1 %**	**114**	**No**

For the previous year, the past due amounts, default risk and expected credit losses for trade receivables from third parties and contract assets were as follows:

(in EUR thousands)	Gross carrying amount	Loss rate (weighted average)	Loss allowance	Credit-impaired
Not past due	418,988	0.3 %	1,360	No
1–30 days past due	43,979	0.4 %	169	No
31–60 days past due	9,009	0.9 %	81	No
61–90 days past due	5,064	2.8 %	142	No
More than 90 days past due	19,420	64.4 %	12,447	Yes
Market value adjustments (without breakdown by maturity)	3,191			
Total trade receivables	**499,651**		**14,199**	
Contract assets (not past due)	**108,808**	**0.3 %**	**352**	**No**

The loss allowances on trade receivables that are more than 90 days past due include specific allowances of EUR 4,043 thousand for the past fiscal year due to individual risks and loss events (previous year: EUR 6,980 thousand).

There were no other financial assets that were past due and not impaired as of the previous year's reporting date.

Liquidity risk

Liquidity risk describes the risk that a company is unable to sufficiently meet its financial obligations. SCHOTT's financial liabilities mainly consist of trade payables and liabilities to banks. Only derivatives with negative fair values are reported under liabilities recognized at fair value through profit or loss (FVTPL). The following table provides an overview of the remaining contractual maturities of undiscounted financial liabilities:

(in EUR thousands)	Carrying amount	Gross outflow	Up to 1 year	1 to 5 years	More than 5 years
Sept. 30, 2024					
Liabilities	351,077	351,077	346,729	4,348	0
Lease liabilities	166,256	220,762	29,379	85,694	105,689
Derivatives	4,535	4,535	4,535	0	0
Sept. 30, 2023					
Liabilities	497,627	497,628	463,116	34,387	125
Lease liabilities	134,347	168,606	22,907	69,091	76,608
Derivatives	14,048	14,048	14,048	0	0

The derivatives reported as of the reporting date are mainly forward exchange contracts and, to a lesser extent, natural gas futures. The volume of the foreign exchange hedges corresponds to a triple-digit million amount when translated into euros. The volume of natural gas futures is in the low single-digit millions.

The Treasury department is responsible for the management of liquidity risk, for which an efficient cash management system is used. SCHOTT ensures its solvency and liquidity supply through rolling liquidity planning and by maintaining liquidity reserves.

In September 2020, SCHOTT AG entered into a new syndicated credit line of EUR 250 million with an international banking syndicate. which was terminated prematurely in August 2024 due to the Group's strong financial position. At the same time, SCHOTT AG entered into a new credit line of EUR 150 million with a banking syndicate, which is available until August 2029. These syndicated credit lines were not utilized at any time in fiscal year 2023/2024.

SCHOTT AG also has bilateral credit facility agreements which can be used for guarantees, bill of exchange guarantees, or cash credit lines and can be assigned for bilateral loan agreements at a local level. These credit lines, which have been made available until further notice, amount to a total of EUR 145 million, bear variable interest rates and have fixed guarantee commissions at standard market conditions. Of this amount, EUR 92 million was freely available as of the reporting date. The Group also has other bilateral bill of exchange guarantee credit lines and bilateral credit agreements at its disposal at a local level.

In addition, there is a program for the non-recourse, revolving factoring of receivables with a volume of up to EUR 50 million. This agreement, which was extended for an indefinite period in fiscal year 2020/2021, was terminated in September 2024 with three months' notice as of December 16, 2024. As of September 30, 2024, trade receivables were reduced by EUR 4.3 million (previous year: EUR 3.5 million) due to the sale of receivables previously recognized in the Consolidated Statement of Financial Position.

Market risk

Market risks are the result of changing market prices that lead to fluctuations of fair value or future cash flows of financial instruments. SCHOTT is an international Group and therefore particularly susceptible to currency, interest rate and commodity price risks.

Currency risk

Currency risks arise from investments, financing measures and business operations not conducted in the functional currency. The aim of currency management is to hedge business operations against earnings and cash flow fluctuations. Generally, only risks resulting from an exchange of foreign currency cash flows into the respective local currency (transaction risks) are hedged as part of currency management. SCHOTT does not generally hedge risks arising from the foreign currency translation of the items of the Consolidated Statement of Financial Position and earnings figures of foreign Group companies (translation risks).

Generally speaking, our global presence, including local production and global purchasing activities, mitigates transaction risks. Net currency positions that we determine on a regular basis using currency-differentiated liquidity forecasts serve as the basis for hedging the remaining transaction risks. Currency forwards which have a remaining term of no more than 12 months are used to hedge transaction risk.

Currency risk is determined on the basis of a cash flow-at-risk analysis in accordance with internal risk reporting. This analysis is based on open positions in non-functional currencies. The exposure includes a forecast of cash flows over the next 12 months and hedging instruments in foreign currencies and is shown in the table below:

(in EUR millions)	Exposure Sept. 30, 2024	Exposure Sept. 30, 2023
Australian dollar	−3.7	−3.2
Chinese renminbi	4.0	−9.6
Japanese yen	0.5	1.0
Malaysian ringgit	−36.5	−31.0
Mexican peso	−3.7	−6.8
Swiss franc	−177.1	−151.1
Singapore dollar	−10.2	−8.4
Thai baht	−10.1	−9.3
Czech koruna	−16.0	−17.7
Hungarian forint	−7.5	−5.9
US dollar	199.5	167.2
Other	−25.4	−58.5

Transaction risks were hedged for the majority of the currencies listed.

Cash flow-at-risk is calculated using a stochastic simulation. Based on observed changes in exchange rates over the last 250 trading days, possible future developments in exchange rates are simulated, taking their correlations into account. Cash flow-at-risk represents the potential loss that the exposure will not exceed based on a confidence interval of 95 % and a holding period of one year. As of September 30, 2024, cash flow-at-risk amounted to EUR 15.2 million (previous year: EUR 12.0 million).

Interest rate risk

The aim of interest rate management is to protect the financial result from the negative effects of fluctuating market interest rates. Attention is paid here to an appropriate ratio between fixed and variable interest rates and short-term and long-term investment and financing arrangements while taking costs and risks into consideration.

Interest rate risk is identified consistent with internal reporting by means of a sensitivity analysis in which the yield curve is shifted parallel by 100 basis points. This illustrates the effects of a change in interest rates on the financial result. This analysis only takes financial instruments with variable interest rates into account, as changes in market interest rates would affect the fair value. In addition, fixed-rate financial assets and financial liabilities with a residual maturity less than or equal to 12 months are included because they are considered to be subject to variable interest due to the potential refinancing risk. Based on the relevant items and the market data as of September 30, 2024, a parallel positive shift of the euro yield curve by 100 basis points would lead to income in the Consolidated Statement of Income of EUR 6.8 million (previous year: EUR 0.3 million). A parallel negative shift in the euro yield curve by 100 basis points would result in a loss in the Consolidated Statement of Income of EUR 6.8 million (previous year: EUR 0.3 million). This sensitivity analysis as of the reporting date forms a representative analysis of SCHOTT's interest rate risk.

SCHOTT measures fixed-interest financial instruments at amortized cost; therefore, changing interest rates do not lead to changes in equity or profit for the period.

Commodity price risk

Commodities can be subject to strong price fluctuations, for example due to their sometimes limited availability. SCHOTT's production processes are also energy-intensive and a substantial proportion is dependent on a continuous energy supply. SCHOTT is therefore exposed to price risks in the commodity and energy markets. The Purchasing department is responsible for the management of this commodity price risk at SCHOTT and performs this task on the basis of centrally determined directives. Measures to safeguard against these risks include long-term contracts concluded with various suppliers, which are accounted for as pending transactions making use of the own-use exemption. As a result, SCHOTT has not conducted a sensitivity analysis for these financial instruments.

Due to unforeseen fluctuations in sales volumes, the forecast for energy consumption was reduced in the course of fiscal year 2022/2023. Therefore, SCHOTT also established an energy trading portfolio in order to be able to react flexibly to further changes. A market price change of +10 % would result in income of EUR 0.1 million. Correspondingly, a market price change of –10 % would lead to a loss of EUR 0.1 million.

33 Leases

Leased assets

There are rental and leasing relationships mainly for land, including heritable building rights, production and administration buildings, technical equipment and machinery, and office equipment. Some of the lease agreements include extension and termination options and price adjustment clauses.

The carrying amounts of right-of-use assets as of September 30, 2024 are as follows:

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Land, land rights and buildings	102,916	75,434
Technical equipment and machinery	45,987	45,994
Other equipment, operating and office equipment	3,925	3,046
	152,828	124,474

Due to the application of the practical expedient to not recognize leases of low-value assets and short-term leases, these are not recognized as right-of-use assets, but rather recognized directly in profit or loss.

All right-of-use assets are depreciated on a straight-line basis over their useful life. In accordance with the contractual terms, the useful lives are as follows:

	Years
Land and buildings	2 to 25
Heritable building rights	up to 118
Technical equipment and machinery	2 to 15
Vehicles	3 to 5

The lease obligations are redeemed over the corresponding contractual term. There are two heritable building rights in Germany with remaining terms up to the year 2142.

In the past fiscal year, right-of-use assets totaling EUR 58,430 thousand were recognized as additions. These are broken down as follows:

(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023
Land and buildings	47,870	25,325
Technical equipment and machinery	7,120	10,886
Other equipment, operating and office equipment	3,440	2,111
	58,430	38,322

The following lease expenses are included in the Consolidated Statement of Income:

(in EUR thousands)	2023/2024	2022/2023
Depreciation on right-of use assets for land and buildings	19,246	14,751
Depreciation on right-of use assets for technical equipment and machinery	6,830	6,176
Depreciation on right-of-use assets for other equipment, operating and office equipment	2,287	2,083
Interest on lease liabilities	4,870	2,697
Short-term lease expenses	5,070	5,683
Low-value lease expenses	728	500
Variable lease payment expenses not included in lease liabilities	177	144
	39,208	32,034

In fiscal year 2023/2024, the total cash outflows for leases amounted to EUR 31,150 thousand (previous year: EUR 24,219 thousand).

The breakdown of undiscounted future cash outflows from leases is included in Note 32.

Future cash outflows of EUR 48,842 thousand were not included in lease liabilities, as it is not reasonably certain that the leases will be extended or not be terminated.

Future cash outflows for leases that SCHOTT entered into in fiscal year 2023/2024, but which have not yet begun, amount to EUR 65 thousand.

In the past fiscal year, income of EUR 44 thousand (previous year: EUR 30 thousand) was received from the subleasing of right-of-use assets.

Assets leased out

In Germany, SCHOTT is the lessor under various operating lease contracts. The agreements are related to property owned by SCHOTT. The following minimum lease payments are expected from non-cancellable lease agreements:

(in EUR thousands)	2023/2024
Due within 1 year	1,569
Due within 1 and 5 years	4,506
Due after more than 5 years	0
	6,075

34 Contingent liabilities and assets

To the extent permissible and necessary, provisions have been recorded in appropriate amounts by the Group companies for all warranty obligations and legal disputes.

Contingent liabilities, for which provisions were not recognized due to the very low estimated probability of a claim, include in particular possible charges from warranty agreements in the low triple-digit million range and from legal disputes in the low double-digit million range as of the reporting date.

There were no contingent assets as of the reporting date.

35 Notes to the Consolidated Statement of Cash Flows

In the Consolidated Statement of Cash Flows, cash flows are broken down into cash inflows and outflows from operating activities, investing activities and financing activities. Cash flow from operating activities is derived indirectly on the basis of the consolidated profit for the period after taxes. Cash flow from operating activities is adjusted for non-cash expenses and income – primarily depreciation on non-current assets – and changes in working capital.

Investing activities comprise the receipts and disbursements from the disposal of and investments in non-current assets.

Financing activities comprise cash inflows and outflows from raising and repaying financial liabilities, from additions to equity and from paying dividends.

Changes in Consolidated Statement of Financial Position items contained in the Consolidated Statement of Cash Flows cannot be derived directly from the Consolidated Statement of Financial Position, as they have been adjusted for non-cash transactions, exchange rate effects and changes in the scope of consolidation.

Cash and cash equivalents recognized in the Consolidated Statement of Cash Flows include cash on hand, bank deposits and checks in the amount of EUR 295,149 thousand (previous year: EUR 118,391 thousand). None of these cash and cash equivalents are subject to restrictions on disposal as of the reporting date (previous year: none).

Change in liabilities from financing activities

Fiscal year 2023/2024:

(in EUR thousands)	Balance as of Oct. 1, 2023	Cash flows	Changes in exchange rates	New leases	Other	Balance as of Sept. 30, 2024
Other liabilities to affiliated companies	7,824	–2,733	–10	0	0	5,081
Liabilities to banks	105,115	–100,047	–1,004	0	–130	3,934
Lease liabilities	134,347	–24,998	–1,633	58,540	0	166,256
Liabilities to participations	1,069	–1,069	0	0	0	0
Other	16,598	–2,347	–212	0	–475	13,564
	264,953	–131,194	–2,859	58,540	–605	188,835
Other financial liabilities whose cash flows are not contained in the cash flow from financing activities include:						
Negative fair values of derivatives	14,048					4,535
Non-current trade payables	660					1,183
	279,661					194,553

Fiscal year 2022/2023:

(in EUR thousands)	Balance as of Oct. 1, 2022	Cash flows	Changes in exchange rates	New leases	Other	Balance as of Sept. 30, 2023
Other liabilities to affiliated companies	6,281	1,541	–16	0	18	7,824
Liabilities to banks	87,910	18,372	–1,222	0	55	105,115
Lease liabilities	121,694	–21,515	–4,213	38,381	0	134,347
Liabilities to participations	3,663	–2,594	0	0	0	1,069
Other	25,028	–5,864	–659	0	–1,907	16,598
	244,576	–10,060	–6,110	38,381	–1,834	264,953
Other financial liabilities whose cash flows are not contained in the cash flow from financing activities include:						
Negative fair values of derivatives	33,053					14,048
Non-current trade payables	389					660
	278,018					279,661

The sum of the cash flows corresponds to the sum of the items "Proceeds from loans," "Repayment of loans," "Raising/repayment of financial liabilities" and "Payment of principal portion of lease liabilities" in the Consolidated Statement of Cash Flows.

The other changes mainly include contingent purchase price obligations from company acquisitions.

36 Employees

Average number of employees for the year	2023/2024	2022/2023
Germany	6,083	6,066
Europe (excluding Germany)	4,179	4,074
Americas	2,509	2,661
Asia and South Pacific	3,927	3,977
	16,698	16,778
Apprentices	332	331
Total	17,030	17,109

SCHOTT's employees comprise the employees of the companies included in the Consolidated Financial Statements. Employees of entities deconsolidated during the course of the fiscal year are presented pro rata temporis. The number of employees on the reporting date September 30, 2024 increased by 49 (0.3 %) to 17,099 (previous year: 17,050).

37 Other information

The following personnel costs were incurred during the fiscal year:

(in EUR thousands)	2023/2024	2022/2023
Wages and salaries	774,765	805,095
Social security contributions	148,320	142,768
Expenses for retirement benefits	38,053	34,001
Total	961,138	981,864

Personnel costs are contained in the functional areas and are not recognized separately in the Consolidated Statement of Income according to the cost of sales (function of expense) method.

The total fees invoiced by the auditor of the Consolidated Financial Statements are as follows:

(in EUR thousands)	2023/2024	2022/2023
Audit services	2,699	3,560
Audit-related services	7	586
Other services	23	29
Total	2,729	4,175

The Management Board and Supervisory Board of SCHOTT Pharma AG & Co. KGaA, Mainz, a listed subsidiary of SCHOTT AG, Mainz, issued the declaration required by Sec. 161 of the German Stock Corporation Act (AktG) in September 2024. The declaration is available on the company's website at **https://ir.schott-pharma.com/investor-relations/corporate-governance/compliance-statement**.

38 Related party disclosures

Parties related to SCHOTT AG include the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, the sister company Carl Zeiss AG, Oberkochen, and its subsidiaries. Generally, related parties within the meaning of IAS 24 also include direct and indirect subsidiaries of SCHOTT AG as well as its associated companies and joint ventures and pension plans that are classified as defined benefit plans in accordance with IAS 19. In addition, related parties include the Board of Management of SCHOTT AG, members of the extended management team, the members of the Supervisory Board and their close family members.

Deliveries by SCHOTT AG to companies of the Carl Zeiss Group in fiscal year 2023/2024 amounted to EUR 11,314 thousand (previous year: EUR 13,600 thousand). As in the previous year, no significant services were rendered during this period. The companies of the Carl Zeiss Group only provided a small number of deliveries or other services to SCHOTT in fiscal year 2023/2024. In addition, Carl Zeiss AG, Oberkochen, invoiced an amount of EUR 5,866 thousand (previous year: EUR 5,036 thousand) to SCHOTT AG, Mainz, due to the strategic partnership between ZEISS and Microsoft. All transactions with companies of the Carl Zeiss Group were carried out on an arm's length basis. As of the reporting date, an advance payment of EUR 2,705 thousand (previous year: EUR 3,954 thousand) was received from Carl Zeiss SMT GmbH, Oberkochen. There were no other significant outstanding balances as of the reporting date.

Transactions with significant subsidiaries were eliminated as a result of consolidation; therefore they are not explained in detail. Disclosures on pension funds classified as defined benefit plans in accordance with IAS 19 can be found under disclosures on plan assets under Note 25 "Provisions for pensions and similar commitments." In fiscal year 2014/2015, a CTA acquired a stake in a newly founded Group company, SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz. Further details regarding this company can be found in Note 3.1.

There were no other significant transactions with pension plans or companies not included in the Consolidated Financial Statements.

In fiscal year 2023/2024, SCHOTT companies engaged in the following transactions with joint ventures and associated companies:

	Sale of goods		Purchase of goods	
(in EUR thousands)	2023/2024	2022/2023	2023/2024	2022/2023
Joint ventures	28,585	23,202	591	186
Associated companies	91	209	1,886	1,361
	28,676	23,411	2,477	1,547

The receivables from and liabilities to joint ventures and associated companies are shown as follows:

	Receivables		Liabilities	
(in EUR thousands)	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Joint ventures	6,251	5,615	98	24
Associated companies	403	2,147	669	258
	6,654	7,762	767	282

In the past fiscal year, loss allowances on receivables from associated companies were recognized in the amount of EUR 18 thousand (previous year: reversals of EUR 4 thousand). Loss allowances on receivables from joint ventures in the amount of EUR 23 thousand (previous year: EUR 6 thousand) were recognized.

As in the previous year, there were no other significant transactions between companies of SCHOTT Group and members of the Board of Management, the extended management team and the Supervisory Board of SCHOTT AG and their close family members and the pension plans in fiscal year 2023/2024.

39 Events after the reporting date

Dr. Frank Heinricht is retiring from the Board of Management of SCHOTT AG on December 31, 2024. He will be succeeded by Dr. Torsten Derr as of January 1, 2025.

40 Remuneration of the Board of Management and Supervisory Board

The total remuneration of the members of the Board of Management in fiscal year 2023/2024 comprises short-term benefits of EUR 4,485 thousand (previous year: EUR 6,191 thousand) and long-term benefits of EUR 68 thousand (previous year: EUR 1,367 thousand) as well as post-employment benefits of EUR 991 thousand (previous year: EUR 1,110 thousand).

For the members of the Supervisory Board, EUR 1,141 thousand (previous year: EUR 1,042 thousand) in compensation for their work on the Supervisory Board was recognized as an expense in fiscal year 2023/2024.

The following short-term benefits are reported as of the reporting date for the past fiscal year:

- Members of the Board of Management: EUR 3,213 thousand (previous year: EUR 4,513 thousand)
- Members of the Supervisory Board: EUR 1,141 thousand (previous year: EUR 1,042 thousand)

Of the pension provisions as of the reporting date, EUR 14,152 thousand (previous year: EUR 12,180 thousand) relates to termination benefits for members of the Board of Management.

Additional disclosures in accordance with Section 314 (1) No. 6 HGB

Former members of the Board of Management or their surviving dependents received remuneration amounting to EUR 3,611 thousand in fiscal year 2023/2024 (previous year: EUR 3,559 thousand). Total provisions of EUR 58,428 thousand (previous year: EUR 52,771 thousand) are recognized for pension commitments to this group of individuals as of September 30, 2024.

Mainz, December 11, 2024

Dr. Frank Heinricht	Dr. Andrea Frenzel	Dr. Heinz Kaiser	Marcus Knöbel

Independent Auditor's Report

To SCHOTT AG

Opinions

We have audited the consolidated financial statements of SCHOTT AG, Mainz, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the fiscal year from October 1, 2023 to September 30, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report, which is combined with the management report of the Company ("combined management report") of SCHOTT AG for the fiscal year from October 1, 2023 to September 30, 2024. In accordance with the German legal requirements, we have not audited the content of the group statement on corporate governance pursuant to Sec. 315d HGB ["Handelsgesetzbuch": German Commercial Code] included in the section "Provision for the promotion of women's participation in executive positions according to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act" of the combined management report (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at September 30, 2024 and of its financial performance for the fiscal year from October 1, 2023 to September 30, 2024 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the statement on corporate governance pursuant to Sec. 315d HGB (quota for women on executive boards) referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

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

Other information

The Supervisory Board is responsible for the Report by the Supervisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises the group statement on corporate governance pursuant to Sec. 315d HGB included in the section "Provision for the promotion of women's participation in executive positions according to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act" of the combined management report (disclosures on the quota for women on executive boards) as well as the following parts to be included in the annual report: Report by the Supervisory Board pursuant to Sec. 171 (2) AktG ["Aktiengesetz": German Stock Corporation Act] and "Foreword by the Board of Management" We obtained a version of this other information prior to issuing our auditor's report.

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Eschborn/Frankfurt am Main, December 11, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Baur	Eichenauer
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Group Shareholdings

List of shareholdings pursuant to the requirements of section 313 (2) HGB

As of September 30, 2024

Name and registered office of company	Share of capital in %	Comment
Subsidiaries included and not included in the Consolidated Financial Statements		
Germany		
ECORAN GmbH, Mainz	100.0	
LIB Industrie Beteiligung GmbH, Mainz	100.0	
Psephit Grundstücksverwaltungsgesellschaft mbH, Mainz	100.0	2
SCHOTT ENGINEERING Gesellschaft mit beschränkter Haftung, Mainz	100.0	2, 9
SCHOTT Finanzierungs- und Verwaltungs GmbH, Mainz	33.3	
SCHOTT GLAS Mainz Grundstücks-GmbH & Co. KG, Mainz	100.0	8
SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz	100.0	1, 3
SCHOTT Glaswerke Service GmbH, Mainz	100.0	2
SCHOTT Insurance Risk Management GmbH, Mainz	100.0	2
SCHOTT JENAer Glas GmbH, Jena	100.0	1, 3
SCHOTT Pharma AG & Co. KGaA, Mainz	77.0	
SCHOTT Pharma Management AG, Mainz	100.0	
SCHOTT Pharma Mexico GmbH, Mainz	100.0	
SCHOTT Solar CSP GmbH, Mainz	100.0	
SCHOTT Solar Verwaltungs GmbH, Mainz	100.0	
SCHOTT Technical Glass Solutions GmbH, Jena	100.0	
SCHOTT Verwaltungs-GmbH, Mainz	100.0	2
Abroad		
SCHOTT Envases Argentina S.A., Buenos Aires/Argentina	100.0	
SCHOTT Australia Pty Ltd, Frenchs Forest/Australia	100.0	2
SCHOTT MiniFAB Pty Ltd, Scoresby/Australia	100.0	
MFB New Ventures Pty Ltd, Scoresby/Australia	100.0	
SCHOTT Benelux N.V., Lier/Belgium	100.0	2
SCHOTT Pharma Brasil Ltda., São Paulo/Brazil	100.0	4
SCHOTT Flat Glass do Brasil Ltda., São Paulo/Brazil	100.0	4
SCHOTT Technologies Brazil Ltda., Rio de Janeiro/Brazil	100.0	4
SCHOTT Glas China Ltd., Hong Kong Special Administrative Region/China	100.0	4
SCHOTT Glass Technologies (Suzhou) Co., Ltd., Suzhou/China	100.0	4
SCHOTT (Shanghai) Precision Materials & Equipment International Trading Co., Ltd., Shanghai/China	100.0	4
SCHOTT Pharmaceutical Packaging (Zhejiang) Co., Ltd., Huzhen Town/China	100.0	4
SCHOTT Tubing (Zhejiang) Co., Ltd., Huzhen Town/China	100.0	4
SCHOTT Scandinavia A/S, Lyngby/Denmark	100.0	2
SCHOTT Primoceler Oy, Tampere/Finland	100.0	
SCHOTT France Pharma Systems SAS, Pont-sur-Yonne/France	100.0	
SCHOTT Pharma France S.A.S., Colombes/France	100.0	
SCHOTT VTF SAS, Troisfontaines/France	100.0	
SCHOTT France SAS, Colombes/France	100.0	
SCHOTT UK Ltd., Wolverhampton/UK	100.0	
SCHOTT Glass India Pvt. Ltd., Mumbai/India	100.0	5
PT. SCHOTT Igar Glass, Bekasi/Indonesia	100.0	
SCHOTT Glass Israel Ltd., Tel Aviv-Jaffa/Israel	100.0	2, 4

Name and registered office of company	Share of capital in %	Comment
Subsidiaries included and not included in the Consolidated Financial Statements		
Abroad		
SCHOTT-Italglas s.r.l., Genoa/Italy	100.0	
SCHOTT Italvetro S.R.L., Borgo a Mozzano/Italy	80.0	
SCHOTT Japan Corporation, Shiga/Japan	100.0	
SCHOTT Envases Farmacéuticos SAS, Bogotá/Colombia	72.7	4
SCHOTT d.o.o., Zagreb/Croatia	100.0	2
SCHOTT Asia IT Services Sdn. Bhd., Kuala Lumpur/Malaysia	100.0	
SCHOTT Glass (Malaysia) Sdn. Bhd., Perai/Malaysia	100.0	
SCHOTT Glass Malaysia Components Sdn. Bhd., Perai/Malaysia	100.0	
SCHOTT de México, S.A. de C.V., Amatlan de los Reyes/Mexico	100.0	4
SCHOTT Technologies Mexico S.A. de C.V., Amatlan de los Reyes/Mexico	100.0	4
SCHOTT Benelux B.V., Tiel/Netherlands	100.0	
SCHOTT Flat Glass B.V., Tiel/Netherlands	75.0	
SCHOTT Flat Glass Holding B.V., Tiel/Netherlands	66.7	
SCHOTT Termofrost AS, Oslo/Norway	100.0	
SCHOTT Austria GmbH, Vienna/Austria	100.0	2
SCHOTT Poland Sp. z o.o., Warsaw/Poland	100.0	2
SCHOTT Pharmaceutical Packaging OOO, Zavolzhye/Russia	100.0	4
SCHOTT Scandinavia AB, Stockholm/Sweden	100.0	2
SCHOTT forma vitrum holding ag, St. Gallen/Switzerland	100.0	
SCHOTT Pharma Schweiz AG, St. Gallen/Switzerland	100.0	
SCHOTT Suisse SA, Yverdon-les-Bains/Switzerland	100.0	
SCHOTT PHARMA D.O.O. JAGODINA (formerly SCHOTT PHARMA D.O.O BEOGRAD), Jagodina/Serbia	100.0	
SCHOTT Singapore Pte. Ltd., Singapore/Singapore	100.0	
SCHOTT Glass Ibérica S.L., Barcelona/Spain	100.0	
SCHOTT Korea Co. Ltd., Seoul/South Korea	100.0	
SCHOTT Taiwan Ltd., Taipeh/Taiwan	100.0	
SCHOTT CR, s.r.o., Lanškroun/Czech Republic	100.0	
SCHOTT Termofrost s.r.o. (formerly SCHOTT Flat Glass CR, s.r.o.), Valašské Meziříčí/Czech Republic	100.0	
SCHOTT Orim Cam Sanayi ve Ticaret A.S., Çerkezköy/Türkiye	100.0	
SCHOTT Hungary Kft., Lukácsháza/Hungary	100.0	
SCHOTT MINIFAB, LLC (formerly Applied Microarrays, LLC), Phoenix/USA	100.0	
SCHOTT Corporation, Rye Brook/USA	100.0	
SCHOTT Lithotec USA Corporation, Rye Brook/USA	100.0	2
SCHOTT North America, Inc., Rye Brook/USA	100.0	
SCHOTT Pharma USA, Inc., Lebanon/USA	100.0	
SCHOTT Scientific Glass, Inc., Rye Brook/USA	100.0	
SCHOTT Solar CSP, LLC, Rye Brook/USA	100.0	
SCHOTT Solar PV, LLC, Rye Brook/USA	100.0	

Name and registered office of company	Share of capital in %	Comment
Companies accounted for using the equity method		
Abroad		
Glaverpane S.A., Jemeppe-sur-Sambre/Belgium	35.0	4
Zhejiang Crystal-SCHOTT Optical Technology Co., Ltd., Taizhou/China	41.0	4
SCHOTT Poonawalla Pvt. Ltd., Mumbai/India	50.0	5
EMPHA S.p.A., Turin/Italy	50.0	4
Smart Skin Technologies Inc., Fredericton/Canada	20.0	4
Companies not accounted for using the equity method		
Germany		
Industrie-Institut für Lehre und Weiterbildung Mainz eG, Mainz	22.9	6
JENAER BILDUNGSZENTRUM gGmbH SCHOTT CARL ZEISS JENOPTIK, Jena	33.3	4
Other investments		
Germany		
Psephit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	10.1	7
Silicium Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	10.1	7
Abroad		
NNAISENSE SA, Lugano/Switzerland	5.1	4
Sun Technology Asset Switzerland AG, Zug/Switzerland	11.5	4

[1] Company with a profit and loss transfer agreement with SCHOTT AG
[2] Not consolidated due to immateriality
[3] Pursuant to Section 264 (3) HGB, this company is exempted from the duty to disclose its financial statements
[4] Fiscal year from January 1 to December 31
[5] Fiscal year from April 1 to March 31
[6] Fiscal year from September 1 to August 31
[7] Shares relate to the limited partner contribution
[8] This company is exempted under Section 264b HGB from the duty to prepare and disclose financial statements and a management report in accordance with the supplementary provisions of the HGB for corporations and certain partnerships and to have them audited.
[9] This company is in liquidation

Members of Executive Bodies at SCHOTT AG

Board of Management

Dr. Frank Heinricht
Mainz
Chairman and Chief Human Resources Officer
Member of the Board of Management responsible for Pharma, Tubing, Compliance/Legal, Human Resources, Marketing & Communication, Strategic Development, Research & Development
From May 1 to August 31, 2024: Finance, Solar

Dr. Andrea Frenzel
Wachenheim a. d. Weinstrasse
Member of the Board of Management responsible for Advanced Optics, Electronic Packaging, Lighting & Imaging, Technical Services, Operational Excellence, Operational Technology, Environment Health & Safety
From May 1 to August 31, 2024: Information Technology

Dr. Heinz Kaiser
Bodenheim
Member of the Board of Management responsible for Home Tech, Flat Glass, Sales Excellence, Sales & Market Development, Intellectual Property
From May 1 to August 31, 2024: Purchasing, Mergers & Acquisitions

Marcus Knöbel (from September 1, 2024)
Mainz
Member of the Board of Management responsible for Finance, Information Technology, Purchasing, Mergers & Acquisitions, Solar

Dr. Jens Schulte (until April 30, 2024)
Wiesbaden
Member of the Board of Management responsible for Finance, Information Technology, Purchasing, Mergers & Acquisitions, Solar

Supervisory Board

Dr. Michael Bolle
Leonberg
Chairman
Chairman of the Presiding Committee and the Mediation Committee
Member of the Audit Committee
Chairman of the Shareholder Council of the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena
Former CDO & CTO of Robert Bosch GmbH, Stuttgart

Rudolf Wagner[1)]
Vilsbiburg
Vice Chairman
Member of the Presiding Committee and the Mediation Committee
Chairman of the Overall Employee Council of SCHOTT AG and Chairman of the Employee Council of SCHOTT AG, Landshut site

Jürgen Achatz[1)]
Tirschenreuth
Member of the Audit Committee
Global Sales Director Pharmaceutical Tubing, SCHOTT AG, Mitterteich

Stefan Brandl
Landshut
Vice Chairman and CEO of the Dräxelmaier Group, Vilsbiburg

Matthias Hille[1)]
Nieder-Olm
Regional Manager of the Industrial Trade Union of Mining, Chemicals and Energy (IG BCE), District Mainz, Mainz

Michael Hinz (from March 18, 2024)[1]
Mitterteich
Chairman of the Employee Council of SCHOTT AG, Mitterteich site

Uta Kemmerich-Keil
Darmstadt
Former CEO of P&G Health International, Geneva, Switzerland

Dr. Detlef Kratz (from March 18, 2024)
Heidelberg
Former President Group Research of BASF SE, Ludwigshafen

Frank Malzer (until March 18, 2024)[1]
Waldsassen
Member of the Employee Council of SCHOTT AG, Mitterteich site

Dr. Stefan Marcinowski (until March 18, 2024)
Mannheim
Member of the Presiding Committee
Former Member of the Board of Executive Directors of BASF SE, Ludwigshafen

Dr. Eckhard Müller (until March 18, 2024)
Munich
Chairman of the Audit Committee
Former Head of the Finance Division of BASF SE, Ludwigshafen

Hans-Jürgen Mundorff[1]
Alzey
Member of the Presiding Committee and the Mediation Committee
Vice Chairman of the Overall Employee Council of SCHOTT AG and Chairman of the Employee Council of SCHOTT AG, Mainz site

Frauke von Polier (from March 18, 2024)
Berlin
Chief People Officer, Viessmann Generation Group, Munich

Dr. Richard Pott (until March 18, 2024)
Leverkusen
Member of the Mediation Committee
Chairman of the Supervisory Board of Covestro AG, Leverkusen

Salvatore Ruggiero[1]
Mainz
Member of the Audit Committee
Head of Marketing & Communication, SCHOTT AG, Mainz

Emese Weissenbacher (from March 18, 2024)
Winnenden
Chairwoman of the Audit Committee
Executive Vice President & Chief Financial Officer, MANN+HUMMEL, Ludwigsburg

Committees

Presiding Committee
Dr. Michael Bolle (Chairman)
Stefan Brandl (from March 18, 2024)
Dr. Stefan Marcinowski (until March 18, 2024)
Hans-Jürgen Mundorff[1]
Rudolf Wagner[1]

Audit Committee
Emese Weissenbacher (Chairwoman) (from March 18, 2024)
Dr. Eckhard Müller (Chairman) (until March 18, 2024)
Jürgen Achatz[1]
Dr. Michael Bolle
Salvatore Ruggiero[1]

Mediation Committee
Dr. Michael Bolle (Chairman)
Hans-Jürgen Mundorff[1]
Frauke von Polier (from March 18, 2024)
Dr. Richard Pott (until March 18, 2024)
Rudolf Wagner[1]

[1] Workers' representative

Imprint, Contact, Disclaimer

Publisher

SCHOTT AG
Hattenbergstrasse 10
55122 Mainz
Germany
Phone: +49 (0)6131/66-0
Fax: +49 (0)6131/66-2000
Email: info@schott.com
Internet: www.schott.com

Editorial

SCHOTT AG
Finance

Disclaimer

This report contains forward-looking statements. These are based on an assessment of future developments at the time the report was prepared. Such statements are subject to risks and uncertainties that, to a large extent, cannot be influenced by SCHOTT and therefore cannot be precisely assessed. These include, for example, future economic market conditions, the behavior of other market participants, the achievement of expected synergy effects as well as legal and political decisions.

Should these or other factors occur, or should assumptions on which the forward-looking statements are based prove to be incorrect, actual results may differ from those described in the annual report. SCHOTT will not correct or update the forward-looking statements to reflect current developments and events after the date of this report.

Product designations and names that are the property of SCHOTT are marked accordingly. Other product and company names mentioned in this report may be trademarks of the respective owners.

This annual report is published in German and English and is available on the internet at www.schott.com. In the event of discrepancies in the translation, the German version shall take precedence.

SCHOTT worldwide

The company is represented by efficient production sites and sales offices in all important markets close to its customers.

49 %

Europe

Europe continues to be the most important economic region for SCHOTT. Here, the technology Group generated sales of EUR 1,386 million in fiscal year 2023/2024 with 10,600 employees (including 6,300 in Germany).

21 %

North America

SCHOTT is represented in North America (USA and Mexico) with production, sales and research. In fiscal year 2023/2024, 1,100 employees generated sales of EUR 606 million in this region.

5 %

South America

SCHOTT has been represented in this region with its own production facilities since 1954. In fiscal year 2023/2024, 1,400 employees generated sales of EUR 133 million.

1 %

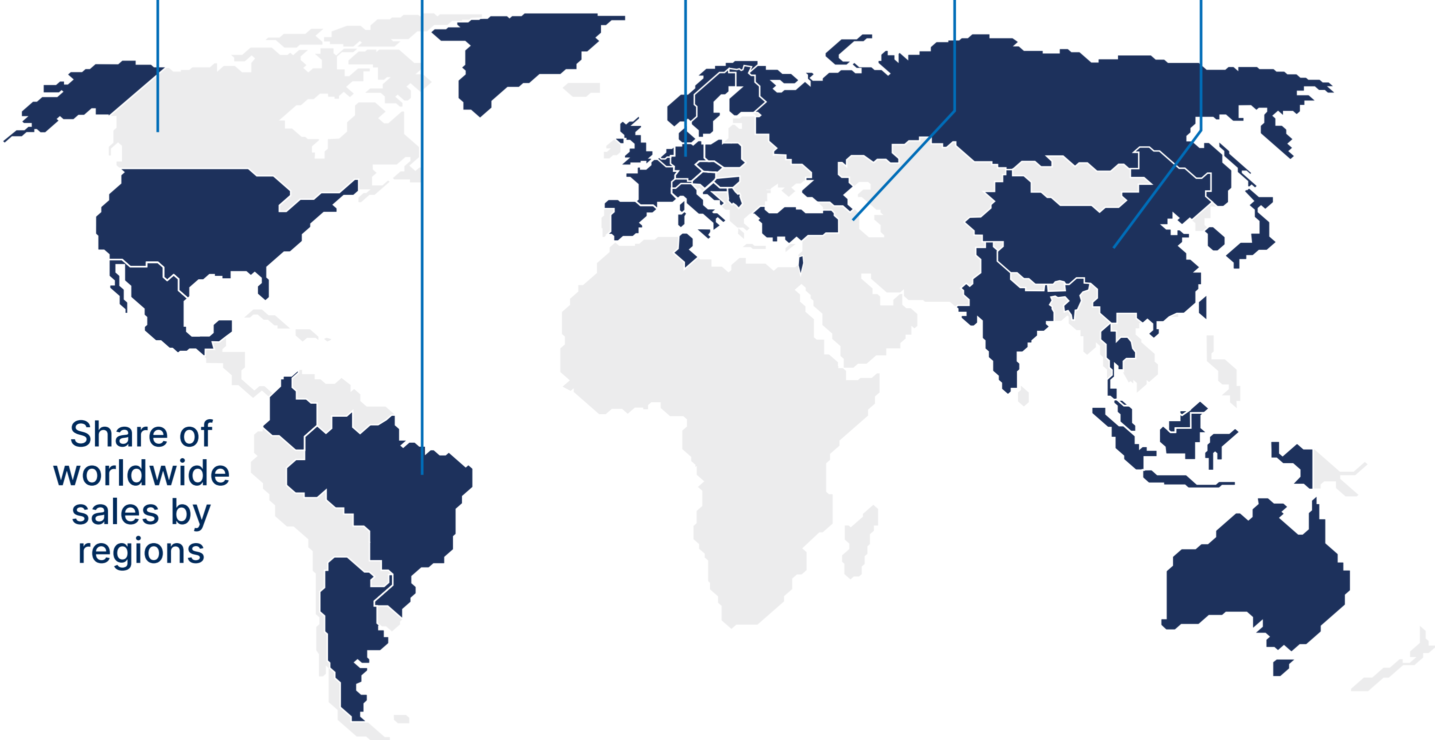
Middle East and Africa

In the Middle East and Africa regions, SCHOTT generated sales of EUR 41 million in the reporting period.

24 %

Asia and South Pacific

With its great growth potential, this economic region represents one of the most important markets of the future. In fiscal year 2023/2024, SCHOTT generated sales of EUR 670 million with 4,000 employees in this region.



Share of worldwide sales by regions

schott.com

SCHOTT AG, Hattenbergstrasse 10
55122 Mainz, Germany

90777 ENGLISH 01/2025 kn