SCHOTT PHARMA

2023 Annual Report 2024

Performance indicators at a glance

		2023/2024		2022/2023
		Reported	Constant currencies	Reported
Revenue	in EUR m	**957**	**1,008**	899
Revenue growth	in %	**7**	**12**	8
High-value solutions (HVS) revenue share	in %	**55**		48
EBITDA	in EUR m	**258**	**280**	239
EBITDA margin	in %	**26.9**	**27.8**	26.6
EBIT	in EUR m	**193**		192
Profit for the period	in EUR m	**150**		152
Earnings per share	in EUR	**0.99**		1.01
Dividend per share	in EUR	**0.16**[1]		0.15
Free cash flow	in EUR m	**79**		10

		30 Sep 2024		30 Sep 2023
Equity ratio	in %	**54.9**		56.2
Headcount (as of the reporting date)		**4,690**		4,646

[1] Dividend proposed for the financial year 2023/2024.

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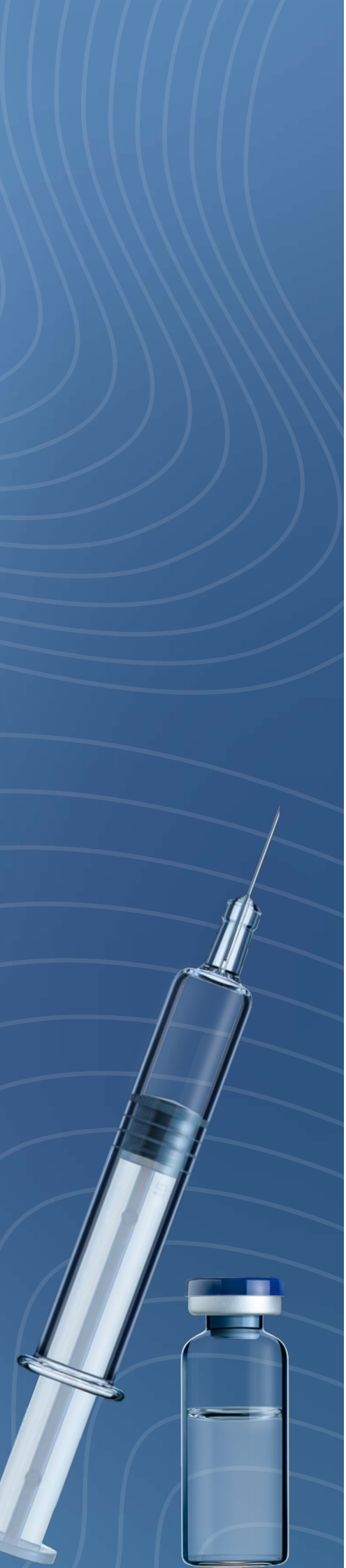


Contents

Dear shareholders and partners of SCHOTT Pharma,

2024 was a special year with many firsts for us. It marked our first full financial year as a listed company, one in which we delivered outstanding results. Just a few weeks after our IPO, we were included in the SDAX and within a year we even advanced to the MDAX. This not only highlights our strong market position but also reflects the confidence our investors have in our business model.

We are very happy with the results for the financial year 2023/2024. Despite a difficult market environment, we continued to increase our revenues throughout the year, which prompted us to raise our full-year revenue forecast in the third quarter. We then went on to meet the upper end of our forecast range. Substantial investments were made in expanding capacity, and while ramp-up costs were considerable, our EBITDA margin held firm at a high level. We also succeeded in increasing the revenue share of high-value solutions (HVS) from 48% in the financial year 2022/2023 to 55% in the financial year 2024.

The market for injectable drugs continues to have huge potential for our business and is driven by pharmaceutical trends such as GLP-1, mRNA, ADCs, subcutaneous injections, homecare and a manufacturing transformation from pharma companies towards RTU (ready-to-use) products. We are perfectly positioned to tap into this potential.

Andreas Reisse (CEO)

Dr. Almuth Steinkühler (CFO)

Our strategy proved successful once again in the past financial year. We benefited from strong, trustful relationships with our customers and partners, launched groundbreaking innovations and continued our expansion projects as planned.

Our latest product launches underscore our pioneering role in the industry. For example, our large-volume glass and polymer syringes as well as cartridges for autoinjectors and pumps give patients the freedom to self-administer subcutaneous medications in large doses from the comfort of their own homes. At the same time, we are constantly working to optimise our customers' processes and value chains. For instance, our new polymer syringe nest boosts efficiency in fill-and-finish processes by up to two thirds while lowering production costs and reducing the carbon footprint of our products significantly.

In an effort to make our industry more sustainable, we have joined forces with Alliance to Zero to develop sustainable secondary packaging for polymer syringes made from cardboard rather than plastic.

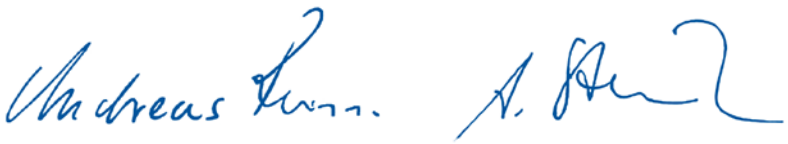
We are also pleased to report that our expansion strategy has been bearing fruit. Production capacities in Europe and the US have been successfully expanded to strengthen our global presence, allow us greater flexibility and bring us closer to our customers. We opened a new production facility for prefillable glass syringes in Hungary and have successfully qualified the plant with our customers. In Serbia, equipment and production lines are currently being installed at our new plant for ampoules and vials, with production scheduled to begin in the beginning of 2025. Further expansion efforts include diversifying our portfolio of sterilised RTU cartridges and vials, and increasing syringe production capacities in Germany, Switzerland, and in the US.

We are especially proud of having made great progress in improving our sustainability performance in the financial year 2024. Our efforts to minimise our production's ecological footprint have reduced our CO_2 emissions significantly and we have launched an initiative to promote a circular economy to further improve resource efficiency and reduce waste more than before. In doing so, we work closely together with other major pharmaceutical companies and are a reliable partner also in the field of sustainability.

None of our achievements in the financial year 2023/2024 would have been possible without the hard work and dedication of our employees, who really are the driving force behind our progress. We are proud of our team and would like to extend our heartfelt thanks to everyone for their unwavering commitment and to our shareholders, customers and partners for their trust and support.

The past year has seen many firsts. We have proven that our strategy is effective, enabling us to thrive in a dynamic market. Looking ahead, we have many ideas for the coming years and have identified significant potential for our products to make people's lives easier. We are excited about the journey ahead and look forward to continuing it with you all.

Yours sincerely,



Andreas Reisse Dr. Almuth Steinkühler

Report of the Supervisory Board

Peter Goldschmidt
Chairman of the
Supervisory Board

Dear shareholders,

2023/2024 was the first full financial year following SCHOTT Pharma's successful IPO on 28 September 2023. The Company's share price performance, its inclusion into the SDAX shortly after the IPO and, more recently, into the MDAX are all a clear indication of trust that investors and capital markets place in SCHOTT Pharma's business model. Many employees demonstrated exceptional commitment in preparation for SCHOTT Pharma's first Annual General Meeting as a listed company in March 2024, for its first quarterly reports and many other requirements relating to our capital market activities. We are very proud of this success and would like to extend our sincere thanks to our team for their dedication and hard work.

SCHOTT Pharma implemented its strategy resolutely during the financial year investing heavily in its future. The Company expanded its operational capabilities or laid the groundwork for new capacities in Germany, Switzerland, Hungary, Serbia and the US. These expansions focus on high-value solutions (HVS), ranging from prefillable glass or polymer syringes to ready-to-use (RTU) vials and cartridges, which have been washed and sterilised. SCHOTT Pharma also launched a number of product innovations, including large-volume polymer syringes and cartridges for wearable injection devices that make it easier for patients to self-administer medications from the comfort of their own homes – or a new nest design for polymer syringes that boosts fill-and-finish efficiency and reduces the product's carbon footprint. The Supervisory Board is confident that these investments and innovations will enable the Company to benefit from market developments and further increase the revenue generated with high-value solutions.

Personnel composition and changes in the Supervisory Board

There were no changes to the composition of the Supervisory Board in the financial year 2023/2024.

Dr. Wolfgang Wienand will resign from the Supervisory Board with effect from 31 December 2024. Dr. Wienand has been serving as Chief Executive Officer at Lonza AG in Basel, Switzerland, since July 2024 but as Lonza AG's compliance provisions only allow for a limited number of supervisory board mandates, he has decided to resign from his mandate with SCHOTT Pharma AG & Co. KGaA.

The Supervisory Board discussed Dr. Wienand's succession in an extraordinary meeting in October 2024. Here, it was resolved that Prof. Wolfram Carius from Mainz, Germany, should be put forward to the Annual General Meeting as a potential successor when it is held on 4 February 2025, in keeping with recommendation C.13 of the German Corporate Governance Code ("the Code").

The candidature was reviewed by the Supervisory Board in line with the provisions of the Code. The Supervisory Board confirmed that Prof. Carius will be capable of fulfilling the expected amount of time needed for the Supervisory Board mandate. As per recommendation C.7 of the Code, the Supervisory Board aims for half of its shareholder representatives to be independent and, above all, independent from the majority shareholder. With Prof. Carius on the Supervisory Board, this goal would still be met. The Supervisory Board established that Prof. Carius's excellent qualifications would make him an extremely valuable addition to the Supervisory Board. His fields of expertise and experience include pharmacy, corporate management, accounting and sustainability.

Collaboration with the Supervisory Board of the General Partner

SCHOTT Pharma AG & Co. KGaA and its general partner, SCHOTT Pharma Management AG, each have a Supervisory Board. Two shareholder representatives are members of both: Peter Goldschmidt and Dr. Wienand – the Chairman and Deputy Chairman of the Supervisory Board of SCHOTT Pharma AG & Co. KGaA respectively – are also members of the Supervisory Board of SCHOTT Pharma Management AG. This link between both bodies serves to ensure that both Supervisory Boards have the same information available, that issues are communicated from one Board to the other and that the Supervisory Board of SCHOTT Pharma AG & Co. KGaA is involved in decisions taken by SCHOTT Pharma Management AG.

Activities of the Supervisory Board

The Supervisory Board of SCHOTT Pharma AG & Co. KGaA has fulfilled its duties imposed on it by law, the Memorandum and Articles of Association, and has advised and monitored the general partner represented by the latter's Management Board. The Supervisory Board of SCHOTT Pharma AG & Co. KGaA satisfied itself of a lawful and due and proper corporate governance, and the strength and profitability of the organisation. It discussed all major business transactions and assisted the general partner's Management Board in all decisions relevant to the company.

Regular, timely and comprehensive Management Board reports kept the Supervisory Board informed of all major developments. These reports contained all relevant information, in particular on the strategy, planning and business performance and also on the state of the Company and the SCHOTT Pharma Group as a whole.

The Supervisory Board convened for four in-person and one online meeting during the financial year 2023/2024. While all members of the Supervisory Board were present at all meetings, one member had to leave one of the meetings early.

Focal points of discussions during the financial year 2023/2024

Discussions during the reporting year centred on the ongoing expansion of manufacturing locations in Germany, Switzerland, Hungary and Serbia, in particular to create additional capacities for high-value solutions. The Supervisory Board also discussed in great detail the preparations for a new location in North Carolina, US, where prefillable syringes will be produced.

The Supervisory Board continued to monitor SCHOTT Pharma Group's profitability in a market environment defined by sharply rising costs and increasing competition, especially for non-sterile vials. It also discussed business opportunities for the group that may arise in the context of new mRNA and GLP-1 drugs.

The strategic plan with a horizon extending to 2030 was discussed in June, while budget planning was reviewed and approved in August.

The Supervisory Board also strengthened corporate governance structures. In December 2023, it had discussed and agreed on profiles for the composition of the Supervisory Board regarding the skills, diversity and independence of its members and approaches for assessing the effectiveness of the Supervisory Board's activities in the future.

It was on this basis that the Supervisory Board conducted a first self-assessment in April 2024. Results were discussed in the meeting in June.

Related party transactions

There were no related party transactions requiring the approval of the Supervisory Board under section 111b AktG during the reporting period.

The company maintains various business relationships with its controlling shareholder, SCHOTT AG, and the latter's subsidiaries. These relationships mainly concern the supply of primary products, the lease of properties and the mutual provision of services. These services were rendered in the ordinary course of business and at arm's length in all cases.

German Corporate Governance Code

The Supervisory Board discussed how it intended to comply with the recommendations of the German Corporate Governance Code, and issued a Declaration of Compliance pursuant to section 161 AktG at its meeting held in August 2024. This declaration is available at www.schott-pharma.com/investor-relations/corporate-governance/compliance-statement/.

Audit Committee

The Audit Committee held five meetings in the financial year 2023/2024, all of which were conducted online. All members of the Committee were present at all meetings.

Discussions at these meetings focused on how to facilitate the expansion of control and risk management functions in SCHOTT Pharma Group. In addition, the quarterly statements and half-year financial report were reviewed. The Audit Committee assisted the Management Board with its expertise and experience.

Another focus was the tender for the external audit of the financial statements of SCHOTT Pharma AG & Co. KGaA for the financial year 2024/2025. As the mandate for the external audit of the financial statements of SCHOTT AG was tendered at the same time, a central committee was created to coordinate both tenders. This committee harmonised the tender processes while ensuring that each Audit Committee remained responsible for their process.

The external auditors were present for the meeting held in June 2024, when the focal points of the audit for the financial year 2023/2024 were discussed and established.

In the meeting in November 2024, the Audit Committee discussed the annual financial statements, consolidated financial statements and the financial reporting for the financial year 2023/2024 for SCHOTT Pharma AG & Co. KGaA, including the combined management report. The proposal for the appropriation of profits was also discussed during this meeting.

The Audit Committee conducted a first self-assessment in April 2024. Results were discussed in the meeting in June.

Audit of the Annual Financial Statements and Consolidated Financial Statements for 2023/2024

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn, Germany, audited the annual financial statements, the consolidated financial statements and the combined management report of SCHOTT Pharma AG & Co. KGaA and of SCHOTT Pharma Group for the financial year 2023/2024, which were prepared by the general partner SCHOTT Pharma Management AG, and issued an unqualified auditor's opinion.

The Supervisory Board received the annual financial statements, consolidated financial statements, combined management report (including the auditors' report) and the proposal for the appropriation of net retained profit in due time. These documents were reviewed and discussed in detail in the meeting held in December 2024, based on the results and the report of the prior Audit Committee meeting.

The external auditors took part in the meeting, reporting scope, focal points and key results of the audit and answering questions from the Supervisory Board. According to the external auditors, there were no major weaknesses related to the accounting process in the internal control and risk management system. There were no grounds for suspecting that the auditors' independence might be impaired.

Following the final result of the Audit Committee's audit and having completed its own review, the Supervisory Board followed the auditors' assessment and declared that it had no objections. The Supervisory Board approved the annual financial statements, consolidated financial statements and combined management report and recommends that the Annual General Meeting on 4 February 2025 confirms the annual financial statements. After conducting a review of its own, the Supervisory Board followed the general partner's proposal for the appropriation of net retained profit to the Annual General Meeting.

Audit of the Subordinate Status Report

SCHOTT Pharma AG & Co. KGaA is a subsidiary of SCHOTT Glaswerke Beteiligungs- und Export GmbH, whose sole shareholder is SCHOTT AG. The management board of the general partner (SCHOTT Pharma Management AG) prepared a report on the relationship between the two affiliated companies in the financial year 2023/2024 as required by section 312 AktG, confirming that SCHOTT Pharma AG & Co. KGaA had received adequate consideration for every legal transaction with affiliated companies and that no action was taken or omitted during the year under review on the initiative or in the interest of SCHOTT Glaswerke Beteiligungs- und Export GmbH or affiliated companies. The external auditors audited this report and issued the following opinion:

"Following our audit and judgement, performed in keeping with our professional duties, we hereby confirm that

1. the statements as to fact made in the report are accurate
2. the performance by the Company under the legal transactions set out in the report was not excessive or that the disadvantages have been compensated."

The external auditors reported on key audit results and answered questions in the meeting held in December 2024. Following a review of its own, the Supervisory Board concluded that it agreed with the presentation and conclusions in the report and audit report. The Supervisory Board also reviewed the Management Board's responsibility statement on the relationship with affiliated companies, which can be found at the end of the report, and did not raise any objections here either.

Thank you

The Company continued to implement its successful strategy of expansion and innovation in the financial year under review. The strength of its operating business is evident in both the profit for the period which stood at EUR 150m, and the increase of the share of revenues represented by high-value solutions to 55%. The Supervisory Board would like to thank the Management Board and everybody at SCHOTT Pharma for their excellent work and dedication in the year under review.

Mainz, Germany, 11 December 2024

Combined Management Report

of SCHOTT Pharma AG & Co. KGaA, Mainz, Germany, for the financial year from 1 October 2023 to 30 September 2024

Combined Management Report

of SCHOTT Pharma AG & Co. KGaA for the financial year from
1 October 2023 to 30 September 2024

Fundamental Information about the Group

Preliminary remarks

This Management Report combines the management reports for SCHOTT Pharma Group ("SCHOTT Pharma" or "we") and SCHOTT Pharma AG & Co. KGaA, Mainz, Germany ("SCHOTT Pharma KGaA"). Statements made in this report refer to SCHOTT Pharma unless stated otherwise. Additional information on SCHOTT Pharma KGaA can be found in the Financial Statements of SCHOTT Pharma AG & Co. KGaA (HGB) chapter.

This Combined Management Report also contains a non-financial statement as per sections 315b and 315c HGB in conjunction with sections 289c to 289e HGB, prepared by SCHOTT Pharma KGaA for SCHOTT Pharma. Segments of the non-financial statement that are not part of the statutory group management report audit were audited with limited assurance.

Company profile

We are SCHOTT Pharma, a global market leader in containment solutions and delivery systems for injectable drugs. With scientific innovations in glass and polymer materials, we have been moving our industry forward for more than 100 years.

As patient well-being is always our top priority, we make drug containment and administration safe and easy. Using state-of-the-art manufacturing procedures and premium materials, we aim for the highest standards of patient safety. Our unswerving commitment to delivering exceptional product quality has established us as a trusted partner to the highly demanding global pharma, biotech and life-science industry for many years now, including the biggest pharma names. Our customers tend to be very loyal, as can be seen from the large number of repeat customers. One reason for our strong standing with our customers is that our products are an integral part of the drug approval process.

We design solutions grounded in science to ensure that medicines are safe and easy for people around the world to take – because human health matters.

There are two segments to our business operations: Drug Containment Solutions (DCS) and Drug Delivery Systems (DDS).

Our headquarters are located in Mainz, Germany, with 16 manufacturing locations across four continents (equity investments included). As of 30 September 2024, we employed roughly 4,700 people around the globe.

Group structure

Legal and organisational structure

SCHOTT Pharma KGaA is a listed partnership limited by shares under German law. Its subscribed capital consists of ordinary bearer shares with no-par value and a notional interest of EUR 1.00 each in the share capital ("one share, one vote"). Each share has one voting right at Annual General Meetings and is entitled to receive payments from resolved dividend distributions.

The majority of limited liability shares in SCHOTT Pharma KGaA are held by SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, Germany, of which the sole shareholder is SCHOTT AG, Mainz ("SCHOTT AG"). In turn, the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, Germany, is the sole shareholder of SCHOTT AG.

SCHOTT AG is a multinational group with more than 140 years of experience in the production of specialty glass and glass-ceramics. We have entered into a long-term supply agreement with SCHOTT AG and its subsidiaries that will allow us to source the most important component for our containment solutions and delivery systems: SCHOTT Group's high-quality glass tubes. SCHOTT AG and other SCHOTT Group companies also provide key services for us, for example in the areas of accounting, taxes and treasury. Service agreements have been concluded to this end.

SCHOTT Pharma KGaA has one fully consolidated entity in Germany, 14 outside Germany and three equity investments accounted for using the equity method as of the reporting date. Details can be found in the list of shareholdings in the Notes.

Management and supervision

SCHOTT Pharma KGaA's legal form is what is known as an "AG & Co. KGaA", a partnership under German law limited by shares. SCHOTT Pharma KGaA's general partner is SCHOTT Pharma Management AG, Mainz, Germany ("SCHOTT Pharma Management AG").

The two-tier corporate structure of an AG & Co. KGaA company means that management and supervision are strictly separated.

SCHOTT Pharma Management AG, represented by its Management Board, is responsible for business at SCHOTT Pharma KGaA and representing SCHOTT Pharma KGaA vis-à-vis third parties. The Management Board consisted of Andreas Reisse (Chief Executive Officer) and Dr. Almuth Steinkühler (Member of the Management Board, Chief Financial Officer) as of the reporting date.

SCHOTT Pharma KGaA's Supervisory Board has six members. Four of these are elected by the Annual General Meeting and two are court-appointed employee representatives. The Supervisory Board is involved in all major corporate decisions. Its job is to advise and monitor the Management Board. The Supervisory Board also audits SCHOTT Pharma KGaA's annual and consolidated financial statements and performs other statutory duties as well as tasks defined in the Memorandum and Articles of Association. It is involved in planning, strategy and all questions of fundamental importance to the group.

Two out of the four members of SCHOTT Pharma KGaA's Supervisory Board elected by the Annual General Meeting are also members of the four-person Supervisory Board of SCHOTT Pharma Management AG, which appoints, monitors and advises the Management Board of SCHOTT Pharma Management AG.

Segments

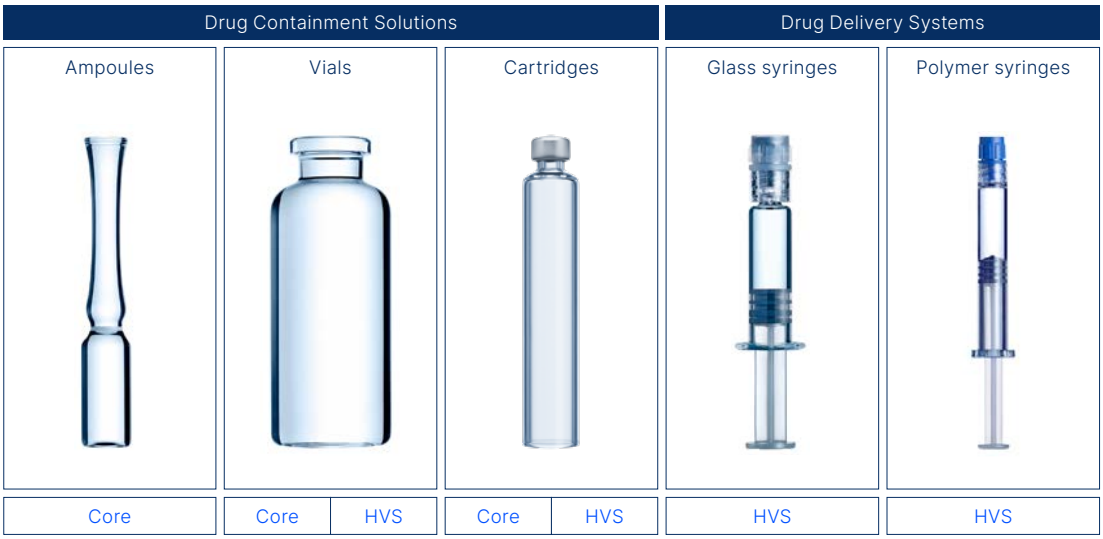
SCHOTT Pharma is a global leader in developing and manufacturing advanced drug containment solutions and delivery systems for injectable drugs for the pharma, biotech and life-science industry. Our prefillable glass or polymer syringes and our glass vials, cartridges and ampoules are a key part of our customers' drug manufacturing processes – after all, even state-of-the-art injectable drugs will not reach patients if they are not packaged safely. Today, our products are used around the globe to administer an average of more than 25,000 injections per minute.

SCHOTT Pharma has two segments: Drug Containment Solutions (DCS) and Drug Delivery Systems (DDS). Our clear focus on injectable drugs and our extensive product portfolio allow us to offer each customer the right solution for containing and administering their medicines safely and securely.

While our product portfolio comprises both core and high-value solutions (HVS), our strategic focus is on expanding HVS, i.e. solutions that meet even the most specific customer requirements for drug containment and delivery and allow us to generate higher margins than core products.

Our HVS portfolio comprises sterilised prefillable syringes made of glass or high-tech polymers, ready-to-use vials and cartridges (which have been washed and sterilised), and vials and cartridges with features such as special inner coatings.

HVS accounted for around 55% of our revenue in the financial year 2023/2024, up from 48% in the previous year. While its revenue share has increased steadily over the past years, we aim to step this up even further, generating more than 60% of our revenue with HVS in the medium term. This improved product mix should also have a positive effect on margins and earnings growth.



Drug Containment Solutions (DCS)

The DCS product portfolio, consisting of vials, cartridges and ampoules, offers customers plenty of standard (core) and high-value solutions (HVS) made of glass for safe drug containment.

Ampoules are one of the oldest forms of drug containment and, measured by units, are still the most commonly used. Most glass-sealed ampoules are used for established (usually generic) drugs in hospitals or medical practices. They are a low-cost option that enables wider access to essential drugs and treatments such as pain relievers, tranquilisers and emergency medicines.

Vials are suitable for storing all types of drugs, from simple generics to complex biologics. One vial can contain one or more doses. With their high chemical durability, vials allow injectable drugs to be stored safely, minimising interactions between liquid drug formulations and the container. Special features such as improved inner surfaces (for example EVERIC® pure), tighter geometries and the option of internal and external coatings (for example SCHOTT TopLyo®, SCHOTT Type I plus®) meet additional requirements for special areas of application.

Injections contained in vials and ampoules must be administered by healthcare professionals.

Cartridges are glass cylinders that are inserted into injection devices (for example autoinjectors, injection pens, wearable injection devices) to dispense drugs in accurate doses, making them a safe and simple form of drug delivery for patients. There are many use cases, the main applications being cartridges for diabetes and/or overweight patients or containing dental anaesthetics.

In addition to the aforementioned products, we provide customer support services ranging from developing tailor-made drug containment solutions to conducting analytical tests and optimising fill-and-finish processes. We also help our customers achieve their sustainability goals, and provide expert assistance with documentation for regulatory approval procedures. We provide ongoing support to our customers throughout the entire drug development process, from initial research to final commercialisation. In this way, we build customer loyalty at an early stage and differentiate ourselves from the competition.

Core-category products make up the largest part of the DCS product portfolio.

The economic performance of the DCS segment in the financial year 2023/2024 is illustrated in detail in the Results of Operations section of the Business Review of the Group.

Drug Delivery Systems (DDS)

Our DDS products are characterised by a market-leading range of glass and polymer syringes. The portfolio comprises sterilised prefillable syringes (PFS) made of glass or high-tech polymers that are ready to use (RTU). These RTU containers arrive at our customers ready for filling. No other preparations are needed.

Prefillable syringes are a highly stable, long-term containment and administration solution for complex and sensitive drugs such as vaccines – including mRNA vaccines – and biologics. PFS allow for an exact dosage of drugs and involve significantly fewer manual tasks during administration. This, in turn, improves effectiveness and substantially reduces the risk of errors such as incorrect dosage or injuries. Prefillable syringes can be used in a safe and convenient way by both healthcare professionals and – in certain settings – patients at home. This delivery system also helps to reduce drug waste and to lower costs for the healthcare system.

Our prefillable syringes are made of two different but equally reliable materials. This allows us to meet the individual requirements of different drugs and delivery forms and to offer safe yet highly flexible products.

We use SCHOTT FIOLAX® type I borosilicate glass for all our glass products, including our prefillable syringes. Because our syringes have strong barrier properties, their coatings or surfaces are able to preserve and protect the drug formulations. They offer reliable functionality, an established regulatory path and are highly compatible with fill-and-finish systems.

Prefillable polymer syringes are made of high-tech cyclic olefin copolymer, a relatively new material that is gradually establishing itself as an alternative to glass. Our polymer syringes are being used more and more where glass syringes are not an option because they do not fulfil certain requirements. For example, this might be the case with deep-cold medications, highly viscous drugs, large-volume subcutaneous infusions – or in cases where products need to be break-resistant or require reduced drug-silicone interaction.

All our DDS products are sterilised and part of our HVS portfolio.

As with DCS, the DDS range also includes services. Based on scientific data, we analyse how compatible drugs are with our delivery systems, helping our customers find the ideal glass or polymer solution for delivering their drugs. We also assist our customers in registering their drugs in combination with the delivery system, support them on their sustainability journey and help them scale manufacturing.

The economic performance of the DDS segment in the financial year 2023/2024 is illustrated in detail in the Results of Operations section of the Business Review of the Group.

Market and competition

Most of our customers are market players in the pharma, biotech and life-science industry. They operate in largely non-cyclical growth industries. According to data analytics and consultancy firm GlobalData, the pharma market registered an average annual growth rate of 5% between 2018 and 2023, generating global revenue of EUR 1,220bn in 2023.

Key growth drivers include

- changing demographics and an ageing population with increased medical needs
- higher demand for vaccines due to global immunisation campaigns supported by organisations such as the WHO
- growth in the prevalence of chronic diseases and the number of patients with comorbidities, i.e. two or more diseases simultaneously
- increasing health awareness and related growth in drug spending
- broader access to healthcare, particularly in emerging markets, driven by the development of more affordable biosimilars and generics

- faster development and launch of new treatments, especially in industrialised nations
- increased availability of personalised therapies due to advancements in medicine and pharmaceutical technologies
- growth in at-home treatments

Drugs can be differentiated according to their route of administration. We focus on injectable drugs, in particular biologics, supplying our products to large customers in the pharmaceutical and biotechnological spheres, contract development and manufacturing organisations (CDMO), and small start-ups. Injections can be intravenous, intramuscular or subcutaneous. The injectable drugs segment is one of the fastest-growing segments in the entire pharma market. According to GlobalData, revenue realised with injectable drugs rose by 11% p.a. over the past five years, outpacing average overall market growth. The share of injectable drugs in the pharma market increased from 29% in 2018 to 37% in 2023.

The main reason for this growth has been a strong demand for biologics. These enable many severe diseases to be treated, including ones that had been difficult or impossible to treat before. This is why biologics form part of many state-of-the-art therapies, including oncology, vaccines, immunology, cell or gene therapies and the treatment of diabetes and obesity (GLP-1 agonists). Biologics which are developed and isolated from living organisms consist of large and complex molecules. These are extremely sensitive and can easily be destroyed by stomach acid, for example. That generally leaves injections as the only effective form of administration to patients.

The same holds true for the strong increase in demand for biosimilar drugs. A biosimilar is a generic to a previously patented biologic, equal to the original product in terms of quality, safety and effectiveness.

Global revenue generated with biologics amounted to just under EUR 400bn in 2023, posting an average growth rate of 13% p.a. over the past five years. Despite already strong growth, potential remains high – approximately 6,200 drugs are currently being tested in clinical trials and 80% of these are biologics. We are a market leader for containment solutions and delivery systems of injectable drugs and are set to benefit from the promising growth opportunities presented by biologics and biosimilars. The bulk of newly approved biologics today are delivered through a SCHOTT Pharma product.

We see the strong demand for biologics and modern therapies as a clear indication that the pharma, biotech and life-science industry will rely more and more on high-quality containment solutions and delivery systems going forward, driving demand for our HVS products.

In addition to the growing need for safe solutions for sensitive drugs, we have identified other drivers that will boost demand for our HVS products:

- better compliance with increasingly strict regulatory requirements
- reduced time to market as demand for smaller production lots increases as a result of innovative drugs for smaller patient populations and rare or personalised therapies. Ready-to-use products can enable pharma companies to create more flexible and efficient filling processes
- ready-to-use products reduce capital expenditure for pharma companies as we take care of some of the upstream value creation
- state-of-the-art delivery systems offering enhanced user-friendliness to healthcare professionals in hospitals and medical practices, and to self-administering patients

As injectable drugs are administered directly into a patient's body, their containment must be designed in a way that protects the content against contamination while allowing for precise administration. Because of this, the market we operate in is strictly regulated, with high quality standards. Our containment solutions and delivery systems are part of the drug approval process and play a key role in bringing medication to patients safely. High entry barriers, combined with the great importance of trust and reliability for customer relationships, make it difficult for new competitors to establish a foothold in our market and for customers to switch suppliers. As a consequence, we are active in a globally consolidated market with five to six major suppliers.

The competitive landscape differs from segment to segment and from product category to product category. Our broad range of products has helped us establish a market-leading position, and being able to supply our customers with both glass and polymer solutions for drug containment and delivery gives us a unique competitive edge.

Our main competitor in the DCS segment is the Stevanato Group. Our main competitors in the DDS segment are Becton Dickinson and Stevanato for prefillable glass syringes. For prefillable polymer syringes, we lead the field by a great distance, followed by our main competitor Terumo.

Group strategy

The fundamentals

We are on an important mission: enabling the safe and easy administration of injectable drugs anywhere around the globe. No medication can ever reach a patient without the right containment solution or delivery system. In pursuit of this mission, we deliver mission-critical, tailor-made components that have the potential to improve people's lives every day.

We believe that scientific research and corporate responsibility are key to technological progress. We also believe that our actions should be defined by four values: respect, value creation, responsibility and innovation. Our actions and decisions are guided by five principles: customer focus, competitiveness, courage, agility and connectivity. Every strategic decision we make is based on these tenets.

- our two segments focus on the non-cyclical growth market for injectable drugs. We make sure to avoid being overly dependent on any individual customers or geographical regions
- with groundbreaking scientific innovations in glass and polymer materials, we have been driving our industry forward for more than 100 years and have helped to make the world a better place. We want to cement our position as the market leader by focusing on science and technology, and we want to build on this position with innovations and new solutions. Our safe solutions allow customers to supply patients with new, increasingly complex drugs
- our aim is to generate long-term growth and strengthen our attractive financial profile. This can only be done by integrating ESG into our growth targets. Sustainability is of strategic importance

Our strategy is to harness the power of innovation to generate organic growth and create long-term value. Partnerships or mergers and acquisitions should also help to leverage additional growth potential.

Our strategy

We aim to be the partner of choice for our highly discerning customers, providing solutions that allow medication to be administered to patients safely and at a significantly reduced risk. To this end, we rely on our innovative strength combined with a higher proportion of HVS products in our revenue mix, which we are aiming to increase to over 60% in the medium term.

These are our strategic pillars:

- seizing structural opportunities in the market
- expanding HVS manufacturing capacities
- ensuring operational excellence by adopting digital and automation technology
- focusing firmly on innovation
- developing and supporting teams
- strengthening sustainability

Structural market opportunities

As our containment solutions and delivery systems are central to the functionality of the products themselves, we are extremely well positioned to capitalise on the growth opportunities in the injectable drugs market – one of the fastest-growing segments in the global pharma industry. GlobalData estimates that the share of revenue in the global pharma market attributable to injectable drugs will rise from 37% in 2023 to 46% in 2027. This corresponds to an average annual growth rate of 12%.

Our strategy is to identify opportunities for further business growth, mainly by providing innovative containment solutions and drug delivery systems. This applies above all to our HVS range.

Our focus lies on the following trends:

- with more and more modern treatments becoming available, the demand for complex and sensitive biologics (e.g. GLP-1 drugs, mRNA, ADCs) is growing. These biologics need high-quality primary packaging.
- demand for easy-to-use delivery systems such as prefillable syringes is strong. We are even witnessing a structural shift away from vials as healthcare systems are under pressure and welcome the safer and more cost-effective alternative offered by prefillable syringes.
- self-administration using injection devices – for example self-administration of GLP-1 agonists – has proven increasingly popular, and demand for easy-to-use delivery systems has risen accordingly. Typically, a cartridge or prefillable syringe is used to deliver the medication. Large-volume injection pumps or wearables are another option. They are worn directly on the body and deliver continuous doses. This self-medication means that patients do not have to stay in a hospital, which in turn can also ease the burden on the healthcare system.
- Pharma companies are focusing on the drug development process itself, preferring to outsource certain primary packaging-related manufacturing processes such as washing and sterilising.
- the industry is moving towards more flexible production lines to accommodate drug manufacturing processes for smaller patient populations and rare or personalised therapies, all of which require smaller production lots.

Capacity expansion

To seize promising structural opportunities as they open up in the market, we are expanding our manufacturing capacities with a particular focus on the HVS portfolio. To this end, we made substantial cash investments from 2019/2020 to 2023/2024, investing more than EUR 650m in our manufacturing platform. Over 80% of these investments were growth-related and involved expanding existing capacities and building new manufacturing locations. Some customers are supporting our growth investments with specific order commitments, reserving future capacities. As these commitments increase order visibility, they have helped us reduce our investment risk. We will continue to invest heavily in order to expand our global manufacturing capacity, especially for our HVS portfolio.

Operational excellence

As well as expanding our capacities, we are continually optimising our organisational structures and processes with a view to improving our operational excellence. We seek to provide excellent customer service and are gearing all our business processes to this goal. Our manufacturing strategy focuses on leveraging our global network and streamlining our processes and technologies. Our digitalisation and automation initiatives within manufacturing are designed to significantly enhance efficiency and improve the quality we deliver to our customers.

Focus on innovation

As innovators, we know the importance of pinpointing trends and customer needs in their early stages and reacting quickly by taking strategic action and adjusting business activities. That is why research and development is crucial to us, both for our own cutting-edge product range and the joint projects we are working on with customers and partners.

For more information on this, please see our Research & Development (R&D) section.

Strong teams

We see continuing professional development measures for our staff, an interdisciplinary and intercultural working environment and a corporate culture of openness and interaction as key success factors that help increase employee satisfaction and strengthen employee loyalty. Our values – respect, value creation, responsibility and innovation – are at the core of SCHOTT Pharma, Firmly establishing these values in our daily work is paramount as we move towards our strategic goals. As well as this, attracting and retaining highly qualified and committed employees is crucial to SCHOTT Pharma's growth journey. In the context of increasingly challenging demographics, this requires well-structured personnel planning in all countries with major SCHOTT Pharma locations. We also need to take action to strengthen our employer branding and continue to position our Company as a great place to work.

We firmly believe that equal opportunities and diversity lead to greater innovation and better decisions. Against this background, we are looking to further increase gender and cultural diversity because we believe that diverse teams are more productive. More than 40% of our employees were women and an average of around 24% of leadership positions were held by women as of 30 September 2024. There are no fewer than 65 nationalities in our workforce.

For more information on this, please read our Non-Financial Statement.

Sustainability

We believe that assuming corporate responsibility is a cornerstone of our business success. That is why we are guided not only by economic objectives but also by our commitment to society and the environment. Sustainability is deeply rooted in our organisation, and our innovations are designed to make a substantial contribution to solving social and climate challenges. We want to help our customers improve efficiency and sustainability on a global scale, safeguarding resources and protecting our climate.

For more information on this, please read our Non-Financial Statement.

Financial and non-financial performance indicators

SCHOTT Pharma is managed in line with its long-term corporate strategy and its short- to medium-term goals. The Management Board is responsible for overall planning and strategic business development and for steering the Company towards the goals that have been defined.

We apply performance indicators to help us manage SCHOTT Pharma and determine the variable remuneration for our Management Board and executive staff.

Every year, we make projections for the next three financial years based on our long-term corporate strategy. These projections are then updated in cycles throughout the year.

To support operational management, the results of SCHOTT Pharma and its segments are evaluated on a monthly basis when the segment heads inform the Management Board about business performance and development, process efficiency, customer relationships, exceptional business transactions and other matters. These statements draw on standardised reporting and on special analyses based on both quantitative and qualitative factors. If required, further operational or strategic action will be taken to help us reach our goals.

We rely on the following key financial performance indicators for steering the company in the right direction:

- while our main growth measure is year-on-year revenue growth
- our main profitability measure is the EBITDA margin which shows EBITDA as a percentage of our revenue. EBITDA is defined as operating income (EBIT) before depreciation, amortisation, impairment losses and reversals of impairment losses on intangible assets and property, plant and equipment

Additional financial performance indicators that are reported to our Management Board on a regular basis can be found below. Please note that these are not considered key performance indicators:

- HSV revenue development
- gross margin
- EBIT
- profit for the period
- working capital (WC)
- operating free cash flow
- net debt
- ROCE (EBIT as a percentage of capital employed)
- SCHOTT Value Added (difference between EBIT and the cost of capital)
- capital employed
- number of employees

SCHOTT Pharma monitors a broad range of non-financial performance indicators which play an important role in its long-term strategic direction. Please note that these performance indicators are not considered key performance indicators. Examples include:

- greenhouse gas emissions
- employee commitment index
- percentage of women in leadership positions

Research and development (R&D)

Innovating, developing new products and making existing products better is an integral part of our strategy. This is because it helps us gain more of a competitive edge and strengthen our position as a leading provider of containment solutions and delivery systems for injectable drugs and in particular biologics.

Today's drugs call for high-end containment solutions and delivery systems. Biologics for treating diabetes, cancer or autoimmune diseases, for instance, are highly sensitive to the environment they are stored in. The same holds true for mRNA vaccines which need to be stored at very low temperatures. Such drugs require high-end containment solutions and delivery systems that protect their sensitive formulations against interactions or influences that might impair their effectiveness.

Science-based and customer-focused

Our research and development is geared toward generating the greatest benefit possible with our products. We want to ensure that our customers' products remain stable, effective and clean before they are administered.

The solutions we have developed include coatings that enable sensitive drugs to be contained safely and stably. In light of the changing trends we have been seeing in routes of administration for injectable drugs, as discussed in the Market and Competition section, our R&D focus also includes containment solutions and delivery systems for portable medical devices that enable injectable drugs to be administered to patients at home.

While we are developing state-of-the-art containment solutions and delivery systems for drugs, we are also researching and developing new ideas for innovative product packaging that could add value for our customers by making filling processes simpler, safer and more efficient. We also place great importance on designing both new and existing products in a way that can be deemed sustainable across the entire product life cycle. This means that we factor in sustainability aspects at an early stage in a product's development, for example by calculating the carbon footprint of the materials used and the total packaging needed.

To understand the ever-changing needs faced by our customers, we are active on a number of technical committees and are in constant dialogue with relevant stakeholders. The President of Alliance to Zero, a non-profit association for pharma and biotech supply chain companies that aims to facilitate the transition of the pharma sector to compliance with net-zero emissions, is a SCHOTT Pharma manager.

Well-structured and value-oriented product development

Our R&D activities follow the Stage-Gate model which structures the development process into different stages. It is a risk-aware approach that reduces time to market. Pipelines and projects are managed in multiple stages by our executives and dedicated committees using performance indicators. This approach ensures that we create value for both our customers and ourselves. Before a project can move on to the next stage, it must pass through a gate, i.e. it must reach a milestone. At this point, critical success factors are evaluated, discussed and updated, for example the current status of the cost/benefit analysis versus its target range, the revenue and margin potential, and the status of various risk categories such as technology, quality or intellectual property. We also review how to leverage synergies and whether use cases can be expanded to include different product groups.

Our strategic road maps help us to decide on and subsequently implement R&D activities. We are also working on a comprehensive portfolio of products that are tailor-made for specific customers. In direct collaboration with our customers, we cover the entire process – from defining requirements to the successful launch.

Innovative culture

We are actively fostering and strengthening our innovative culture. As we build strategically relevant and forward-looking competencies, our R&D staff has the opportunity to grow professionally, build and maintain external partnerships, and use their skill set to make a difference for the benefit of our innovations and, in turn, for our company. One example is the sterile cartridges business where we had dedicated ourselves to building specific competencies over many years. As well as ultimately launching a new product platform, we intensified our collaboration with Ypsomed. Exchange platforms and digital tools enable knowledge to be shared effectively. And our "Best Teams" approach allows us to bring together the resources that are best suited to ensure a project's success.

R&D in numbers

Our R&D centres are located in Switzerland, Germany and China, and our analysis laboratories can be found in Germany and the US. More than 120 qualified and specialised employees were working on developing new products, processes and technologies, and continuous improvement as of 30 September 2024. Our R&D approach includes collaborations with external partners, which allows us to access additional expertise. We have forged partnerships to improve our ability to leverage further growth potential in the injectable drugs market and support our specialised business model with less capital expenditure and limited R&D risks than competitors with a greater diversification.

We held more than 1,000 patents at the end of the financial year – a testament to our innovativeness. We are a leader in original ideas and these patents help us protect our key technologies. They also play a central role in our ambitions to significantly improve our product mix in favour of HVS and to pursue sustainable and profitable growth in the years to come.

The financial year 2023/2024 saw us successfully expand the portfolios for our innovative coated SCHOTT EVERIC® care vials and sterile SCHOTT cartriQ® cartridges. Customers use our groundbreaking EVERIC® care solution for safely storing highly sensitive drugs across a broad pH range. While our increased cartriQ® portfolio can be used for a large number of drugs, it also helps to meet the growing demand for GLP-1 drugs.

We spent EUR 24.3m on research and development in the financial year 2023/2024, compared with EUR 26.8m in the financial year 2022/2023. This corresponds to 2.5% of our revenue (previous year: 3.0%). Most of this expenditure was invested in HVS.

Business Review of the Group

Macroeconomic and industry environment

Following the broad-based recovery seen in 2023, the various economic areas that are essential for us continued to stabilise at the turn of the year 2023/2024. China and the US in particular have recently performed better than analysts for the International Monetary Fund (IMF)[1] had expected back in April. Regarding the European (euro area) economy, analysts are anticipating that growth will double from 0.4% in 2023 to 0.8% in 2024, confirming their predictions in April that 2023 will have marked a low point in economic growth. Improved export activities in particular will drive the recovery that is expected to materialise in 2024. In China and the US, experts believe that growth momentum will weaken in 2024. Even though Chinese economic output of 4.8% (IMF) is set to significantly outpace growth rates in Europe and the US, it would still constitute a decrease of 0.4 percentage points vis-à-vis the previous year. This downturn can be attributed to a weak real estate market and low consumer confidence, which can only be offset in part by recently recovering export growth. The IMF expects the US economy to ease slightly, from 2.9% in 2023 to 2.8% in 2024, as a result of slowing consumer spending. All in all, economists are anticipating solid global economic growth of 3.2% for 2024, largely in keeping with the previous year.

According to forecasts by data analytics and consultancy firm GlobalData, our target market for injectable drugs is set to perform strongly again in 2024 (+13%). Drivers for this high growth rate include personalised cancer treatments, drugs for chronic diseases and the burgeoning GLP-1 agonists. Back in 2023, the drug market lost 7% year on year when demand for Covid-19 vaccines dissipated. However, as 2023 was an outlier – with strong growth recorded in previous years –, average annual market growth for the period from 2021 to 2024 is expected to amount to 8%.

2024 was dominated by two market developments. On the one hand, most product categories for injectable drug containment solutions continued to perform very well, driven by the unabated high demand for biologics. This underlines the long-term positive assessment not only of biologics but also of our high-value solutions. The 2023 FDA approvals confirm the structural trend towards biologics, with approved biologics accounting for an increasingly large share compared with approved small molecules.

On the other hand, demand for vials receded in 2024, as market participants reduced their inventories at the beginning of the year and then went on to scale down their safety stocks. Many companies had built up a safety stock in vials during the Covid-19 pandemic to secure their supply chains and avoid potential bottlenecks. The increasing geopolitical uncertainties brought about by the war in Ukraine might have increased stocking up. We assume that the market has already completed its inventory reductions. Recovery is slow, and customers have been using the shorter lead times for vials – resulting from available market capacity – to reduce safety stocks more than before the pandemic. Conversely, demand for vials that were specifically developed for sensitive biologics has been increasing again in 2024.

SCHOTT Pharma's key currencies are the euro, the US dollar and the Swiss franc, along with other currencies such as the Chinese renminbi, Brazilian real, Indonesian rupiah, Mexican peso and Hungarian forint.

Mid-market rate as of the reporting date

1 euro =	30 Sep 2024	30 Sep 2023	Change in %
Brazilian real	6.09	5.30	+15%
Chinese renminbi	7.84	7.67	+2%
Indonesian rupiah	16,969.02	16,414.16	+3%
Mexican peso	21.87	18.40	+19%
Swiss franc	0.94	0.97	–3%
Hungarian forint	397.04	389.10	+2%
US dollar	1.12	1.06	+6%

[1] "World Economic Outlook – Policy Pivot, Rising Threats", International Monetary Fund, October 2024.

Results of operations

SCHOTT Pharma generated record revenue of EUR 957.1m in the financial year 2023/2024. This is equivalent to year-on-year revenue growth of 6.5% and constant-currency revenue growth of 12.1%.

This strong revenue growth was driven by a consistently buoyant demand for HVS products, which confirms our strategic focus on increasing the revenue share of these products. Revenue distribution by segment was as follows:

			Change in %	
(in EUR m)	2023/2024	2022/2023	Reported	Constant currencies
Drug Containment Solutions (DCS)	518.7	558.0	–7.0%	+3.1%
Drug Delivery Systems (DDS)	438.8	343.6	+27.7%	+25.9%
Reconciliation/consolidation	–0.4	–3.0	+87.9%	+87.9%
SCHOTT Pharma revenue	**957.1**	**898.6**	**+6.5%**	**+12.1**

While reported revenue in the DCS segment fell short of the previous year's figure, decreasing by 7.0% to EUR 518.7m, constant-currency growth was positive, at 3.1%. This was driven by positive revenue growth with vials in the second half of the financial year, while vial sales in the first half of the financial year were still low due to customers temporarily destocking. Having built up safety stocks during the pandemic, customers have been scaling them down again since the third quarter of last year.

The DDS segment once again posted a very positive revenue performance compared with the previous year. Revenue amounted to EUR 438.8m, growing by EUR 95.2m or 27.7% on a reported basis and by 25.9% at constant currencies. This is attributable to the rapid expansion of our manufacturing capacities and also confirms the high customer demand for prefillable syringes and in turn our strategic decision to focus on HVS products.

Geographically speaking, the highest revenue increase was in the EMEA region, where we benefited from demand for our prefillable glass and polymer syringes. By contrast, revenue in North America was negatively affected by our customers temporarily scaling back safety stocks in vials that had been built up during the pandemic. For an overview of revenue distribution by region, please refer to the following table:

(in EUR m)	2023/2024	2022/2023	Change
EMEA	539.4	475.8	+63.6
Asia and South Pacific	168.8	155.6	+13.2
North America	166.8	184.6	–17.8
South America	82.1	82.6	–0.5
SCHOTT Pharma revenue	**957.1**	**898.6**	**+58.5**

SCHOTT Pharma's EBITDA improved by EUR 18.6m to EUR 257.6m, leading to an EBITDA margin of 26.9% (previous year: 26.6%). However, EBITDA continued to be impacted by exchange rate effects resulting from the US dollar and Swiss franc moving against the euro and from the valuation of forward foreign exchange contracts. Translation effects related to the Argentine peso and Hungarian forint also contributed to exchange rate effects. Exchange rate effects recognised in profit or loss are reported under the "Reconciliation/consolidation" item. In constant currencies, EBITDA climbed by 17.0%. The constant-currency EBITDA margin was 27.8%.

The above developments led to the following EBITDA distribution by segment:

(in EUR m)	2023/2024	2022/2023	Change in % Reported	Change in % Constant currencies
Drug Containment Solutions (DCS)	101.3	109.5	–7.5%	+5.9%
Drug Delivery Systems (DDS)	166.4	128.8	+29.2%	+26.4%
Reconciliation/consolidation	–10.1	0.7	–1,547.6%	+34.8%
SCHOTT Pharma EBITDA	**257.6**	**239.0**	**+7.7%**	**+17.0%**

While reported EBITDA decreased to EUR 101.3m year on year, it increased by 5.9% at constant currencies, resulting in a constant-currency EBITDA margin of 20.2% (previous year reported: 19.6%). The EBITDA figure was impacted by ramp-up costs relating to capacity relocations and a temporarily reduced capacity utilisation in vial production following our customers' destocking processes. Introducing efficiency measures early on made it possible to offset the negative effects of lower capacity utilisation.

The DDS segment posted a significant year-on-year EBITDA increase on an absolute and constant-currency basis, with a constant-currency EBITDA margin of 37.7% (previous year reported: 37.5%). This positive development is due to significant revenue growth and resulting operating economies of scale, while ramp-up costs related to capacity expansions put a strain on EBITDA.

The detailed breakdown for SCHOTT Pharma is as follows:

(in EUR m)	2023/2024	2022/2023	Change
Revenue	**957.1**	**898.6**	**+58.5**
Cost of sales	–634.5	–582.1	–52.4
Gross profit	**322.6**	**316.5**	**+6.1**
Selling expenses	–79.8	–79.2	–0.6
General administrative expenses	–44.6	–42.9	–1.7
Research and development costs	–24.3	–26.8	+2.5
Other operating income and expenses	6.2	13.1	–6.9
Share of profit from investments accounted for using the equity method	12.5	11.7	+0.8
Operating income (EBIT)	**192.6**	**192.4**	**+0.2**
Financial result	–8.6	–6.6	–2.0
Income tax expenses	–33.7	–33.9	+0.2
Profit for the period	**150.3**	**151.9**	**–1.6**
thereof attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA	149.7	151.8	–2.1
Earnings per share in EUR	**0.99**	**1.01**	**–0.02**

Cost of sales increased by 9.0%, resulting in a gross profit margin of 33.7% (previous year: 35.2%). This mainly reflects the temporarily lower capacity utilisation in vial production in the DCS segment and the ramp-up costs related to capacity expansions and capacity relocations in both segments. The ratio of selling and general administrative expenses to revenue was down year on year at 13.0% (previous year: 13.6%).

Other operating income and expenses fell by EUR 6.9m to EUR 6.2m, driven mainly by exchange rate losses of EUR 11.1m (previous year: exchange rate gains of EUR 2.7m). As well as this, impairment losses on assets in Russia were partially reversed in the financial year 2022/2023, leading to write-ups of EUR 5.7m. Government grants received in the financial year 2023/2024 amounted to EUR 8.9m (previous year: EUR 1.3m). Other operating income also includes EUR 2.4m in cost reimbursements related to the IPO (previous year: EUR 4.8m), with underlying costs in the amount of

EUR 2.4m being recognised in other operating expenses (previous year: EUR 4.1m). Such reimbursements are made by SCHOTT Group companies under a cost assumption agreement concluded in the financial year 2022/2023.

An increase in financial liabilities reduced the financial result by EUR 2.0m compared with the previous year. The key driver here were the increased financing needs for capacity expansion projects of individual SCHOTT Pharma companies.

Income tax expenses were reduced by EUR 0.2m year on year to EUR 33.7m. As profit before income taxes decreased by EUR 1.8m, the tax rate showed a small increase to 18.3% compared with 18.2% in the previous financial year. The tax-relevant partial value adjustment of a subsidiary and the reversal of tax provisions recognised in previous years had both made a positive contribution in 2022/2023. The tax-relevant partial value adjustment was reversed in the financial year 2023/2024, negatively impacting the tax rate. At the same time, non-recurring tax income in a low single-digit million range that was recognised in the first half of the financial year 2023/2024, following a change in the measurement of deferred taxes, had the opposite effect.

Overall, profit for the period decreased slightly to EUR 150.3m and earnings per share was EUR 0.99 compared with EUR 1.01 in the previous year.

Financial position

Financial management principles

SCHOTT Pharma KGaA is the central organisational unit responsible for SCHOTT Pharma's financial management. The main goal of financial management is to secure liquidity and raise financial resources for the Group at the most favourable interest and exchange rates possible.

SCHOTT Pharma is included in SCHOTT Group's global cash pool. The cash pool balances represent our key liquidity position and are reported as financial receivables or payables vis-à-vis SCHOTT Group within the Consolidated Statement of Financial Position. Where regional circumstances prevent individual SCHOTT Pharma companies from being included in the cash pool, such companies have low external bank balances reported under cash and cash equivalents.

SCHOTT Pharma ensures its liquidity supply through rolling liquidity planning and by maintaining liquidity reserves. Our operating business is our primary source of liquidity. SCHOTT Group granted several revolving credit facilities in a total amount of EUR 412m (previous year: EUR 315m) to SCHOTT Pharma companies as of 30 September 2024, with a term ending on 31 December 2027, of which a total of EUR 201m (previous year: EUR 138m) was drawn as of the reporting date.

The SCHOTT Pharma companies invest excess liquidity at standard market conditions via SCHOTT AG's Treasury. To ensure that existing funds can be accessed swiftly if required, short-term availability is generally deemed more important than profit maximisation.

As a global enterprise, we use various hedging instruments to minimise negative impacts resulting from default, currency and interest rate risk on financial position and financial performance. We are able to mitigate currency risks to a great extent because most of our production is local while our purchasing activities are global. Net currency positions determined on a regular basis using currency-specific liquidity forecasts serve as the basis for hedging the remaining transaction risks. The foreign exchange forwards that are used to minimise transaction risk have a remaining term of no more than twelve months.

Equity ratio and net debt

Our equity ratio, i.e. the ratio of equity to total assets in the Consolidated Statement of Financial Position, is monitored on an ongoing basis and was 54.9% as of 30 September 2024 (previous year: 56.2%). This decline is the combined result of a EUR 210.5m increase in total assets and a EUR 100.1m increase in equity. Please refer to the Net Assets section below for more details on the increase in total assets. At EUR 150.3m, profit for the period was the main factor driving the increase in equity, while this was partially offset by EUR –22.6m in dividend payments to our limited liability shareholders, EUR –0.4m in payments to non-controlling interests, EUR –5.5m in actuarial losses from pension provisions and EUR –21.7m in currency translation effects.

Net debt is an internal key financial performance indicator at SCHOTT Pharma:

(in EUR m)	30 Sep 2024	30 Sep 2023
Cash and cash equivalents	–23.2	–24.4
Other marketable securities	–3.2	–1.5
Financial receivables – SCHOTT Group	–141.3	–35.5
Financial payables – SCHOTT Group	200.5	137.5
Lease liabilities	85.8	72.3
Net debt	**118.6**	**148.4**

Net debt was down on the previous year, mainly because of changes to the items “Financial receivables – SCHOTT Group” and “Financial payables – SCHOTT Group” that comprise the cash pool payables and receivables vis-à-vis SCHOTT Group. The main driver behind this decrease was a positive free cash flow generated in the financial year 2023/2024, which was partially offset by an increase in lease liabilities in connection with new leases for a commercial property in Serbia, land in the US and an office property in Mainz, Germany.

Statement of cash flows

(in EUR m)	2023/2024	2022/2023	Change
Cash flows from operating activities	225.3	181.7	+43.6
Cash flows from investing activities	–145.9	–171.4	+25.5
Cash flows from financing activities	–78.2	–11.4	–66.8
Net change in cash and cash equivalents	+1.2	–1.2	+2.4
Cash and cash equivalents at beginning of the period	24.4	28.8	–4.4
Change in cash and cash equivalents due to foreign exchange rates	–2.4	–3.3	+0.9
Cash and cash equivalents at end of the period	23.2	24.4	–1.2

At EUR 225.3m, cash flows from operating activities significantly exceeded the previous year’s level. Profit for the financial year 2023/2024 of EUR 150.3m (previous year: EUR 151.9m) and especially non-cash effective depreciation, amortisation and impairment of non-current assets in the amount of EUR 65.0m (previous year: EUR 46.6m) made a positive contribution. Non-cash effective depreciation, amortisation and impairment all impact profit for the period; this requires adjustments to the statement of cash flows. The increase in depreciation, amortisation and impairment is primarily due to investments in property, plant and equipment and to a EUR 5.2m reversal of impairment losses in the previous year that was attributable to property, plant and equipment in Russia for which impairment losses had been recognised in the financial year 2021/2022. In addition, our customers made advance payments for future serial deliveries in the financial year under review, which pushed contract liabilities up by EUR 17.5m (previous year: EUR 28.6m). This also had a positive impact on cash flows from operating activities, while a EUR 17.0m increase in trade receivables from third parties and SCHOTT Group (previous year: EUR 32.4m) and an increase in contract assets – owing to revenue growth – made a negative contribution.

Cash flows from investing activities amounted to EUR –145.9m, a year-on-year improvement of EUR 25.5m. This can be attributed primarily to a EUR 30.2m reduction in investments in the purchase of property, plant and equipment and intangible assets compared with the previous financial year. Proceeds from disposals of property, plant and equipment that decreased by EUR 3.3m year on year had an offsetting effect. The DDS segment accounted for 63% of capital expenditure in the financial year under review. As in the previous year, investments focused on capacity expansion projects, in particular the construction and expansion of manufacturing facilities in Germany, Hungary and Switzerland. All major investments were carried out as planned in the financial year under review without any significant delays.

Cash flows from financing activities were reduced materially compared with the previous year (EUR –78.2m versus EUR –11.4m in the financial year 2022/2023). Cash flows of EUR –47.6m (previous year: EUR +143.6m) can be attributed to changes in the "Financial receivables – SCHOTT Group" and "Financial payables – SCHOTT Group" Statement of Financial Position items as a result of the positive free cash flow. At the same time, cash flows of EUR –22.6m (previous year: EUR –18.9m) resulted from dividend distributions to our limited liability shareholders. "Financial receivables – SCHOTT Group" and "Financial payables – SCHOTT Group" comprise the cash pool payables and receivables vis-à-vis SCHOTT Group. Since SCHOTT Pharma companies are permitted to draw down liquidity to finance their operating business as per the cash pool agreements, cash pool transactions can be characterised as financing transactions and are therefore generally classified as financing activities. Further cash flows included the allocation to plan assets of EUR –3.5m (previous year: EUR –4.6m) and repayment of lease liabilities of EUR –3.6m (previous year: EUR –3.5m). The figure for the prior-year period had also included EUR –126.8m in cash flows relating to other transactions with SCHOTT Group as a result of the legal reorganisation. This year's amount was mainly attributable to the acquisition of shares in SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, for a purchase price of EUR 124.5m.

All in all, net change in cash and cash equivalents was EUR 1.2m. Taking into consideration changes resulting from exchange rate fluctuations, which reduced cash and cash equivalents by a total of EUR 2.4m, cash and cash equivalents stood at EUR 23.2m as of 30 September 2024.

We aim to continue pursuing our extensive capacity expansion programme. Order commitments from investments in property, plant and equipment and intangible assets amounted to EUR 104m as of the reporting date (previous year: EUR 134m). The largest investment projects currently being implemented relate to capacity expansions in the DDS segment.

Net assets

(in EUR m)	30 Sep 2024	30 Sep 2023	Change
Non-current assets	853.7	763.5	+90.2
Current assets	588.6	468.3	+120.3
Total assets	**1,442.3**	**1,231.8**	**+210.5**
Equity	792.3	692.2	+100.1
Non-current liabilities	214.5	188.5	+26.0
Current liabilities	435.5	351.1	+84.4
Total equity and liabilities	**1,442.3**	**1,231.8**	**+210.5**

Non-current assets

Non-current assets rose by EUR 90.2m to EUR 853.7m compared to the previous year. This increase is mainly due to the EUR 85.2m growth in intangible assets and property, plant and equipment. Capital expenditure amounting to EUR 163.3m is offset by depreciation and amortisation (including impairment losses and reversals of impairment losses) of EUR 65.0m and the disposal of non-current assets of EUR 1.3m. In addition, exchange rate effects resulted in a decrease of EUR 17.3m, while inflationary adjustments at our Argentinian subsidiary led to an increase of EUR 5.5m. Capital expenditure includes EUR 18.0m in non-cash additions for right-of-use assets related to leases, attributable for the most part to a commercial property in Serbia, land in the US and an office property in Mainz, Germany. The SCHOTT Pharma companies in Hungary, Germany and Switzerland account for the bulk of cash investments, and most investments are related to the expansion of manufacturing capacities in the DDS segment.

The positive performance of our joint ventures contributed to a EUR 6.0m increase in investments accounted for using the equity method.

Current assets

Current assets were up by EUR 120.3m compared with the previous year. This was mainly driven by a EUR 105.9m increase in the Statement of Financial Position item “Financial receivables – SCHOTT Group” after a SCHOTT Pharma intra-group loan of EUR 103.5m was repaid in the first half of the financial year under review; this is now being financed via the cash pool with SCHOTT AG. The Statement of Financial Position item “Financial payables – SCHOTT Group” therefore increased by the same amount. In addition, revenue growth led to trade receivables from third parties and SCHOTT Group, together with contract assets, increasing by EUR 11.9m.

Equity

SCHOTT Pharma’s equity amounted to EUR 792.3m as of the reporting date (previous year: EUR 692.2m), and the equity ratio decreased from 56.2% to 54.9% as of the reporting date. For an explanation of the decrease, please refer to the elaborations on the equity ratio in the Financial Position section.

Non-current liabilities

Non-current liabilities grew by EUR 26.0m to EUR 214.5m. This was due in part to contract liabilities, which increased by EUR 12.5m to EUR 78.6m as of the reporting date. The rise in contract liabilities resulted mainly from two customers making advance payments for existing long-term series supply contracts. Other financial liabilities also increased by EUR 11.9m as a result of higher lease liabilities. This in turn relates to new lease agreements for a commercial property in Serbia, land in the US and an office property in Mainz, Germany, all of which were entered into in the financial year 2023/2024.

Current liabilities

Current liabilities amounted to EUR 435.5m, an increase of EUR 84.4m compared with the previous year. The item “Financial payables – SCHOTT Group”, which posted an increase of EUR 63.1m, was the main driver for this growth after a SCHOTT Pharma intra-group loan of EUR 103.5m was repaid, as described above; this is now being financed via the cash pool with SCHOTT AG. The main offsetting effect came from the positive free cash flow generated in the financial year under review. In addition, income tax liabilities went up by EUR 14.9m year on year due to tax returns for previous years for which tax assessment notes are still pending. Contract liabilities were reclassified from non-current liabilities to current liabilities because the deliveries for which the advance payments were made are expected to take place in the following financial year. This reclassification contributed EUR 5.2m to the increase of current liabilities.

Overall performance assessment by the Management Board

The financial year 2023/2024 marked another crucial milestone for SCHOTT Pharma in implementing its growth strategy. We have proven that we can overcome external challenges and manage strong growth. This can be seen from the fact that we were included in the SDAX just a few weeks after our IPO and advanced to the MDAX within the space of just one year.

We achieved revenue and profit growth despite the complex and challenging geopolitical and macroeconomic environment, with growth based on organic increases. The consistently high demand for our HVS product solutions was the main driver for the strong growth momentum, which exceeded the market average, enabling us to post revenue of EUR 957.1m and constant-currency revenue growth of 12.1% compared with the previous year. This revenue growth also helped us to increase EBITDA by EUR 18.6m to EUR 257.6m, leading to a constant-currency EBITDA margin of 27.8%, which slightly exceeded the previous year's level.

In line with our ambitious growth targets, we used cash capital expenditure of EUR 145.3m to continue expanding our manufacturing capacities in the financial year. What is more: capital expenditure for our production network – including investments that have already been effected and those scheduled for the next financial year – provides a solid foundation for future organic growth.

Target/actual comparison with the previous-year forecast

The table below compares our actual performance with the forecast for our key financial performance indicators published in the Annual Report 2022/2023, so that our limited liability shareholders, customers and all other partners can assess our performance. The forecast assumes constant exchange rates and excludes portfolio measures.

Key financial performance indicator	Baseline Financial year 2022/2023	Initial forecast 2023/2024	Updated forecast 2023/2024	Target achievement 2023/2024
Organic revenue growth	EUR 898.6m	+9% to 11%	+11% to 13%	+12.1%
EBITDA margin	26.6%	Approximately at previous year's level	Approximately at previous year's level	+27.8%

The revenue forecast made in the Annual Report 2022/2023 was adjusted in the Quarterly Statement 9M 2023/2024 (see table above). This was because SCHOTT Pharma posted a strong performance in the first nine months of the financial year 2023/2024 and changed its assumptions regarding future performance.

We generated strong organic revenue growth of 12.1% in the financial year 2023/2024, which enabled us to reach the upper half of our adjusted forecast range. The EBITDA margin also rose (+1.2 percentage points), exceeding expectations slightly.

Annual Financial Statements of SCHOTT Pharma AG & Co. KGaA (HGB)

General

While the Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Annual Financial Statements of SCHOTT Pharma KGaA comply with the provisions of the HGB and the supplementary provisions of the AktG.

SCHOTT Pharma KGaA is the parent company of SCHOTT Pharma Group and its registered office is in Mainz, Germany. Besides its own operations, the financial position and financial performance of SCHOTT Pharma KGaA are significantly influenced by its status as a holding company. In Germany, SCHOTT Pharma KGaA has a manufacturing location in Müllheim which specialises in producing vials and polymer syringes. The net retained profit (Bilanzgewinn) reported in the Annual Financial Statements of SCHOTT Pharma KGaA in accordance with German commercial law is decisive for dividend distributions to our limited liability shareholders.

The macroeconomic and industry environment corresponds to that of the Group, as described in the Business Review of the Group.

Results of operations

(in EUR m)	2023/2024	2022/2023	Change
Revenue	164.4	180.0	–15.6
Decrease in finished goods and work in progress	–0.3	–2.2	+1.9
Other own work capitalised	0.0	0.2	–0.2
Total operating performance	**164.1**	**178.0**	**–13.9**
Other operating income	10.6	14.7	–4.1
Cost of materials	–47.7	–50.3	+2.6
Personnel expenses	–61.3	–58.1	–3.2
Amortisation, depreciation and impairment of intangible fixed assets and property, plant and equipment	–11.6	–9.0	–2.6
Other operating expenses	–65.3	–55.5	–9.8
Income from investments	60.2	146.9	–86.7
Income from long-term loans	1.6	0.0	+1.6
Other interest and similar income	2.9	0.5	+2.4
Impairment of financial assets	–11.1	–111.5	+100.4
Interest and similar expenses	–0.1	0.0	–0.1
Income taxes	–2.4	–12.3	+9.9
Profit for the period	**39.9**	**43.6**	**–3.7**
Profit carried forward	27.5	6.5	+21.0
Net retained profit	**67.4**	**50.1**	**+17.3**

Compared with the previous year, SCHOTT Pharma KGaA's revenue decreased to EUR 164.4m. Of this amount, EUR 87.3m resulted from the sale of pharmaceutical packaging (previous year: EUR 116.0m), EUR 41.0m from rendering services, charging brand licence fees and passing on overhead costs to affiliated companies (previous year: EUR 39.0m) and EUR 36.1m from contract manufacturing services provided to SCHOTT Pharma Schweiz AG, St Gallen, Switzerland (previous year: EUR 25.0m). Non-sterile vials accounted for almost all of the pharmaceutical packaging sold, while our contract manufacturing services were commissioned almost exclusively for sterile polymer syringes. The fall in vial sales was due to customers temporarily destocking in the first half of the financial year 2023/2024. Having built up safety stocks during the pandemic, customers have been scaling them down again since the third quarter of last year.

Other operating income included primarily exchange rate gains of EUR 6.6m (previous year: EUR 9.4m) and income from passing on costs totalling EUR 2.3m (previous year: EUR 4.4m) to SCHOTT Group companies. Costs passed on were incurred by SCHOTT Pharma KGaA in connection with the IPO and were reimbursed by SCHOTT AG based on a cost assumption agreement entered into in the financial year 2022/2023.

Lower revenue reduced cost of materials by EUR 2.6m, while personnel expenses increased by EUR 3.2m year on year. This increase was due above all to higher staffing levels necessitated by the increased requirements related to the IPO in the past financial year.

Other operating expenses mainly comprise selling, general administrative and maintenance expenses of EUR 28.4m (previous year: EUR 29.1m), expenses for services of EUR 19.4m (previous year: EUR 14.3m), currency and exchange rate losses of EUR 8.6m (previous year: EUR 5.9m) and lease expenses of EUR 5.3m (previous year: EUR 4.9m).

Income from investments, which includes dividend distributions received from subsidiaries in Switzerland, Indonesia, Brazil and Colombia and from our joint venture in Italy, was down by EUR 86.7m compared with the previous year. The exceptionally high dividend payments of the previous year were made to compensate for the impairments of financial assets that were necessary in that period. The impairment of financial assets of EUR 11.1m recorded in the financial year under review was fully attributable to shares in SCHOTT Pharma USA, Inc., Lebanon, USA.

SCHOTT Pharma KGaA granted its subsidiary in Switzerland a loan of EUR 103.5m as of 30 September 2023, which was paid back as of 31 March 2024. The interest income collected over the period of the loan is recognised under income from long-term loans.

The repayment of this loan also led to an increase in cash pool receivables vis-à-vis SCHOTT AG. Due to the year-on-year rise in cash pool receivables, SCHOTT Pharma KGaA's interest income was up by EUR 1.4m. In addition, a return on plan assets of EUR 1.0m was generated in the financial year under review as a result of favourable market developments. Both effects led to an increase in other interest and similar income.

Tax expenses amounted to EUR 2.4m, compared with EUR 12.3m in the previous year. The year-on-year decrease was mainly due to the company's declining operating result, while dividend income received is only subject to a minimum tax.

This means that SCHOTT Pharma KGaA generated profit for the period of EUR 39.9m in the financial year 2023/2024 (previous year: EUR 43.6m). EUR 22.6m of the previous year's net retained profit was distributed as dividends and EUR 27.5m carried forward. This resulted in net retained profit of EUR 67.4m for the financial year 2023/2024.

The Management Report as of 30 September 2023 projected a marked year-on-year decline in profit for the financial year 2023/2024. Profit for the period eventually came in EUR 3.7m (or 8.4%) below the previous year's level – less of a decrease than originally assumed. This is a result of our subsidiaries' higher dividend distributions which resulted in increased income from investments. These were collected to safeguard SCHOTT Pharma KGaA's long-term ability to distribute dividends to its limited liability shareholders.

Financial position

(in EUR m)	2023/2024	2022/2023	Change
Cash flows from operating activities	–1.8	17.0	–18.8
Cash flows from investing activities	131.1	–16.6	+147.7
Cash flows from financing activities	–129.3	–0.4	–128.9
Net change in cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at end of the period	0.0	0.0	0.0

At EUR –1.8m, cash flows from operating activities in the financial year 2023/2024 were down compared with the previous year. Cash flows are determined based on profit for the period of EUR 39.9m (previous year: EUR 43.6m). This profit needs to be adjusted by EUR –37.5m (previous year: EUR –26.5m) to account for non-cash effective depreciation, amortisation and impairment of intangible fixed assets and property, plant and equipment and income from investments that must be reported in the investing activities. Further adjustments in the amount of EUR –3.4m (previous year: EUR –0.5m) are required for interest income to be recognised under investing or financing activities. Cash outflows were related to a year-on-year reduction in provisions (EUR –2.1m; previous year: cash inflows of EUR 12.0m) and to income tax expenses in the financial year under review (EUR –4.3m; previous year: cash inflows of EUR 2.5m). This was partially offset by cash inflows of EUR 5.5m from year-on-year changes to working capital items (previous year: cash outflows of EUR –14.0m).

Cash flows from investing activities amounted to EUR 131.1m (previous year: cash flows of EUR –16.6m). The bulk of this, EUR 103.5m, can be attributed to the repayment of an intra-group loan by our subsidiary in Switzerland. Further cash flows included received dividends of EUR 83.9m (previous year: EUR 123.3m), interest income of EUR 1.6m from the loan granted (previous year: EUR 0.0m) and proceeds from disposals of property, plant and equipment of EUR 3.7m (previous year: EUR 9.7m). The latter resulted almost entirely from disposals in the previous year, which were only settled in the financial year under review and therefore had an impact on cash flows. Payments included EUR –42.0m for investments in property, plant and equipment and intangible assets (previous year: EUR –44.5m) as well as EUR –19.6m for investments in non-current financial assets (previous year: EUR –105.0m). In the financial year under review, outflows to non-current financial assets included EUR –15.6m for a capital increase at our subsidiary in Brazil and EUR –4.0m for an intra-group loan granted to our subsidiary in Serbia. In the previous year, an intra-group loan granted to our subsidiary in Switzerland accounted for most of this outflow.

Almost all the investments in property, plant and equipment and intangible assets relate to our manufacturing location in Müllheim, with investments focused on growth projects and capacity expansion in the area of polymer syringes. All major investments were carried out as planned in the financial year under review without any significant delays.

Cash flows from financing activities for SCHOTT Pharma KGaA amounted to EUR –129.3m compared with EUR –0.4m in the previous year. At EUR –108.5m, this was mainly due to the increase in cash pool receivables vis-à-vis SCHOTT AG (previous year: EUR 18.0m decrease). Since SCHOTT Pharma KGaA is permitted to draw down liquidity to finance its operating business as per the cash pool agreements, cash pool transactions can be characterised as financing transactions and are therefore generally classified as financing activities. Further cash flows in the amount of EUR –22.6m resulted from dividend distributions to our limited liability shareholders (previous year: EUR –18.9m), while this was partially offset by cash flows of EUR 1.8m (previous year: EUR 0.5m) from interest income in connection with cash pool receivables.

SCHOTT Pharma KGaA has access above all to credit facilities from SCHOTT AG for financing its business activities. SCHOTT AG granted a revolving credit facility of EUR 100m (previous year: EUR 100m) to SCHOTT Pharma KGaA as of 30 September 2024, with a term ending on 31 December 2027. This credit facility had not been utilised as of the reporting date.

Net assets

(in EUR m)	30 Sep 2024	30 Sep 2023	Change
A. Fixed assets	**633.4**	**698.2**	**–64.8**
I. Intangible fixed assets	0.2	0.4	–0.2
II. Property, plant and equipment	140.6	110.1	+30.5
III. Financial assets	492.6	587.7	–95.1
B. Current assets	**167.6**	**89.8**	**+77.8**
I. Inventories	16.6	15.9	+0.7
II. Receivables and other assets	151.0	73.9	+77.1
C. Prepaid expenses	**0.6**	**0.6**	**+0.1**
Total assets	**801.6**	**788.5**	**+13.1**
A. Equity	**709.9**	**692.6**	**+17.3**
I. Subscribed capital	150.6	150.6	0.0
II. Capital reserve	491.9	491.9	0.0
III. Net retained profit	67.4	50.1	+17.3
B. Provisions	**53.7**	**55.7**	**–2.0**
C. Liabilities	**38.0**	**40.2**	**–2.2**
Total equity and liabilities	**801.6**	**788.5**	**+13.1**

SCHOTT Pharma KGaA's total assets increased to EUR 801.6m. Fixed assets account for 79% of total assets (previous year: 89%); the equity ratio is 89% (previous year: 88%).

Property, plant and equipment increased to EUR 140.6m. Capital expenditure totalling EUR 42.0m was offset by depreciation of EUR 11.4m and by disposals of EUR 0.1m.

Financial assets decreased vis-à-vis the previous year, mainly due to the repayment of an intra-group loan in the amount of EUR 103.5m by our subsidiary in Switzerland in March 2024. In addition, the impairment of shares in our US subsidiary to the lower fair value contributed EUR 11.1m to the decrease, while the capital increase of EUR 15.6m carried out at our subsidiary in Brazil in the financial year 2023/2024 made a positive contribution. Furthermore, a loan of EUR 4.0m was granted to our subsidiary in Serbia in April 2024. Because of its three-year term, the loan is recognised within fixed assets.

Within current assets, receivables from affiliated companies increased by EUR 75.1m to EUR 132.6m, of which EUR 109.5m (previous year: EUR 0.9m) was attributable to cash pool receivables vis-à-vis SCHOTT AG and EUR 23.1m (previous year: EUR 34.8m) to trade receivables. In the previous year, a further EUR 21.8m related to outstanding dividend receivables which were settled in the financial year under review. The marked increase in cash pool receivables vis-à-vis SCHOTT AG resulted mainly from the repayment of the intra-group loan by our subsidiary in Switzerland, as described in the previous section.

Of the EUR 17.3m increase in equity, EUR 39.9m is attributable to profit for the period. This was offset by dividend payments of EUR 22.6m.

Provisions decreased by EUR 2.0m to EUR 53.7m, which was due above all to lower personnel provisions reported under other provisions. The decrease resulted from the one-time recognition of provisions in the previous year for an inflation-adjustment bonus and bonus payments in connection with the IPO (paid out in the financial year under review).

The reduction in liabilities was caused for the most part by advances received on orders in the amount of EUR 1.1m. Advance payments were lower than in the previous year because the underlying orders were delivered in the financial year 2023/2024, meaning that the advance payments were settled.

Proposal for the appropriation of profits

Net retained profit (Bilanzgewinn) for the financial year 2023/2024 amounted to EUR 67.4m. The Supervisory Board and the Management Board propose to the Annual General Meeting to distribute a dividend of EUR 0.16 per no-par value share (corresponding to a total dividend distribution of EUR 24.1m) and to carry forward the remaining net retained profit of EUR 43.3m.

Employees

SCHOTT Pharma KGaA had 689 employees (previous year: 685 employees) as of 30 September 2024.

Overall performance assessment by the Management Board

As a holding company, SCHOTT Pharma KGaA's business performance depends on that of its subsidiaries and therefore on SCHOTT Pharma as a whole. This being the case, we generally refer to the Business Review of the Group, more specifically to the statements in the section titled Overall Performance Assessment by the Management Board. Despite the economic challenges, SCHOTT Pharma KGaA itself delivered a wholly satisfactory performance. With profit for the period generated, the Company is once again in a position to distribute a dividend to its limited liability shareholders for the financial year 2023/2024.

Risks and opportunities

The business performance of SCHOTT Pharma KGaA is subject to the same risks and opportunities as SCHOTT Pharma. SCHOTT Pharma KGaA is a holding company and as such participates in the risks of the investments and subsidiaries in proportion to the size of its shareholding. Please refer to the Report on Risks and Opportunities for an overview of the risks and opportunities to which SCHOTT Pharma is subject.

Forecast

SCHOTT Pharma KGaA focuses on profit for the period as an important factor for the dividend distribution proposal, making profit for the period the Company's key financial performance indicator.

The development of SCHOTT Pharma KGaA's profit for the period depends largely on the performance of its subsidiaries and therefore on SCHOTT Pharma. We expect stable profit for the financial year 2024/2025 compared with the previous year. This forecast is based on the assumption that no write-ups or impairments of financial assets are required in the financial year 2024/2025.

Please refer to the Forecast Report for a detailed overview of SCHOTT Pharma's expected future performance.

Forecast Report

Macroeconomic outlook

Analysts for the International Monetary Fund (IMF)[2] expect global growth to remain stable yet underwhelming. Global gross domestic product is projected to grow 3.2% in 2025, on a par with the previous year. However, the latest forecast for average global growth five years from now is 3.1%, which is below the average pre-pandemic levels. Persistent structural headwinds such as population ageing and weak productivity are holding back potential growth in many economies.

Dynamics differ in our core economic areas. In Europe, IMF experts expect the economic recovery to continue at a low level. Here, growth is projected to increase to 1.2% in 2024, up from 0.8% in the previous year, as rising real wages are expected to boost domestic consumption and a gradual loosening of monetary policy is likely to stimulate investment. IMF analysts expect growth in the

[2] "World Economic Outlook – Policy Pivot, Rising Threats", International Monetary Fund, October 2024.

US to decrease, as consumer spending continues to slow. Projected growth there is 2.2% in 2024, down from 2.8% in the previous year. In China, growth is expected to continue slowing but to remain strong in absolute terms, reaching 4.8% in 2023 and 4.5% in 2024.

The experts at GlobalData are much more optimistic about the growth prospects for the global pharma market in 2025, forecasting a leap in growth to 8% on a year-on-year basis. Their outlook also remains positive for the coming years, with a consistently high growth dynamic of 6% per annum expected on average between 2023 and 2027.

However, our target market for injectable drugs is expected to significantly outperform the pharma market once again. The Market and Competition section in the chapter titled Fundamental Information about the Group highlights structural growth drivers that are poised to boost demand for injectable drugs. According to the experts at GlobalData, the market is set to grow by 12% in 2025, with an average annual growth rate of 12% between 2023 and 2027. This means that the injectable drugs market is growing at twice the rate of the overall pharma market.

The excellent growth prospects for injectable drugs can also be seen from the strong biologics pipeline. While the clinical pipeline currently contains approximately 6,200 drugs, around 80% of these are sensitive biologics requiring high-quality solutions for safe drug containment and safe administration to patients.

As a pure-play provider, our comprehensive range of containment solutions and delivery systems for injectable drugs is unmatched. This means that we are ideally positioned to capitalise on the strong growth momentum in the market. In particular, the increase in biologics with more complex formulations should enable us to capture a disproportionate share of this market growth.

Overall assessment and expected development

We believe that our strong market position, in particular in the HVS segment, will allow us to outperform the market in the upcoming financial year. Consequently, we anticipate high single-digit organic revenue growth in the financial year 2024/2025, driven by both segments.

As revenue growth is expected to translate into EBITDA growth, we forecast our EBITDA margin to remain approximately at the same high level as in the financial year 2023/2024. For our Drug Containment Solutions segment, we project an increase in EBITDA, supported by the ongoing expansion of our HVS business and long-term measures to enhance cost efficiency. The Drug Delivery Systems segment is expected to see a slight and temporary year-on-year decrease in EBITDA due to product mix effects and costs associated with the expansion of our glass syringe production in Hungary.

Our forecast is based on various assumptions. It excludes portfolio measures but assumes that exchange rates will remain constant, that the geopolitical and global economic situation, global supply chains, inflation and energy supply will not deteriorate and that there will be no further relevant pandemic-related restrictions.

In an environment fraught with geopolitical challenges, we will maintain a strong focus on our strategic fields of action.

SCHOTT Pharma's actual performance may deviate positively or negatively from our forecasts, either due to the risks and opportunities described in the Report on Risks and Opportunities chapter or because our expectations and assumptions fail to materialise.

Report on Risks and Opportunities

Group-wide management of risks and opportunities

SCHOTT Pharma's Management Board bears overall responsibility for an effective risk management system and defines a set of provisions to ensure that any developments with the potential to jeopardise the Company's continued existence are detected at an early stage and that suitable measures are taken when required. The risk management system comprises all organisational measures, regulations and processes for identifying, assessing and managing risks and opportunities. Key elements include planning and governance processes, the internal control system and the early warning system. Responsibility for the coordination and development of these systems and for combined risk reporting lies with Finance. Operational and strategic risks are identified, managed and reported to the Management Board at a segment and Group function management level.

SCHOTT Pharma KGaA's Supervisory Board monitors the risk management system's effectiveness based on the preparatory work by its Audit Committee. As part of their statutory audit mandate for the annual and consolidated financial statements, the auditors assess whether the early warning system is capable of adequately recognising risks to the Company's continued existence at an early stage. Finally, Internal Audit reviews the functionality of the risk management system at regular intervals. Key results from these audits are discussed during Management Board, Supervisory Board and Audit Committee meetings, and findings are used to optimise the risk management system.

The Management Board assesses the risk management system's adequacy and effectiveness. At the time of preparing this report, the Management Board was not aware of any evidence indicating that the risk management system, in its entirety, was inadequate or ineffective as of 30 September 2024. That said, there are inherent limitations to the effectiveness of any risk management system. No system comes with a guarantee that all actually materialising risks will be identified or that all process violations can be excluded under any and all circumstances.

SCHOTT Pharma is closely integrated into SCHOTT Group and obtains services from SCHOTT AG and other Group companies to strengthen its own resources, for example in financial, IT or legal matters. SCHOTT Pharma is also integrated into selected SCHOTT Group management systems. The exact scope of the support services is governed by service contracts.

Planning and governance processes

SCHOTT Pharma's Controlling is responsible for all planning and forecasting processes, and analyses segmental results on an ongoing basis. With the assistance of Controlling, Risk coordinates the systematic identification, assessment and documentation of risks and opportunities, which are then taken into consideration in the planning and forecasting processes. Controlling also analyses the development of key performance indicators at various Group companies, segments and SCHOTT Pharma as a whole. Regular reports to the Management Board, coupled with recommendations for action, ensure that risks and opportunities are adequately taken into account in the Company's value-oriented management approach.

Accounting-related internal control system

The accounting-related internal control system (ICS) of SCHOTT Pharma KGaA and SCHOTT Pharma as a whole comprises all principles, procedures and measures aimed at the organisational implementation of Management Board decisions. The accounting processes focus on ensuring profitability, correct accounting and compliance with applicable law.

Elements of our accounting-related ICS include both process-integrated and process-independent monitoring and safety measures. Process-integrated safety measures contain defined organisational and control measures. The Supervisory Board, specifically SCHOTT Pharma KGaA's Audit Committee, and Internal Audit are involved in SCHOTT Pharma's ICS via process-independent auditing activities.

Organisational measures

Our accounting processes are strictly subject to the principle of the segregation of duties and second-party approval, which is why the tasks and duties to be performed by the divisions and companies involved are clearly separated from each other. This segregation of duties between administration, execution, invoicing and authorisation reduces the likelihood of fraudulent actions. It also helps to identify errors early on and to prevent potential misconduct.

Corporate Accounting (SCHOTT Group) has prepared a global accounting policy that has been largely adopted by SCHOTT Pharma, with certain additions. Changes to legislation and accounting standards are continually reviewed for relevance to the annual and consolidated financial statements. The accounting policy is adjusted as necessary, with written local and global work instructions completing the picture. The policies specify, among other things, the centralised definition of rules and parameters to ensure uniform accounting throughout the Group.

Employees involved in accounting processes fulfil qualitative requirements and receive regular training. Where accounting issues are complex, Corporate Accounting provides assistance to the local units, ensuring uniform and correct reporting in the consolidated financial statements. Actuarial calculations, Company valuations, purchase price allocations or other complex matters may be prepared by external service providers in collaboration with qualified SCHOTT Pharma employees.

Reporting itself makes use of a uniform Group-wide reporting system that reflects all consolidation processes. A series of internal controls coupled with steps carried out by SCHOTT Pharma KGaA's auditors ensure that financial reporting for the group is prepared accurately based on the Group companies' financial statements.

Accounting-related IT applications are subject to access restrictions, and only authorised individuals have controlled access to data and systems. Access authorisations are assigned based on an employee's specific duties and are regularly reviewed. The assignment of authorisations is always checked by a second person.

Control measures

Our accounting processes include extensive control activities to ensure reliable and correct accounting, compliance with legal requirements and internal policies, and proper conduct of business. An example of these control activities is the KPI-based analysis of facts and developments. In addition, the individual reporting units disclose a year-on-year comparison of anomalies and developments on a monthly basis. Another specific control to ensure reliable and correct Group accounting is the analysis and, if necessary, correction of the financial statements of Group companies. Our consolidation system includes multiple automated control mechanisms, which helps to identify erroneous information and correct it at Group level. Impairment tests of the goodwill recognised in the statement of financial position are performed at Group level to ensure the application of standardised and uniform measurement criteria.

SCHOTT AG's Internal Audit monitors the effectiveness and functionality of SCHOTT Pharma's systems and processes under service agreements concluded between the two companies, both by performing regular systematic audits and taking technical measures. Internal Audit also prepares a risk-focused audit plan once a year, closely consulting with SCHOTT Pharma throughout the process, and performs spot checks as to whether the group's control and risk management system complies with statutory provisions and internal policies. A particular focus lies on reviewing the functionality and effectiveness of defined controls. The audit results are reported directly to the audited units, allowing the latter to efficiently rectify identified shortcomings and contributing to the ICS's continuous development. The Management Board and Supervisory Board receive regular reports on the audit activities.

Early warning system

SCHOTT Pharma's Management Board has introduced an early warning system to identify developments that could jeopardise the Company's existence in accordance with section 91(2) AktG. The system's effectiveness is reviewed by SCHOTT Pharma KGaA's auditor in accordance with section 317(4) HGB.

The early warning system is integrated into SCHOTT Pharma's planning and governance processes and documented in a Group-wide risk management manual. This manual defines the framework, organisational structure, processes and risk reporting as well as how the effectiveness of the risk management system is monitored and controlled. In addition, risk management requirements are contained in many other sources, for example the Group companies' articles of association, rules of procedure or other policies.

Risks are defined as any developments or events that could have a negative impact on SCHOTT Pharma's future earnings development, to the extent that they have not already been fully anticipated in the Company's planning. Opportunities are defined as developments and events that could have a positive impact on SCHOTT Pharma's future earnings development, to the extent that they have not already been fully anticipated in the Company's planning.

Risk assessment covers all SCHOTT Pharma companies. The defined reporting process governs continuous risk status review and reporting. Where concrete risks have been identified, their classification, probability of occurrence and the measures planned for mitigation are documented. They are reported to Corporate Risk Management when defined size criteria are reached. The remaining net risk, i.e. the risk net of any risk-mitigating measures, is the key factor for the assessment. Corporate Risk Management aggregates the risk reports and provides the Management Board and Supervisory Board with regular reports on the risk situation. This reporting includes a risk-bearing capacity assessment, where the planned equity is compared with aggregated total risk to ensure that sufficient equity is available to cover the risk. An urgent reporting procedure has been implemented for newly emerging major risks to the company's financial position and financial performance, to deliver all necessary information immediately to SCHOTT Pharma KGaA's Management Board.

For the purposes of the early warning system, SCHOTT Pharma distinguishes between operational and strategic risks. Operational risks are defined as possible deviations from the plan or forecast for the current financial year. Both risks and opportunities are analysed and their impact on revenue and EBIT is assessed and regularly reported to the Management Board. Strategic risks jeopardise the achievement of strategic goals. We consider possible events that could occur in the medium term within a rolling time horizon of at least three years. The strategic risk analysis only focuses on downside risks. Strategic opportunities result in part from the reversal of strategic risks, since certain risks and the measures taken to mitigate them also open up opportunities. In addition, strategic opportunities are based on the assessments of the Management Board and the strategy department.

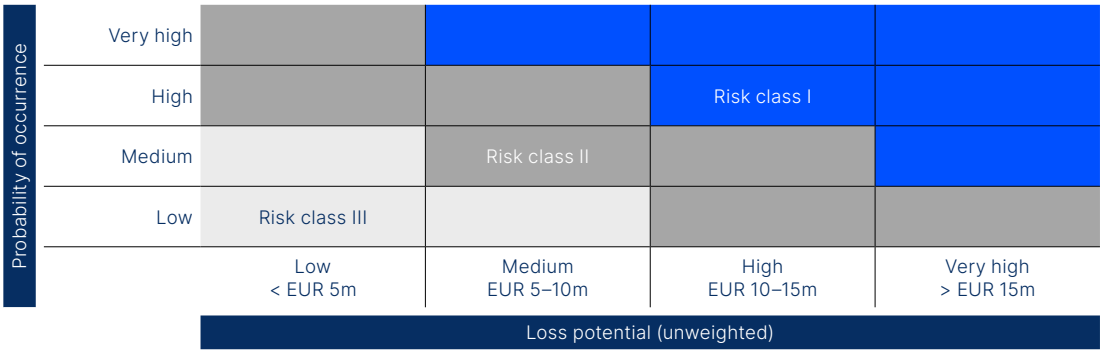
A risk matrix was defined to classify strategic risks; it categorises the probability of occurrence and the potential impact on net income as set out below. We use the following criteria for the probability of occurrence:

Criterion	Description
Low	The risk is deemed very unlikely to materialise.
Medium	The risk is deemed unlikely to materialise.
High	The risk is deemed likely to materialise.
Very high	The risk is deemed very likely to materialise.

We classify the economic impact based on the calculated net loss potential:

Criterion	Net loss potential (in EURm)
Low	<5
Medium	5–10
High	10–15
Very high	>15

The combination of both criteria results in the following matrix, which is used to assign the individual risks to three risk classes:



The risks and opportunities mentioned below focus on risk classes I and II. For an easy overview of risks, SCHOTT Pharma has defined risk categories which are outlined below.

Market and competition

As a globally operating Group, SCHOTT Pharma generally depends on the economic conditions and performance of its target markets. However, given that our business is focused on the pharma, biotech and life-science industry, economic trends only have a minor impact on us. Our planning for the coming financial years has been prepared based on expected market developments in relevant industries, taking into account the known facts. Yet, since a variety of factors influence future economic development, significant changes in certain market parameters or other circumstances may lead to positive or negative deviations from our planning.

Our diversified product portfolio, our global presence and the strong positioning of our brands and products in our target markets give us optionality to take advantage of opportunities and mitigate risks. Especially the shift in our product portfolio from Core to HVS opens up the opportunity to offer our customers a growing range of high-quality containment solutions and delivery systems, which should have a positive effect on business performance. However, this shift also leads our customers to accumulate larger amounts of sterile packaging waste. In addition to growing statutory requirements, the increase in packaging waste could also pose a problem for customer requirements in this area. We address this risk, which we deem to be risk class II, by working on initiatives aimed at reducing the waste related to our products and at establishing closed recycling loops with our suppliers.

We have been observing a continued rise in demand for containment solutions and delivery systems for injectable drugs, which is why we invest in the expansion of our manufacturing capacities to participate in future market growth. However, our competitors are expanding their manufacturing capacities too. High manufacturing capacities in the market increase the risk of price pressure on our products, especially for our DCS Core line. Looking at our high-quality product range, we feel well prepared to achieve a high level of price stability. We are also working to improve cost structures in relevant areas. We deem this to be a class II risk in the upcoming financial years.

We are also ramping up global manufacturing capacities for our HVS products in the DCS segment. The growing commercialisation of such products drives down selling prices while also curbing manufacturing costs. A global manufacturing capacity build-up nevertheless entails price pressure risk. We counter this risk, which we deem to be risk class II, through close customer relationships and constant work on improving the quality of our containment solutions.

We are expanding our HVS manufacturing capacities in both the DCS and the DDS segment in close consultation with our customers. We have received long-term orders in relation to our customers' existing products and pipeline developments that will use up the majority of the capacities being built up. These orders reduce the risks associated with the capacity expansion and secure our future growth. Nevertheless, delays in the capacity build-up, for example due to supply chain disruptions, could mean that production will start later than originally planned. At the same time, our customers' new developments may face delays, for example in market launch or in transitioning from clinical trials to commercialisation. Such a scenario would, in turn, delay the start of our production. Against this background, we are in a constant dialogue with both the suppliers relevant for our production build-up and with our customers to identify delays early on and adopt appropriate countermeasures as necessary. We deem the associated risks in the DCS and DDS segments to be class II.

Our DDS segment's delivery systems offer our customers numerous advantages, especially when it comes to stable deep-cold storage for drugs such as mRNA-based therapies. Demand for these systems is high and the prospects for future growth are good. However, there is a risk that competitors will develop comparable products or that customers will develop drugs with less strict delivery system requirements. Both of these developments could have a negative effect on pricing. We counter this risk, which we deem to be class II, by investing in research and development so that we can constantly improve the quality of our delivery systems.

Procurement

Our purchasing organisation continuously monitors relevant procurement markets and suppliers to identify procurement risks and opportunities at an early stage and respond appropriately. We lay a particular focus on the procurement of high-quality means of production such as raw materials, glass tubes or plant components.

Our procurement is closely integrated into SCHOTT Group's procurement, which helps to bundle procurement activities, leverage synergies and strengthen our negotiating position. In addition, long-term supply agreements provide us with SCHOTT's high-quality glass tubes, a key component of our glass containment solutions and delivery systems. Purchasing this important component from SCHOTT secures our supply of high-quality glass tubes and creates planning security. Long-term purchasing agreements are also concluded with other suppliers.

We deem the risk of the means of production being unavailable, especially due to an existing dependency on individual suppliers, to be class II. To mitigate this risk, we focus on finding local suppliers and actively work to reduce single sourcing for our manufacturing locations by qualifying alternative suppliers (where possible and economically feasible). We monitor critical suppliers constantly, perform recurring risk assessments of single sourcing situations, check stock coverage for critical means of production regularly and maintain safety stocks. We also conduct ongoing research on the material composition of our products so that we can switch to alternative materials if necessary.

Manufacturing

We use state-of-the-art manufacturing facilities, some of which have been specifically developed for the complex manufacture of our products. This ensures that our containment solutions and delivery systems are always of the highest standards.

Functioning manufacturing facilities, reliable energy and materials supply and available means of production are crucial for us. Any production outages must be avoided. This is why we have concluded long-term supply contracts with our suppliers. There is still a risk that supply bottlenecks

may disrupt manufacturing at some locations. We rely on regular maintenance work and redundant energy supply to prevent unplanned production outages. As well as this, we plan our capacities carefully and monitor our manufacturing processes continually. Our global manufacturing network allows us to relocate parts of our production if there is a risk of outages, and helps us to limit our dependence on certain locations. Please also read our statements in the Procurement section above.

There is also a risk that the expansion of our manufacturing capacities or ramp-up of new products might be delayed, which in turn could delay the manufacture and delivery of products that have been ordered. In cases where we relocate our production, there is also a risk of a delay in customers inspecting and approving ("qualifying") the manufacturing locations. We consider these risks to be class II.

We see both risks and opportunities with regard to achieving our productivity targets.

Quality

Our customers use our containment solutions and delivery systems in the critical fill-and-finish processes and for research and development. In this context, we see particular risks associated with non-compliance with defined processes and established quality criteria that could weigh on the functionality of the delivered products – and of the drugs contained in them. Any kind of contamination or product defect that threatens the integrity and sterility of SCHOTT Pharma's products is particularly critical. In a worst-case scenario, this could result in our products being recalled or customers claiming for damages against SCHOTT Pharma. Despite the low probability of this occurring, we classify this risk as class II due to the high potential loss.

SCHOTT Pharma's risk management aims to detect these risks early and mitigate them as far as possible through procedural, organisational and technical measures. The Company relies on the latest manufacturing technologies, manufacturing facilities equipped with state-of-the-art inspection and control systems, additional quality checks and an extensive and mandatory CPD programme for its employees to ensure that all products meet the highest quality standards and comply with regulatory rules and requirements. We have internal controls in place to regularly review our manufacturing techniques and processes, which are constantly improved to comply with current regulatory requirements. Static incoming goods inspections – which are part of our supplier management – ensure that raw materials, consumables and supplies meet our high quality requirements.

Quality checks are performed both continuously during manufacture and as part of testing on final products to ensure that critical or material product properties meet requirements. A strict product approval process is in place to make sure that products are only shipped if they meet agreed specifications.

Regular successful customer audits provide us with external confirmation that our quality systems are effective, and our certifications in accordance with ISO 9001, ISO 15378 and even ISO 13485 (where applicable) are further evidence. Nevertheless, substantial product liability insurance is in place.

Our traceability system, set up in accordance with recognised GMP regulations, guarantees that delivered batches can be identified and recalled immediately should the need arise. This serves to mitigate any consequences if a defect or non-compliant component is identified in one of our products. We also have a complaint management system in place for the prompt processing and systematic documentation of customer reports relating to our products. Our complaint management process ensures that reported cases are analysed efficiently and that necessary measures are taken.

A trend towards higher quality standards can be observed in our target industries, driven mostly by stricter legal requirements for patient and product safety. New laws and regulations harbour the risk of being difficult or costly to implement. At the same time, they also open up opportunities for us as they raise the barriers to entry for potential market participants, and they incentivise technological innovation.

Technological innovation

SCHOTT Pharma operates in markets characterised by constant technological innovation. The latest scientific and research findings can significantly accelerate product and development cycles. Products can also be partially or completely replaced by new technologies. In this environment, our success and reputation depend as much on ongoing and innovative product development as on our ability to recognise new technological trends and implement them quickly. This is why we continuously invest in research and development.

Potential risks arise not only in product development itself but also in launching new products later than our competitors. We counter these risks by continuously monitoring the market to identify trends, following structured and efficient project management and involving our customers early in the development process. SCHOTT Pharma is also actively involved in development partnerships and collaborates with external research institutes.

Our consistent focus on research and development has allowed us to establish a comprehensive and innovative range of containment solutions and delivery systems on the market and to become a global expertise leader in polymer syringes. Patents and other industrial property rights help us to protect this knowledge. Our technological expertise provides us with the opportunity to further improve our market positioning and sales potential.

Finance

Our international operations expose SCHOTT Pharma to financial risks arising from fluctuating exchange and interest rates, which may impact the earnings performance positively or negatively. To manage these risks, SCHOTT Pharma companies are integrated into SCHOTT Group's central treasury and cash management system. SCHOTT Group is significantly larger in terms of revenue and also operates internationally. Being integrated allows us to bundle activities and leverage synergies. Centralised currency management protects our business operations from transaction risks resulting from exchange rate fluctuations. Generally speaking, our global presence, including local production and global purchasing activities, mitigates transaction risks, since revenue generated in foreign currencies is offset by costs incurred in foreign currencies within the Group. To gauge the residual risk to be hedged, we regularly calculate our net currency positions using currency-specific liquidity forecasts. We then enter into foreign exchange forwards as hedging instruments.

SCHOTT Pharma is included in SCHOTT Group's global cash pool. The cash pool balances equal our key liquidity position, and external bank balances are only established if regional circumstances prevent individual companies from being included in the cash pool. This cash pool-based financing grants us access to liquidity – always respecting existing credit facilities – at short notice and at all times.

To minimise the risk of non-payment by our customers, we have linked up our SAP-based customer credit management systems in our key units worldwide. Sales and Finance have access to the latest information on our customers' credit limits, credit exposures and order and payment behaviour at all times. We also use credit insurance to mitigate customer credit and country risks.

Human resources

SCHOTT Pharma competes with other companies for skilled managers and employees. Demographic change, new requirements arising in the digital age and different training and qualification standards around the globe present challenges to recruitment. In this context, we see a risk of staff shortages preventing us from implementing our growth plans. We counter this risk with specific training and development programmes, opportunities to work abroad, performance-related remuneration systems, a family-friendly HR policy, extensive well-being programmes and flexible working time models.

IT

Almost all of SCHOTT Pharma's business processes rely on IT to some extent. This inevitably entails risks for the stability of our business processes and the availability, confidentiality and integrity of information and data – risks that cannot be fully eliminated, no matter what security infrastructure is in place.

Cyberattacks have become more frequent and increasingly professionalised in recent years. At the same time, business processes are becoming ever more digital. Potential outages or significant impairment of mission-critical IT systems and applications due to cyberattacks are a significant risk, which we regard as risk class II. We continuously invest in secure IT systems and applications to mitigate this risk and continue to enhance existing technical safeguards.

As in other areas, we are integrated into SCHOTT Group's IT systems and applications. To ensure confidentiality, integrity and availability of information, SCHOTT Group and SCHOTT Pharma have set up policies, introduced adequate contingency plans for critical processes and the IT systems and applications assisting them, and implemented appropriate control mechanisms, guided by the normative requirements of ISO/IEC 27001, which can be supplemented where necessary by recommendations from the "IT-Grundschutz" compendium provided by German Federal Office for Information Security (BSI). With these safeguards in place, we should be able to manage all security-relevant IT issues. In addition, SCHOTT Group has taken out global cyber insurance covering almost all SCHOTT Pharma companies. For those companies not covered by the insurance, risks are continuously reviewed and additional local insurance policies taken out as required.

Employees are an important factor when it comes to protecting IT-supported business processes. That is why they receive ongoing training in managing risks that arise in an increasingly digital and interconnected environment to raise their awareness of how important IT security is when dealing with current technologies.

Tax, legal and regulatory matters

SCHOTT Pharma is a global player and subject to a variety of laws, regulations and guidelines in countries in which we operate. This exposes us to multiple regulatory risks, including risks associated with product liability, competition and anti-trust law, industrial property rights, foreign trade law, tax law and environmental law.

In this context, SCHOTT Pharma not only looks at its own compliance, but also at compliance with laws, regulations and guidelines in its supply chain. SCHOTT Pharma counters risks arising from non-compliance with laws, regulations, guidelines and other rules of conduct by means of a compliance management system, group policies and specific training for our staff (face-to-face and online training). Any amendments are regularly analysed and may trigger adjustments to internal processes and policies as required. This approach, however, does not completely eliminate the risk of violations due to personal misconduct. We categorise the risks arising from this as class II.

Protecting the environment and promoting the health and safety of our employees are key corporate goals. SCHOTT Pharma's EHS policy, which describes the company's integrated environment, health and safety management system, is aimed at achieving these goals and mitigating related risks. For further information, please refer to the Non-Financial Statement.

Unauthorised use or appropriation of our intellectual property rights (including infringement of our patents or other technical property rights) can jeopardise our technological edge and competitive position as can the infringement of our trademarks. We have successfully responded to this risk with internal security rules and an actively pursued intellectual property rights strategy. We also monitor third-party intellectual property rights on an ongoing basis to avoid infringing on any property rights (especially third-party patents). Such measures, however, cannot completely rule out violations of third-party property rights in Germany and abroad, which is why we deem this to be a class II risk.

As a partner to the global pharma, biotech and life-science industry, we are also subject to regulatory changes in these sectors. A major risk associated with the approval of our customers' new drugs or medical devices is the ever-growing stream of requirements and conditions imposed by the US Food and Drug Administration (FDA), the European Medicines Agency (EMA) and other national and international authorities. We also have to comply with regulations imposed by other relevant authorities (e.g. the US Environmental Protection Agency or the US Department of Agriculture) to manage local or global regulatory risks.

These requirements and conditions not only concern drugs but also our containment solutions and delivery systems. If we or our customers fail to fully comply with applicable regulations, approval processes may be delayed or even stopped. Our containment solutions and delivery systems are also subject to extensive approval, registration and reporting obligations in many countries. Non-compliance with the sometimes complex requirements and conditions may lead to sales or import bans and fines. We continuously monitor relevant markets and assess whether changes need to be made to our processes.

As a global player, we and our subsidiaries are subject to a wide range of national tax laws and regulations as well. Changes in tax legislation, jurisdiction and the interpretation by tax authorities or courts in the countries we operate in may lead to additional tax liability. The Group's tax department constantly monitors and analyses the tax environment to manage any associated risks.

In many areas of the Company, ever-increasing reporting obligations harbour the risk of incomplete or late reporting, especially when it comes to new reporting obligations. We classify the resulting risks of being fined and of reputational damage as risk class II and address these risks by monitoring new reporting obligations at all times. Adjusted requirements are then analysed at an early stage to determine their applicability and implications. We are in constant contact with experts and make sure that our internal processes guarantee adequate reporting.

External risks

Direct or indirect fallout from the general risks in life and the resulting damage to economically relevant or even critical infrastructure can only be predicted and controlled to a limited extent. Such risks include armed conflicts, natural disasters, pandemics or force majeure events. Where possible, we take measures to ensure that we can react appropriately and quickly to crises and that we are insured against potential losses.

Damage to SCHOTT Pharma's buildings, manufacturing facilities and warehouses or those of its suppliers and to goods in transit may result in property damage or disruption to operations. There is a risk that our insurance cover may not fully cover all potential losses. We deem this to be a class II risk.

Epidemics or pandemics may directly or indirectly influence our manufacturing and other business processes. Depending on where an infectious disease has spread, delivery routes to us or our customers may be affected regionally or globally. Local plant shutdowns may also occur as a result of official measures or staff shortages, for example. Our drug containment solutions and delivery systems, however, are critical products for a country's healthcare system, which the Covid-19 pandemic clearly demonstrated. At the time, we were able to maintain production without any sustained interruption. In addition to our insurance coverage, we have established Group-wide rules for managing emergencies and crises.

SCHOTT Pharma is also exposed to risks from changes in political conditions, including amendments to or termination of current trade agreements, increasing protectionism or uncertainties regarding the future political direction at home and abroad. The current geopolitical crises in Europe and the Middle East are having no significant immediate effects on SCHOTT Pharma, and the concerned countries only represent a small share of our revenue. Therefore, the default risks in connection with trade receivables are limited, not least due to our intensive receivables management efforts. However, as global supply chains are closely interlinked, indirect effects arise from inflation-related hikes in logistics and energy costs and increased procurement costs for means of production.

Overall assessment of risks and opportunities

The continuing uncertainty resulting from the high geopolitical tensions and their direct and indirect consequences poses major challenges for the global economy. SCHOTT Pharma's Management Board nevertheless sees a solid basis for the Group's further development and – with a systematic strategy, planning and governance process – provides the necessary resources to achieve targets and leverage additional potential.

Taking all planned or implemented measures into account, there were no identifiable risks at the time of reporting that would individually or collectively jeopardise the Company's continued existence as a going concern, and aggregated total risk was met with sufficient equity.

The probability of occurrence and the net loss potential for all class I and II risks have been assessed in the table below. The sections above provide details on the risks.

Risk[1]	Probability of occurrence	Net loss potential	Risk class	YoY risk class change
Market and competition				
Price pressure at DCS – Core	Medium	High	Risk class II	Reclassification from risk class I
Price pressure at DCS – HVS	High	Low	Risk class II	Unchanged
Capacity expansion at DCS	High	Low	Risk class II	Unchanged
Capacity expansion at DDS	Low	Very high	Risk class II	Unchanged
Technological innovation at DDS	Low	High	Risk class II	Unchanged
Customer requirements	Low	Very high	Risk class II	New
Procurement				
Supply chain	Low	Very high	Risk class II	Unchanged
Manufacturing				
Capacity expansion	Very high	Low	Risk class II	Unchanged
Production ramp-up	Medium	Medium	Risk class II	New
Quality				
Product quality	Low	Very high	Risk class II	New
IT				
Cyberattacks	High	Low	Risk class II	Unchanged
Tax, legal and regulatory matters				
Compliance	Low	Very high	Risk class II	Unchanged
Intellectual property	Low	Very high	Risk class II	Unchanged
Reporting obligations	Low	Very high	Risk class II	New
External risks				
Damage to property	Low	Very high	Risk class II	Unchanged

[1] Unlike in the financial year 2022/2023, the "regional markets", "manufacturing processes" and "environment" risks were no longer classified as class I and class II risks in the financial year 2023/2024 and are therefore no longer reported.

Non-Financial Statement

for the financial year from 1 October 2023 to 30 September 2024

The information contained in the Non-Financial Statement below, prepared by SCHOTT Pharma AG & Co. KGaA on behalf of SCHOTT Pharma Group ("SCHOTT Pharma") for the financial year 2023/2024, was subject to a separate limited assurance audit performed by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft on the basis of the International Standard on Assurance Engagements 3000 (Revised). The audit report for the Non-Financial Statement will be included in the Annual Report.

The CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz, CSR-RUG) requires SCHOTT Pharma and SCHOTT Pharma AG & Co. KGaA to disclose material non-financial aspects of their economic activities in addition to their financial reporting, in particular information on environmental, employee and social matters and information on anti-corruption activities and respecting human rights. We have disclosed this information in this combined Non-Financial Statement pursuant to sections 315b and 315c in conjunction with sections 289b and 289e HGB. Where appropriate in a statutory context, our disclosures have been guided by the Global Reporting Initiative (GRI) Standards (section 289d HGB).

This is the last Non-Financial Statement that SCHOTT Pharma will publish to comply with the above-mentioned statutory requirements within the scope of in the Non-Financial Reporting Directive (NFRD). As of the next financial year, these requirements will probably be replaced by those set out in the German Act implementing Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Because this Act governs the transposition of the Corporate Sustainability Reporting Directive (CSRD) into German law, NFRD requirements will no longer apply.

In this Non-Financial Statement, we have included comparisons involving indicators that go beyond the reporting period, but these comparisons have been limited to situations where doing so was considered appropriate for illustrating longer-term developments. To integrate financial and non-financial information more seamlessly, we have decided to include the Non-Financial Statement in the Management Report.

In addition, SCHOTT Pharma publishes a separate sustainability report in accordance with the GRI standards, which includes detailed information on sustainability in our Company.

In accordance with Article 8 of the EU Taxonomy Regulation, we have also disclosed the share of taxonomy-eligible revenue, capital expenditure (CapEx) and operating expenses (OpEx) that can be attributed to economic activities already covered by the taxonomy, broken down into the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of ecosystems and biodiversity

In the reporting period, it was only necessary to disclose the share of taxonomy-aligned economic activities for the first and second environmental objectives.

The chapter titled Fundamental Information about the Group includes descriptions of SCHOTT Pharma's business model, corporate structure and competitive position.

Our strategic and organisational approach to sustainability

SCHOTT Group's approach to sustainability is holistic. The 17 Sustainable Development Goals (SDGs) of the United Nations have been pivotal in shaping our Group-wide sustainability strategy, in particular the following four:

- SDG 3: Good health and well-being
- SDG 5: Gender equality
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

These development goals are the focus of SCHOTT Pharma's sustainability strategy. In certain sustainability areas, SCHOTT Pharma has enlisted the support of SCHOTT Group, borrowing from its processes and structures or participating in Group activities through service agreements.

The central management body for sustainability topics at SCHOTT Pharma is the Sustainability Board, comprising our CEO, CFO, Head of Human Resources, Head of Legal & Compliance, Head of Sustainability and division representatives. To enable coordination and consistency with SCHOTT Group, the SCHOTT Pharma Management Board also works with the Supervisory Boards of SCHOTT Pharma Management AG and SCHOTT Pharma AG & Co. KGaA.

The Sustainability Board takes a holistic view of our sustainability strategy and advocates for integrating sustainability into our operations. The Board decides on strategic road maps, approves goals and allocates budgets. Board meetings to evaluate progress as well as risks and opportunities relevant to our strategy are held at least quarterly.

Practical implementation of sustainability action lies in the hands of a dedicated global sustainability team and an overarching project team. The sustainability team reports directly to the CFO. Overall team responsibility lies with the Head of Sustainability. The team prepares the strategy, drives its implementation in close collaboration with the departments and is directly involved in ESG controlling and reporting. The Head of Sustainability of SCHOTT Pharma regularly confers with their counterpart at SCHOTT Group.

Our sustainability strategy is rooted in SCHOTT Group's long-standing tradition of social responsibility, which also includes our employees, external stakeholders and the environment. We believe that we need to engage closely with our stakeholders, working together to define and prioritise which topics are material to SCHOTT Pharma. This two-way communication approach yields the focal points for our sustainability strategy and SDGs.

Climate change is a growing threat to how we live and do business and as such a major strategic focal point for us. It is in this context that we have decided to concentrate on developing solutions that will reduce emissions that are harmful to the climate in our manufacturing processes and value chains.

We have also joined forces with suppliers and customers to develop circular packaging solutions that contribute to climate action throughout the value chain and to using resources responsibly.

Promoting diversity and inclusion is another focal point of our strategy. Employee development and well-being is part of our DNA and deeply anchored in our corporate culture. The statutes we passed in 1896 established special rights for employees and are focused in their social welfare. We firmly believe that diversity and equal opportunities are assets that give us a competitive edge and allow us to make fair and forward-looking decisions.

Risk and opportunity management

Broad-based risk and opportunity management is an integral part of corporate planning and management. For us, this means identifying current and potential ESG-related risks and opportunities and looking for any developments, events or circumstances associated with environmental, social or governance factors that, were they to materialise, could positively or negatively affect our financial situation, reputation and future viability as well as people, the environment and the economy. Each division is responsible for identifying risks specific to its own business. Any risk identified as material for the overarching process is incorporated into the overarching risk management process. In addition, risks are included and addressed within the reporting process in accordance with GRI requirements.

Taking into account the risk mitigation measures we have adopted, our risk analysis of material non-financial topics did not identify any material risks, within the meaning of Sections 315c and 289c HGB, that are deemed very likely to potentially cause serious adverse impacts on non-financial aspects in relation to our own business operations, business relationships, or products as of the reporting date. Please refer to the Report on Opportunities and Risks in the Management Report for more detail on our risk and opportunity management and related structures and processes.

Material topics

To identify the sustainability topics relevant for SCHOTT Pharma and its stakeholders, we conducted a comprehensive materiality analysis in the calendar year 2022. Enlisting the support of internal and external stakeholders, we screened topics using a double materiality methodology: we took an inside-out perspective to explore the impacts that our business model and activities had on non-financial aspects, while the outside-in perspective granted insights into how these non-financial aspects impacted our overall situation, business performance and results.

This materiality analysis involved a four-step process. The first step was an in-depth analysis of our business model and operational environment. We compiled an initial list of potentially material topics based on the standards set by the Global Reporting Initiative (GRI) and – in preparation for future reporting obligations – factored in the European Sustainability Reporting Standards (ESRS). We also incorporated findings from similar companies (competition analysis). These topics were then discussed and fine-tuned in a comprehensive workshop before being examined for double materiality by experts from different areas of the Company. This original list of 39 possible topics was narrowed down to into a shortlist of 13 material topics with the greatest relevance for SCHOTT Pharma.

The next step included 22 interviews with customers, employees, suppliers, investors and independent sustainability experts. These interviews allowed us to integrate other perspectives and appreciate different assessments of the topics we had identified, validate these topics with regard to both materiality dimensions and better understand what stakeholders expect from SCHOTT Pharma. The results were then summarised in a preliminary matrix in advance of a further workshop where the Management Board and Sustainability Board discussed the stakeholder interviews, material topics and their priority.

Finally, the materiality analysis was transferred into a comprehensive report documenting the whole process, including the double materiality status of each material topic and their priority.

The Sustainability division and Management Board reviewed this materiality analysis for the reporting period, following which the Management Board confirmed it was up to date and appropriate. The results and findings from the materiality analysis continue to provide a representative view of the material areas for responsible action in the current reporting period. A more comprehensive update is planned for the next financial year, when the CSRD requirements will be implemented.

The material topics we identified align with the aspects defined in the CSR-RUG as follows:

Topic identified as material by SCHOTT Pharma	Corresponding non-financial aspect in the CSR-RUG	Chapter in the Non-Financial Statement or reference in the Management Report
Greenhouse gas emissions and energy consumption	Environmental matters	Climate action and energy management
Waste along the value chain	Environmental matters	
Water management	Environmental matters	Resource and waste management
Diversity, equal opportunity and inclusion	Employee matters	Diversity and inclusion
Workforce attraction, development and retention	Employee matters	Recruitment and HR development
Occupational health and safety	Employee matters	Safe and fair working conditions
Resilient supply	Social matters	
Product quality	Social matters	Product quality and patient safety
Fair business practices	Combating corruption and bribery; respecting human rights	Values and compliance management in our own business
Sustainable procurement	Combating corruption and bribery; respecting human rights	Compliance in the supply chain
Corporate governance	Not part of the aspects of this Non-Financial Statement according to CSR-RUG. For additional information on sustainability at SCHOTT Pharma, please refer to our separate Sustainability Report.	
Sustainable return on capital		
Cyber security		

The following chapters describe the topics relevant to SCHOTT Pharma in the context of the CSR-RUG and explain the risks associated with them. They also set out targets and actions, and include information on how these topics are managed within our organisation.

Environmental matters

As our biosphere is the foundation of both life and the economy, we continually strive to reduce our ecological footprint. Effective climate and environmental management is a key part of the sustainable thinking at the heart of our business model. Rather than seeing environmental and economic targets as being mutually exclusive, we feel they go hand in hand. This outlook has led us to adopt effective and efficient measures to protect the climate and environment, conserve resources, reduce energy consumption and curb waste. All of this enables us to lower costs and strengthen our future viability because, as a manufacturing company, we depend on natural resources.

Climate action and energy management

Risk assessment and materiality

Climate change is one of the greatest challenges of the 21st century and many key risks associated with it influence our business model and strategy as climate phenomena have a growing impact. These risks include rising energy and raw material prices, volatile availability of materials and increasingly fragile supply chains. Consequently, we expect new regulatory and fiscal measures to be introduced or existing ones to be tightened.

As a producer of pharmaceutical containment solutions, energy is crucial to our value creation process, given that fossil fuels are used to transform glass tubes into containers. While electrical energy is used in process automation, operating clean rooms and other processing activities, the injection moulding for producing prefillable plastic syringes is also energy-dependent. Scope 3 emissions are generated above all in the production and transportation of glass tubes, packaging materials and components that we purchase from suppliers.

A growing number of relevant climate-induced risks exist in addition to key topics such as energy and emissions. For instance, extreme weather events are a risk that we are facing more frequently on a global scale. Because of this, we use a risk analysis tool to obtain information about the risk potential of extreme weather events, but have not identified any relevant risks for our SCHOTT Pharma manufacturing locations.

Strategies and measures

Against this backdrop, climate change mitigation is a central field of action in our sustainability strategy. Together with SCHOTT Group, SCHOTT Pharma has its sights set on the ambitious goal of achieving climate neutrality in Scope 1 and Scope 2 emissions by 2030. The underlying roadmap was examined by the independent Science-Based Target initiative (SBTi) in the calendar year 2023. In this context, the SBTi validated SCHOTT Group's quantitative targets, confirming that they are in line with the requirements of the Paris Agreement, helping to limit global warming to 1.5 °C above pre-industrial levels. In compliance with SBTi requirements, the targets were set at group level. SCHOTT Pharma is committed to helping meet these goals within the remit of its economic activities. The SBTi-validated targets include:

- reducing our absolute Scope 1 and Scope 2 greenhouse gas emissions by 46.2% between the reference year 2019 and 2030
- reducing our absolute Scope 3 greenhouse gas emissions from fuel and energy-related activities (Scope 3.3) and from investments (Scope 3.15) by 27.5% by 2030
- ensuring that 74.23% of our supply chain in three categories is covered by suppliers who have set science-based reduction targets for themselves by 2027. The three categories concerned are goods and services purchased (Scope 3.1), capital goods (Scope 3.2) and upstream transportation and distribution (Scope 3.4)

Our greenhouse gas reduction strategy focuses on the following:

- using green energy
- enhancing energy efficiency
- advancing technologically
- collaborating with suppliers to reduce emissions, especially by switching to green energy

Since the financial year 2021, all SCHOTT Pharma locations have been powered by 100% renewable electricity, made possible by our portfolio of Energy Attribute Certificates (EACs) and Power Purchase Agreements (PPAs), with regional coverage corresponding to the consumption of respective locations. Procurement focuses on suppliers that work according to high international standards, are verified by a third party and are EKOenergy or Green-e certified.

As we strive for continuous improvement, a key indicator of our progress is the reduction of production-based greenhouse gas emissions (Scope 1 and Scope 2) and emissions from peripheral activities (Scope 3). To make sure we achieve our targets, we have installed gas and electricity meters that allow us to measure actual consumption of individual machines and process modules in connection with the product portfolio. Another measure involves globally optimising the design and alignment of burners for hot forming.

We also work together with local municipalities to enhance energy efficiency. For example, at our German site in Müllheim we have a project that uses waste heat from our production processes in the local heating network. Now that approval has been granted, the focus is on gaining customers for the network.

In the interests of enhancing efficiency, we evaluate the use of alternative energies for hot forming, assessing how they affect the quality of our products. We no longer use gas-powered furnaces as we continue to expand our production capacities. Within our upstream value chain, a large part of our overall ecological footprint can be attributed to the melting of glass to produce the glass

tubes supplied to us by SCHOTT Group. As part of SCHOTT Group's efforts to reduce emissions, it has initiated projects for producing pharmaceutical glass using electrification or hydrogen, which could lower emissions in just a few years.

Beyond SCHOTT's internal supply relationships, we are committed to working even more closely with our suppliers to reduce Scope 3 emissions and ensure that resources are used efficiently. Having conducted supplier surveys over the last few years, we have now begun working with individual suppliers on more sustainable product designs. In the reporting year, we stepped up these efforts by clearly communicating the sustainability expectations of SCHOTT and SCHOTT Pharma to strategic suppliers. We also offered to help them meet these expectations. Our focus is on calculating emissions and product carbon footprints (PCF), setting science-based emission reduction targets and sourcing green energy. We are also aiming to collaborate on developing new ideas for the products we source, focusing mainly on secondary packaging materials for our products and supplier components. We evaluate solutions using a data-driven approach, calculating the PCF for each step in our customer-facing supply chain.

As circularity plays an important role, we drive forward the development of these concepts together with partners, key suppliers and customers under the specific framework conditions of pharmaceutical regulations. One example of this effort is a pilot project for a closed-loop recycling system for plastic trays used in packaging non-sterile vials, cartridges or ampoules. Working closely together with tray manufacturer Corplex and pharmaceutical companies Takeda and Pfizer, SCHOTT Pharma recovered several tonnes of used trays and had them recycled into new ones. Analyses have shown that this kind of closed-loop recovery enables materials to be re-used without compromising product or patient safety. Together with these partners, we aim not only to help reduce Scope 3 greenhouse gas emissions but also to reduce packaging waste, thereby conserving valuable resources.

Management and organisation

We aim to achieve carbon-neutral manufacturing by 2030 – this goal, together with the SBTi-validated reduction targets, applies not just for us but for the entire SCHOTT Group. Measures specific to SCHOTT Pharma are defined and managed strategically by the Sustainability Board, while a project team chaired by the Head of Sustainability was responsible for implementing and coordinating them. By setting milestones and integrating these measures directly into SCHOTT's Group-wide programme, we are aiming to pursue a coherent approach with the parent company and to leverage synergies when developing new technologies and alternative energy sources.

The processes and tools established within our EHS (Environment, Health & Safety) organisation allow us to measure our energy consumption accurately using management systems certified according to ISO 14001. The electricity we source for in-house production activities, along with the associated emissions, is measured based on the Greenhouse Gas Protocol (GHG Protocol) for each location. We use this data to systematically identify potential for improvement within our primary emissions sources. In addition to the measures themselves, we continually improve data quality and use feedback to identify potential for improvement at a local level. These two ongoing processes are safeguarded by our Group-wide ISO 14001 certification and allow us to take appropriate measures at Group level in accordance with our EHS policy.

Energy consumption and energy intensity

(in MWh)	2023/2024	2022/2023
Total energy consumption	**296,169**	**301,518**
Direct energy consumption	**142,553**	**154,448**
Natural gas	73,426	72,870
Liquid fossil fuels	69,127	81,578
Indirect energy consumption	**153,616**	**147,069**
Electricity	153,282	147,069
District heating	334	0
Energy intensity (in MWh/EUR m revenue)	**309.3**	**335.5**

We consumed a total of 296,169 MWh in the financial year 2023/2024, a 1.8% reduction in energy consumption compared with 2023. Our efforts to improve energy efficiency are also reflected in our energy intensity, which stood at 309.3 MWh per EUR m in revenue.

We have already made considerable progress toward our climate targets: compared with the base year 2019, we were able to reduce our Scope 1 and Scope 2 emissions by 64.8%. We made substantial progress by switching completely to green electricity in the financial year 2021, achieving climate neutrality in Scope 2 emissions given that only electricity is purchased.

Total greenhouse gas emissions (Scope 1 and Scope 2 of the GHG Protocol)

(in t)	2023/2024	2022/2023
Total Scope 1 and Scope 2 CO_2-eq emissions (market-based) [1]	**27,596**	**30,226**
Total Scope 1 and Scope 2 CO_2-eq emissions (location-based)	**71,477**	**73,813**
thereof		
direct CO_2-eq emissions (Scope 1)	27,536	30,226
indirect CO_2-eq emissions (Scope 2, location-based)	43,941	43,587
indirect CO_2-eq emissions (Scope 2, market-based)	60	0
Biogenic CO_2 emissions	0	0
GHG emissions intensity (market-based)	**29**	**34**
GHG emissions intensity (location-based)	**75**	**82**

[1] For the purposes of calculating direct and indirect CO_2-eq emissions, the following gases were taken into account: CO_2, HFKW, PFKW, CH_4, N_2O, NF_3, SF_6.

Our total direct (Scope 1) CO_2-eq emissions amounted to 27,536 tonnes. Using the market-based calculation method, indirect (Scope 2) emissions stood at approximately 60 tonnes because 100% green energy was used. All in all, we were able to reduce CO_2-eq emissions by 2,630 tonnes (market-based) or 2,336 tonnes (location-based) compared with the previous year, which brought us closer to our overarching goal of attaining climate neutrality by 2030. The intensity of Scope 1 and Scope 2 greenhouse gas emissions amounted to 29 tonnes (market-based) or 75 tonnes (location-based) of CO_2-eq -emissions per EUR m in revenue in the reporting period, down from the previous year.

We also made great progress in the quality of the data used for calculating Scope 3 emissions in the financial year 2023/2024. 11.23% of the Scope 3 emissions in the largest category, purchased goods and services (Scope 3.1), are now calculated with primary data, up from 0% in the previous year (as a percentage of total expenses). These improvements in data quality also allowed the Scope 3 emissions for the previous financial year 2022/2023 to be re-calculated, with corresponding adjustments made to the previous year's figures (see table). These adjustments were included in the independent auditor's scope for the reporting year. We are continuing our efforts to improve emissions transparency and accuracy in our upstream and downstream value chains.

The calculation is based on emissions factors provided by EXIOBASE, DBEIS and ecoinvent, and on primary data collected by our suppliers.

Relevant indirect greenhouse gas emissions (Scope 3 of the GHG Protocol)[1]

(in kt CO_2-eq)	2023/2024	2022 /2023
Relevant indirect gross emissions (Scope 3)[1]	**398**	**418[2]**
thereof		
Purchased goods and services (Scope 3.1)	212	227
Capital goods (Scope 3.2)	48	48
Fuel- and energy-related activities (Scope 3.3)	11	11
Upstream transportation and distribution (Scope 3.4)	9	14
Other upstream emissions (Scope 3.5/3.6/3.7/3.8)	15	16
Other downstream emissions (Scope 3.9/3.10/3.11/3.12/3.13/3.14)	73	77
Investments (Scope 3.15)	30	25

[1] The figures were calculated using a spend-based and mass-based approach, relying on primary data.
[2] The figures for the past financial year 2022/2023 were re-calculated based on the newly available emission factors.

As part of our supplier engagement programme, we monitor Scope 3.1, 3.2 and 3.4 emissions generated directly by our suppliers. In line with SCHOTT Group's SBTi-validated supplier engagement target, we are focused on sourcing goods from suppliers who are also committed to achieving science-based emissions reduction targets. In 2024, 49% of Scope 3.1, 3.2 and 3.4 emissions came from suppliers with SBTi-validated targets. We aim to increase this share to at least 74.23% by 2027. Our supplier engagement programme plays a pivotal role in this effort by motivating strategic suppliers to set science-based targets and helping them actively decarbonise.

We are also aiming for a 27.5% reduction in emissions from upstream fuel- and energy-related activities (Scope 3.3) and investments (Scope 3.15) between the reference year 2019 and 2030. The primary lever for achieving this goal is transitioning our joint ventures to green electricity.

Resource and waste management

Risk assessment and materiality

Due to the materials used in our business model and products, waste and water management are less critical to our economic activities than energy management. However, given their significance in global value chains and our role within them, they remain material.

In the general context of waste management, our economic activities have a low to medium impact. Thanks in particular to high recovery rates for the materials we use in production, we minimise the negative impact on the environment. Our production waste consists primarily of shards that arise in the production of glass containers; however, almost all of these shards can be transferred for recovery. Other accumulating waste mainly consists of packaging materials.

Packaging materials play an important role in getting products to our customers. They provide for hygienically clean, sterilised (as required) and mechanically secured delivery, which is of great importance for drug safety. At the same time, they end up as packaging waste with customers and are then transferred for recycling, incineration or landfill disposal, depending on each customers' waste management approach. The drug containers themselves are potentially infectious because of drug residues or contact with bodily fluids. Therefore, they must be treated as hazardous waste by patients, doctors or hospitals and are landfilled after decontamination.

In addition to glass, other raw materials such as plastics are used directly or indirectly in our products and packaging. They also impact our business model. As such, we carefully monitor the price volatility and availability of these materials in collaboration with our partners in the value chain. A shortage would negatively weigh on our business. Adopting an inside-out perspective, our business model and industry practice of focusing on single use put a strain on natural resources. Alternative raw materials, processes and circular economy concepts have to date not had wide uptake in the pharmaceutical industry. Regulatory requirements and restrictive practices to avoid contamination severely limit the adoption of alternatives and represent a considerable obstacle for new approaches.

In conclusion, we have deemed the risks associated with waste in our business model or business performance to be low to medium, mainly stemming from bans or the restricted use of certain materials.

Aside from conscientious waste management, we consider the responsible use of water to be essential as well. However, this resource is threatened by a variety of factors: climate change, continued growth in the world's population, and the use of water by industry and agriculture. Water is a vital raw material and deserves our full attention, even though our manufacturing processes only use water to a limited extent. Pharmaceutical packaging solutions are produced through heat-induced forming, where water is only used as a cooling agent, typically in closed circuits. Certain locations have comparatively higher water consumption as they also wash glass syringes, cartridges or injection vials to produce coatings or sterilised ready-to-use products.

Given the low dependency on water for our value creation, we do not see any material risks relating to water or water scarcity for our business model or our business performance. Even in the context of an impact assessment, water is only of minor importance. Despite our low consumption, we used the Water Risk Atlas provided by the World Resources Institute to systematically analyse whether any of our locations are situated in areas with high or very high water stress. This only applies to three (Pont-sur-Yonne in France, Bekasi in Indonesia and Itupeva in Brazil) of our twelve manufacturing locations. Having said that, we do not produce ready-to-use products that would require additional water resources for washing processes at these locations.

Strategies and measures

Our actions are based on clear policies on the handling of water, especially wastewater, and waste. These policies stipulate that contaminated wastewater and sanitary wastewater must not be discharged into the groundwater or sewage system without treatment. They can only be discharged into municipal sewage systems if these have appropriate wastewater treatment plants. We also prescribe the careful handling of hazardous waste materials to prevent contamination of soil and groundwater. Among our requirements is comprehensive waste separation aimed at maximising the proportion transferred for recycling. When it comes to the disposal of hazardous substances, we adhere to defined procedures and collaborate with certified disposal companies for this purpose.

Measures are determined by the individual locations to take into account regional framework conditions and circumstances. For key initiatives, we benefit from a worldwide knowledge sharing. Such initiatives include:

- At our location in Veracruz, Mexico, we use rainwater for sanitary facilities, avoiding the consumption of fresh water. We also implement measures such as the secondary use of distilled process water and the installation of waterless urinals.
- Our location in Müllheim, Germany, is working on using collected process water for our coating processes, complementing its use in sanitary applications.

Because of its material properties, glass is ideal for re-use, recycling and recovery. Our manufacturing activities give rise to scrap glass in the form of production rejects and when cutting glass tubes to the required length. The scrap is returned to SCHOTT AG's melting furnaces and re-used for production wherever it makes economic and environmental sense to do so. If the scrap can no

longer be used in glass production, it can be repurposed as filler material in construction or as a component of fibreglass insulation or glass wool. This differentiated approach, together with internal and external recovery, yields a recovery rate of 99.6%.

Conversely, re-using used drug containers is more of a challenge. Given the hygiene issues and decontamination processes involved, it is not feasible and is actually prohibited in most countries. This limits the potential of a circular system and means that this can only be achieved by working closely together with customers, suppliers and regulatory authorities. We have teamed up with our partners to investigate how to improve the recyclability of used drug containers in the future. In the reporting year, SCHOTT Group's Tubing division took back a homogeneous batch of pharmaceutical glass (i.e. with proven material purity) – a first step towards establishing a closed loop for pharmaceutical glass. Possible ways of recovering material from injection systems are also discussed within the Alliance to Zero – an association of companies in the pharmaceutical value chain with the common goal of reducing emissions and creating a circular economy.

We transfer plastic waste, which is mainly attributable to packaging materials, to recycling specialists who ensure that these materials are re-used in the production of other products. Cardboard waste generated during the packaging process is also recycled by specialist companies.

We are working with different stakeholders to optimise resource efficiency but in particular with our suppliers and customers on solutions that enable closed material loops and higher packaging density. High packaging density reduces the environmental impact because less material, processing, sterilisation and transportation is required. Wherever possible, we also examine the recyclability of our packaging components and products, and optimise them according to eco-design principles. This involves the possibility of using materials with a lower environmental impact as well as generally reducing resource requirements in production.

Management and organisation

As key elements of environmental protection, responsibility for water and waste lies with local EHS Officers. This achieves our desired aim of aligning climate and environmental protection as intended, where we see a lot of crossovers and potential synergies. In this context, we promote knowledge sharing and initiatives through our global network of EHS Officers.

We measure and document our water withdrawal and consumption as well as our wastewater at both the individual location level and on a consolidated basis in our management information system. With water withdrawal, we differentiate between direct withdrawal (surface, ground, sea and produced water) and indirect withdrawal from the water supply system. In the case of waste, we differentiate between glass waste, hazardous and non-hazardous waste, which in turn are differentiated and documented according to whether they have been disposed of or recycled.

Based on this systematic recording, each location defines its individual annual targets for the use and disposal of water, and the handling of waste where this is feasible and makes sense. This approach accounts for different spatial and infrastructure conditions, allowing for individualised target setting at each location. The target categories include EHS focal topics in the areas of energy, accident prevention, waste, and certification in accordance with ISO 14001 and ISO 45001, as well as analyses of water withdrawal in regions with water stress.

We use management systems to deliver our environmental protection strategies and measures. The environmental management systems of all twelve of our manufacturing locations are certified in accordance with the internationally recognised principles of ISO 14001. Key elements of these management systems are the systematic documentation of consumption and waste, and a continuous improvement process.

Water withdrawal and recirculation

(in m³)	2023/2024	2022/2023
Total water withdrawal	**306,470**	**256,649**
Direct withdrawal (surface, ground, sea and produced water)	9,490	8,153
Indirect withdrawal (water from third parties)	296,980	248,496
Total water withdrawal from all areas with water stress	**39,118**	**14,554**
Direct withdrawal (surface, ground, sea and produced water)	9,490	8,153
Indirect withdrawal (water from third parties)	29,628	6,401
Total water recirculation	**292,117**	**235,262**
Direct recirculation (surface, ground and sea water)	38,274	25,479
Indirect recirculation (into municipal sewage systems or removal by third parties)	253,842	209,783
Total water recirculation in all areas with water stress	**26,053**	**14,559**
Direct recirculation (surface, ground and sea water)	13,520	13,683
Indirect recirculation (into municipal sewage systems or removal by third parties)	12,533	876

Waste by type and disposal method

(in t)	2023/2024	2022/2023
Total waste	**11,524**	**12,453**
Total weight of hazardous waste	421	422
Total weight of non-hazardous waste	11,103	12,031
Waste diverted from disposal	**10,199**	**9,906**
Total weight of hazardous waste	130	182
Total weight of non-hazardous waste	10,069	9,724
Waste diverted from disposal	**1,325**	**2,547**
Total weight of hazardous waste	291	240
Total weight of non-hazardous waste	1,034	2,307

Employee matters

Our employees make a vital contribution to the sustainable development of our Company. Thanks to their dedication and hard work, we can produce safe drug packaging solutions – which are subject to complex regulatory requirements – for more than 13 billion injections annually[1]. This allows us to make a significant contribution to global healthcare. Our employees' expertise and experience are key to our innovative strength and future viability, and we lay the foundations for this through ongoing personnel development and excellent working conditions. While there is great competition for qualified employees, we have created a working environment that fosters individual performance and diversity because only well-trained and motivated employees from different backgrounds will help us to master the diverse challenges of the 21st century and ensure our Company's long-term success.

Diversity and inclusion

Risk assessment and materiality

SCHOTT Pharma is a large international employer with a diverse workforce, counting 4,690 employees of over 65 different nationalities at its locations across 13 countries (as of 30 September 2024). Accordingly, respect is one of our corporate values ("respect others"). In this regard, it is closely connected to responsible behaviour ("act responsibly") and is a prerequisite for value creation ("create value") and innovation ("drive innovation").

[1] Including investments accounted for using the equity method.

Diversity is a valuable asset when it comes to finding and implementing the best ideas and solutions, and is therefore an important driver of creativity and innovative thinking too. However, it can only be successful in a fair and appreciative environment that makes it possible to leverage the potential of a diverse workforce.

For us, fairness not only means embracing diversity but also promoting inclusion and equal opportunities. As a global player with multiple locations, we see our diversity as a competitive edge because it helps us to better understand and cater for the market conditions and customer requirements in different geographies.

Failure to comply with the principles of equality bears the risk that employees and customers may lose trust in the company, not to mention the risk of reputational damage or legal sanctions – particularly since the legal framework in many countries where we operate is becoming stricter.

Strategies and measures

We have firmly anchored the fundamental principles of diversity, inclusion and equal opportunities in our Code of Conduct, which itself is based on principles such as the UN Global Compact and the Universal Declaration of Human Rights. As part of SCHOTT Group, we have also signed the Diversity Charter, which aims to create a respectful working environment for all employees, regardless of age, ethnicity, nationality, gender and gender identity, physical and mental abilities, religion and convictions, sexual orientation and social background.

As we at SCHOTT Pharma want diversity, HR and corporate development to be closely aligned, our recruitment strategy is designed with diversity in mind. Our goal is to find great team players and build on their strengths and skills. In pursuit of this goal, we developed a recruiting policy focused not only on hiring and integrating the right people, but also on strengthening our employees' identification with SCHOTT, our values and our commitment to diversity. Selected executives receive training to recognise and counteract unconscious bias and stereotypes, ensuring a recruitment process that is efficient and, above all, respectful and free from discrimination.

We promote diversity through our "Best Teams" programme, in which we form interdisciplinary and intercultural teams – something that increases both staff loyalty and our company's competitive edge. We firmly believe that appreciating diverse individual skills, knowledge, perspectives and experiences is key for the short- and long-term success of our team. This means that we encourage our employees to contribute their personal strengths and to unlock their full potential. At the same time, our HR management works towards creating an environment that further strengthens the diversity of our workforce.

Our locations and customers can be found all over the world. Internationality and intercultural understanding are key elements of our corporate culture, enabling us to find the exact solutions that specific markets and customers need. We believe that personal experiences are central to intercultural exchange, which is why we promote the professional exchange of views between our locations and participate in international trade fairs and conferences. Our "SCHOTT goes Family" exchange programme makes it possible for the children of our employees to go and garner experience with people and their living situations in other countries at a young age.

At the heart of our diversity initiatives is a strong emphasis on gender equality and ensuring equal opportunities for women. More than 40% of our global workforce are women and we are aiming to increase the percentage of women in management positions from an average of 23.6% to 30% by 2030. Our HR policy is strongly shaped by this goal and the proportion of women on the Management Board has already reached 50%. The same is true for SCHOTT Pharma KGaA's Supervisory Board. However, there are no women on the Supervisory Board of SCHOTT Pharma Management AG at present. Even though no new appointments are due in the short term, we want to take this into account when making future appointments. In addition to the distribution of gender in the workforce and management, we pay particular attention to diversity in terms of internationality and interdisciplinary backgrounds.

We believe that a diverse workforce can best develop its strengths in an environment that is free from discrimination and harassment of any kind. We do not tolerate discrimination or unequal treatment of individuals or groups based on perceivable or non-perceivable personal characteristics such as gender, nationality, ethnicity, age, religion, convictions or sexual orientation. We also categorically reject verbal or physical behaviour that degrades a person or expresses hostility or dislike towards them.

Combating discrimination and harassment became an integral part of our compliance training in the financial year 2022/2023. These training sessions were extended into the financial year 2023/2024 and will remain a key focus moving forward. We also released a video tutorial on discrimination in the workplace and are developing additional online training modules, which can be accessed at any time and from any location. Any incidents of discrimination and harassment are recorded meticulously and can be reported anonymously by any employee.

Management and organisation

Strategies and measures relating to diversity, inclusion and anti-discrimination are developed by HR and Compliance both at a decentralised level in the various countries and individual locations and at a centralised level where the Management Board is immediately involved.

We systematically collect data to measure the effectiveness of such measures and to initiate necessary improvements.

In our efforts to combat discrimination and harassment, we established the following indicators for training measures in the financial year 2023/2024 and will update them on a regular basis:

- Total number of employees trained
- Percentage of trained participants in relation to those selected as mandatory participants

Recruitment and HR development

Risk assessment and materiality

As a major international employer, we create modern jobs and are an important economic factor at our various locations. We invest continually in employee training and development, thereby laying the foundation both for the success of our company and each employee.

The rapid pace of technological change is having a major impact on work processes, employee requirements and individual life situations. We operate in markets with strict regulatory conditions and dynamic competition. To bring about the necessary changes, it is crucial for us to recruit employees with the skills profiles that are needed both now and in the future.

Demographic change and the shortage of skilled labour – both in the commercial and technical fields – are making recruitment more difficult. Potential associated risks include production restrictions, especially at locations that are short of staff. If this were to result in SCHOTT Pharma not being able to produce vital components, this would jeopardise the supply of systemically relevant and vital medicines.

As the world of work becomes increasingly digital and international, working environments and methods are changing. This underlines the need for systematic training to remain competitive and successful in the future. The wide range of opportunities we offer employees for their personal and professional development also makes us more attractive as an employer.

Strategies and measures

SCHOTT Pharma pursues active HR management with comprehensive employer branding. In this context, we developed a Group-wide recruiting policy that is not only focused on hiring and integrating the right people but also on strengthening our employees' identification with SCHOTT, our values and our commitment to diversity.

In addition, we actively promote staff loyalty, with a particular focus on HR development and programmes designed to promote personal and professional growth. Our approach combines face-to-face and online training, reaping the benefits of each method.

We work with an SAP-based learning platform that allows us to track participation and successful completion of individual courses and to tailor courses to specific departments or management levels.

SCHOTT Pharma also makes a point of taking a differentiated approach to career paths, distinguishing between careers as specialists, project managers or executive managers. We believe this caters to the strengths and needs of our employees in the best possible way and creates the right conditions for them to remain motivated and perform to the best of their abilities.

We evaluate our programmes and measures on an ongoing basis and strive to improve them systematically. In this context, we not only measure participation but also individual learning success in order to provide personalised suggestions.

Employee performance reviews are another important component of our HR management. These provide employees with feedback on their individual performance and also with opportunities for personal and professional development. They also help to determine performance-related remuneration components and identify potential career paths.

Every year, we conduct a Company-wide survey to measure employee satisfaction and commitment. The resulting data is analysed, discussed in the teams and with direct managers, and presented to the Management Board. The findings are used to derive measures for the ongoing and systematic development of our working environment.

Management and organisation

Our HR department regularly analyses how our workforce is developing. With the assistance of central HR department, local HR managers can use the findings to derive location-specific measures, allowing for customised and coordinated solutions across the company.

To gauge the success of our recruiting measures and align them with overarching corporate and divisional goals, we record our new hires in a differentiated manner, using various diversity criteria as well. Our workforce grew in the financial year 2023/2024 despite relatively high staff turnover.

Workforce composition in the financial year 2023/2024

Employees	Total	Permanent employees	Temporary employees	Full-time employees	Part-time employees
	4,690	**4,121**	**569**	**4,517**	**173**
By gender					
Men	2,737	2,432	305	2,678	59
Women	1,953	1,689	264	1,839	114
By region					
Asia-Pacific	960	481	479	960	0
Europe and Middle East	2,615	2,527	88	2,443	172
America	1,115	1,113	2	1,114	1

Workforce composition in the financial year 2022/2023

Employees	Total	Permanent employees	Temporary employees	Full-time employees	Part-time employees
	4,646	**4,070**	**576**	**4,479**	**167**
By gender					
Men	2,735	2,416	319	2,685	50
Women	1,911	1,654	257	1,794	117
By region					
Asia-Pacific	925	479	446	925	0
Europe and Middle East	2,432	2,304	128	2,266	166
America	1,289	1,287	2	1,288	1

New employees and staff turnover in the financial year 2023/2024

Employees	New employees	Staff turnover
Total	**895**	**14.0%**
By age cohort		
Ages up to 30	464	23.6%
Ages 30 to 50	374	12.4%
Ages 50+	57	8.1%
By gender		
Men	447	12.6%
Women	448	15.9%
By region		
Asia-Pacific	214	9.4%
Europe and Middle East	595	12.6%
America	86	20.5%

New employees and staff turnover in the financial year 2022/2023

Employees	New employees	Staff turnover
Total	**795**	**14.7%**
By age cohort		
Ages up to 30	398	24.6%
Ages 30 to 50	334	12.7%
Ages 50+	63	9.4%
By gender		
Men	453	14.8%
Women	342	14.5%
By region		
Asia-Pacific	123	9.9%
Europe and Middle East	517	11.4%
America	155	23.2%

The annual number of training hours completed per employee is an important performance indicator for HR development at SCHOTT Pharma.

Fair and safe working conditions

Risk assessment and materiality

As an industrial company, the majority of our employees work in manufacturing, where the risks to physical health are greater than in management and administration. This means that SCHOTT Pharma places great importance on compliance with comprehensive occupational health and safety measures, including in countries where legal regulations are relatively weak. Neglecting such measures exposes our employees to serious safety risks and our Company to liability risks. Mental health is an equally important aspect for all our employees. An impaired physical or mental performance has a detrimental effect on both the individual employees and our Company as a whole.

For us, a healthy working environment not only means safe working conditions and health protection but also fair pay and the opportunity for employees to represent their interests collectively. Conversely, a lack of fair remuneration and co-determination could result in disadvantages for those affected, and the risk of reputational damage and legal sanctions for SCHOTT Pharma.

Finally, a lack of safety and fairness may have adverse effects on our attractiveness as an employer and on the motivation and loyalty of our employees.

Strategies and measures

The safety of our employees is of the utmost importance to us and we are committed to helping them maintain a healthy physical and mental performance through a consistently preventive approach. We also aim to identify risks and dangers as early as possible and counteract them with effective preventive measures.

Making our employees aware of potential risks and familiarising them with appropriate protective and remedial measures is fundamental to safety in the workplace. This is why we offer safety briefings and instructions for all employees concerned, in addition to preventive occupational health check-ups. By the same token, we also carry out comprehensive risk assessments, and regularly check the safety and reliability of machines, tools and personal protective equipment.

We want our health management to be holistic, and provide numerous health and well-being programmes that go beyond safety in the workplace and range from personal healthcare to physical fitness and nutrition. With the theme “Staying healthy together”, we also organise an annual SCHOTT Health Day at all locations to raise awareness among our workforce.

In order to provide attractive and fair working conditions for our employees at all locations, we regularly compare local salaries with external benchmarks and ensure that work is appropriately remunerated. This also has effect of increasing staff loyalty.

In most of the countries where SCHOTT Pharma operates, collective bargaining agreements that cover all or most of our local workforce are in place. At some locations, however, there is no collective agreement due to national labour law, common business practice or other local factors. For those who are not covered by a collective bargaining agreement, the terms and conditions of employment are nevertheless determined on a basis similar to the relevant collective agreement. We consider this to be part of our equal treatment principle.

We also extend this principle to full- and part-time employees. We differentiate between locations according to the expectations of our workforce, local labour market standards and national requirements and restrictions on the provision of certain benefits.

A central component of fairness is the equal treatment of men and women in the workplace. A collectively agreed system ensures equal pay for men and women at most of our locations. In Germany, we assess salary levels in cases where employees are not covered by this system. Here, the salary level for women was 97.9% of that of their male colleagues, which means that we have almost achieved our goal of 100% parity.

Management and organisation

We are certified in accordance with ISO 45001 (Occupational Health and Safety Management Systems) at all our locations. This helps us to systematically analyse location-specific risks and occupational health and safety requirements, and to drive forward improvements.

The responsibility for the management system lies with the local management. They appoint local EHS Officers to implement the system, allowing for location-specific measures and constant optimisation.

Work-related accidents in the financial year 2023/2024

	Employees	Others
Work-related accidents	45	2
LTIFR	5.2	8.6

Work-related accidents in the financial year 2022/2023

	Employees	Others
Work-related accidents	52	3
LTIFR	6.0	9.7

The local EHS Officers regularly liaise with their global counterpart who is responsible for promoting the exchange and transfer of best practices between the plants and developing systematic solutions across the company. This cooperative approach is particularly effective in the case of new policies and requirements.

Under a data-based management approach, we record EHS indicators in a central database. This helps us to analyse the EHS performance of different locations and allows comparisons by EHS Officers, local management and the Management Board.

Social matters

At SCHOTT Pharma, we accept the responsibility we owe not only to our employees but also to stakeholders beyond our Company. Our products play a key role in global healthcare, making it possible to administer over 25,000 injections on average every minute. Our packaging solutions ensure that the medication is stored safely beforehand.[2] To ensure that our products and manufacturing processes fulfil the highest standards, we rely on state-of-the-art approaches to quality management.

One way that we honour our responsibility for people outside SCHOTT Pharma is through our social commitment in the tradition set by our founders, Otto Schott, Carl Zeiss and Ernst Abbe. The dividends we receive from our majority shareholder SCHOTT Group are redirected to the Carl Zeiss Foundation which is dedicated to funding and promoting education and providing research scholarships. We see ourselves as a corporate citizen and are actively looking to engage in dialogue with the communities around us.

Product quality and patient safety

Risk assessment and materiality

Health is the most precious thing in life. That is why we have made safe products for human health an essential part of our mission to develop solutions that make it safe and easy for people around the world to take medicines. Because human health matters.

[2] Including investments accounted for using the equity method.

A key element is our primary packaging that protects medicine. Product protection is indispensable to safeguarding patients' health because unsuitable or defective packaging puts product safety, and therefore patients, at risk.

For us, product safety means providing high-quality products that offer the best possible protection to drugs while ensuring smooth and efficient administration. We have also minimised the risk of glass breakage in the fill-and-finish process, which means the risk of injuries, loss of material and consequently financial losses are minimised as well.

If SCHOTT Pharma were to fall short of customer or patient safety requirements, our reputation would be at risk. Wide-ranging national and international regulations could mean civil or even criminal liability. Excellent service and top-notch quality are major competitive advantages for us as a global leader in primary packaging for the pharma industry. If we failed to live up to our service promise, customers could lose trust in us and we, in turn, could lose customers.

Strategies and measures

We have a quality policy in place that is the foundation for the safety and high quality of our products. It applies to all our organisation's locations and global functions. As our quality management system is geared towards the special requirements for the manufacture of pharmaceutical primary packaging, our quality management system has obtained both ISO 9001 and ISO 15378 certifications.

The linchpins of our quality management system are:

- a zero defects strategy that has led us to design processes in a way that systematically avoid sources of errors
- a GMP mindset (good manufacturing practice)
- ongoing development of structures and processes
- ensuring the highest product quality

In pursuit of our zero defects goal, our risk management is designed to identify and eliminate risks that could impair product quality. All manufacturing steps are based on work instructions documented in writing, and are implemented and monitored by trained staff. We follow good documentation practice standards which support strict adherence to established procedures, traceability for all activities in the manufacturing process and easy identification of potential sources of errors. We also carry out routine maintenance on plants and equipment. Once the manufacturing process has been completed, our quality department reviews the documentation and test results before making a final decision on lot release. This procedure ensures that each lot complies with the specifications for that particular product.

Management and organisation

We believe that each and every one of us at SCHOTT Pharma is in charge of quality. That is why our employees are familiar with our quality policy and have received dedicated training on the processes and procedures in their domains.

Global Quality Management is working on further developing our quality management system and globally applicable quality processes. There are also dedicated quality organisations at every location; these organisations are responsible for implementing global processes at a local level, taking specific circumstances in the production processes, product portfolios and customer or supplier bases into account. This set-up serves to ensure that global standards are complied with and coordinated, while questions unique to each location are also considered.

There are effective and efficient quality management systems in place at SCHOTT Pharma that comply with ISO 9001 and ISO 15378. ISO 9001 is a globally recognised standard and our foundation for quality management as we endeavour to comply with customer demands and other requirements regarding product or service quality. ISO 15378 is based on ISO 9001 and the principles of

good manufacturing practice. This allows us to meet the statutory requirements regarding primary packaging for drugs and medical devices set by many countries all over the world (for example US Code of Federal Regulations).

Our standardised quality management makes our manufacturing processes more efficient, reduces safety hazards and decreases product contamination risks. This is how we ensure the reliable manufacture of primary packaging that enables durability and effectiveness of medicinal products.

Integrity and compliance

Proper business conduct based on our corporate values and compliance with laws and regulations are at the core of our business. As a part of SCHOTT Group, SCHOTT Pharma aligns itself with the principles and values of SCHOTT as a foundation company. Guided by these principles and values, we adhere to local and international frameworks and regulations at all of our locations, together with the specific internal regulations for the location in question. SCHOTT Pharma actively promotes human rights and fair business practices. We do not tolerate corruption, bribery, child labour or forced labour in any form in our own business or along our supply chain. In this way, we follow our founders' tradition of respecting and valuing all human life.

Values and compliance management in our own business

Risk assessment and materiality

Ensuring fair business practices and respecting human rights helps us protect our reputation and the trust placed in us by important stakeholder groups such as customers, investors, suppliers and employees. Reputational risks arising for SCHOTT Pharma from potential violations include endangered business relationships, damage to our reputation, lost order volumes or legal liability (civil or criminal).

Corruption and bribery lead to market inefficiencies, distort competition and can make society lose confidence in institutions, while increasing income disparity and reducing equal opportunity. Anti-competitive practices and cartels restrict competition with the same effect.

We strive to secure a competitive edge by offering high-quality products and services, and by delivering the highest standards to meet our customers' demands. Our performance-based approach embraces true competition and rejects any form of market-restrictive behaviour or unethical market interference.

We believe in safeguarding our employees' rights at every one of our locations. It is our firm conviction that unconditional protection of human rights is key to our success and the future viability of our Company. That is why we actively advocate against child and forced labour as well as any other form of modern slavery or human trafficking.

We deem the probability of occurrence of risks related to corruption, bribery, anti-competitive practices and human rights violations to be low because we have a comprehensive compliance management system (CMS) in place. SCHOTT Pharma relies on SCHOTT Group's Group-wide Compliance & Security division to assess and address relevant risks. Our CMS includes regular risk assessments of the compliance topics mentioned above for all our locations, allowing us to gain an informed overview of potential specific compliance risks. We divide our units into risk categories based on the results of our risk assessments and implement additional compliance measures as required.

Our analysis shows that our business yields no material corruption risks. Increased potential risks could only arise at locations in countries with a high risk of corruption, as determined by Transparency International's Corruption Perceptions Index. We take individual preventative measures to ensure that these risks do not materialise. The analyses also do not indicate an increased risk for SCHOTT Pharma's divisions in terms of potential anti-competitive practices.

We also analysed risks associated with respecting human rights – both within our own economic activities and in relation to our direct suppliers. The results of these analyses indicate that these risks are primarily associated with our upstream supply chain. Because we aim to minimise all threats to human rights, we have adopted an extensive range of measures which are described in more detail in the section Compliance in the Supply Chain.

Strategies and measures

Our Company is a staunch advocate of fair competition and unconditional respect for human rights. As part of SCHOTT Group, SCHOTT Pharma is committed to social responsibility and the principles of the Carl Zeiss Foundation (which owns SCHOTT Group). Our corporate values to "drive innovation", "create value", "respect others" and "act responsibly" are encoded in our corporate DNA.

They shape our Code of Conduct, which in turn defines key principles for our day-to-day work. Yet our Code of Conduct does not merely reflect our values and applicable laws and regulations; it also incorporates elements of the United Nations' International Bill of Human Rights and the UN Global Compact.

It acts as the basis for our compliance management system that is integrated into our global business processes to prevent both systematic misconduct and unintentional violations caused by someone simply not knowing better. The Code of Conduct creates and fosters a speak-up culture, i.e. a workplace where every individual is responsible for responding to and reporting potential issues.

To help our employees fulfil this responsibility, we have set up a whistleblowing system (Integrity Helpline) that allows to report concerns confidentially and anonymously, enabling us to act at an early stage and adopt further measures to prevent violations or more far-reaching repercussions. Our approach to effective compliance prioritises preventing wrongdoing over fixing things after the fact.

Our Code of Conduct incorporates clear anti-corruption and anti-bribery provisions as well as precise rules for fair competition as set out in our Anti-Corruption and Competition Policies. Both rulebooks also reflect our commitment to the Tenth Principle of the UN Global Compact, which states that "businesses should work against corruption in all its forms", and

- ban active and passive corruption
- set out rules on how to handle invitations and gifts
- explain how to interact with sales representatives
- determine rules for donations and sponsorship
- govern fair competitive practices
- lay out rules for appropriate meetings with competitors (examples being meetings to prepare a proper agenda or discussions with Legal)
- stipulate documentation requirements for memberships in associations

To provide practical support for our employees, we have created guidance notes about gifts, invitations and other inducements, and about meetings with competitors that are also customers or suppliers.

Besides providing key information, we attach great importance to raising awareness amongst our employees and to offering training. Online and face-to-face training measures familiarise our employees with the rules and preventative processes set out in our anti-corruption and competition policies. Employees are selected based on their position and function, i.e., not only managers have the opportunity to attend training courses but also all employees working in divisions with an increased risk of corruption, such as Sales or Procurement. After introducing in-person compliance workshops at various locations in the financial year 2022/2023, we continued this training in 2023/2024. The programme is set to be completed in the coming financial year 2024/2025 and will be repeated every five to six years.

In addition to these mandatory training measures, Compliance & Security has a variety of communication initiatives to raise awareness about anti-corruption and fair competitive practices, including the Compliance@SCHOTT newsletter, voluntary short courses on individual compliance issues and short videos on topics like gifts during the festive season.

Our training measures and communication initiatives cover not only anti-corruption and anti-trust law but also all other topics in the SCHOTT compliance management system, including export control, data and information protection and anti-money laundering. Providing this training is part of our commitment to fair and honest competition.

We have introduced an integrity audit for sales representatives, consultants and wholesalers to ensure that we only distribute our products to reliable business partners. Only business partners who pass this compliance risk database audit can receive goods or payments for their services from SCHOTT Pharma.

In compliance with the Fourth and Fifth Principles of the UN Global Compact, we have embedded into our Human Rights Strategy our rejection of any form of child labour, forced labour, human trafficking, slavery and practices similar to slavery, and our opposition to using, intermediating or offering illegal activities.

Along with anti-corruption and anti-bribery, human rights have been part of our compliance management system since 2022. Once again, it is our Code of Conduct that sets out clear provisions to safeguard human rights. Our risk analyses guided us in creating a mission statement for our Human Rights Strategy. Both act as a touchstone in creating rulebooks and training measures for our employees and in establishing transparent processes to identify, remedy and sanction any potential wrongdoing.

While we have extensive preventive safeguards in place, even the strongest protections can fail sometimes. If our internal measures, processes or our whistleblowing system indicate any potential human rights violations within our own business, we can fall back on our compliance management system to swiftly introduce appropriate actions to investigate and resolve any issues.

Management and organisation

We have systematically assessed how effective our training measures are from a compliance perspective since the financial year 2023/2024, drawing on indicators such as the total number of employees who attended training measures or the percentage of trained participants in relation to those selected as mandatory participants. These indicators are updated on a regular basis.

We monitor our case management for all compliance-related aspects with the following indicators:

- Total number of reported cases
- Risk associated with reported cases
- Reporting channels used
- Total number of recorded compliance violations

Compliance & Security also performs regular self-assessments to check if preventative measures have been recognised and understood. In addition, Internal Audit has reviewed parts of our compliance management system, especially aspects relating to anti-corruption, export control and data protection.

Compliance in the supply chain

Risk assessment and materiality

Upholding human rights and fair business practices in our supply chain is a top priority. We know that supplier misconduct can reflect badly on us and that supplier violations can harbour both financial and non-financial risks. While SCHOTT Pharma itself was not subject to the German Act

on Corporate Due Diligence Obligations in Supply Chains (Lieferketten-Sorgfaltspflichtengesetz, LkSG) in the financial year, it is still part of SCHOTT Group and therefore complies with the corresponding due diligence obligations. As the EU Corporate Sustainability Due Diligence Directive (CSDDD), which came into force in 2024, will be transposed into German law by 2027, its obligations will also apply to SCHOTT Pharma. This means that SCHOTT Pharma will be liable under administrative or even civil law if it fails to comply with the statutory due diligence obligations.

Because of this, we carry out an extensive risk analysis. All suppliers that were active in the previous financial year were reviewed for human rights-related and environmental risks in the financial year 2023/2024. Around 20% of all suppliers obtained a high to very high overall risk rating, more than half of which are located in Brazil, Indonesia and Mexico. Most of these are local suppliers for our manufacturing locations in these countries, and all high-risk suppliers from these three countries jointly account for less than 6% of SCHOTT Pharma's direct expenses.

We use four data sources for this assessment: while the Corruption Perceptions Index created by Transparency International and the ITUC Global Rights Index serve as a basis for country risks, we extract industry-based risk indicators from the FIRST for Sustainability industry fact sheets and a research report on respecting human rights along global value chains published by the Federal Ministry of Labour and Social Affairs ("Die Achtung von Menschenrechten entlang globaler Wertschöpfungsketten"; available only in German).

Data on high-risk suppliers is uploaded into monitoring software provided by a service provider, where the risk analysis is supplemented with additional data extracted from industry benchmarks and questionnaires. Suppliers with a residual high risk of human rights violations are flagged with real-time risk warnings, updated on a daily basis.

We are also conducting ESG surveys of our key suppliers to gain insights into implementation status and related risks and to identify opportunities for potential improvement projects. This enables us to not only develop individual preventative and remedial measures, but also to encourage forward-looking co-innovations.

Strategies and measures

The strategies and measures we have adopted to ensure that we uphold human rights and fair business practices in the supply chain have both an internal and an external dimension. Clearly communicating our expectations via the Supplier Code of Conduct and considering ESG issues when assessing suppliers are key elements.

We are committed to firmly embedding ESG aspects in our procurement processes, which is why the findings from our key supplier surveys are factored into our supplier assessment. Together with our employees in Procurement, we aim to define clear ESG guidelines for procurement decisions. One important influencing factor is reducing the environmental impact of our products. We do not only monitor our suppliers' compliance with human rights and adherence to fair business practices; we also aim to encourage them to use green energy and develop resource- and environmentally-friendly solutions.

Our publicly available Supplier Code of Conduct sets out what we expect of our suppliers. The human rights-related aspects are based on the UN Guiding Principles on Business and Human Rights, the fundamental Conventions of the International Labour Organization (ILO), the Guiding Principles of the Organisation for Economic Co-operation and Development (OECD) and the principles of the UN Global Compact. The Supplier Code of Conduct further sets out a mandatory prohibition of any form of corruption, extortion, embezzlement, money laundering and terrorist financing, while also mandating compliance with applicable competition law for our suppliers.

Suppliers that are classified as bearing a high risk of violating human rights-related due diligence obligations (mostly due to the country they are located in) are required to sign our Supplier Code of Conduct which is incorporated into our contractual relationship. In line with our obligations arising under the UN Global Compact, we also provide relevant suppliers with additional information on measures to abolish child labour.

If the Code is ever violated, our suppliers must investigate and inform us about causes and planned remedial measures. We reserve the right to investigate ourselves if we become aware of any violation. Should suppliers fail to take effective measures to remedy the identified failure after we have requested them to do so, or if we become aware of systematic recurring violations, we reserve the right to terminate the business relationship and any existing contracts.

We see this as a last resort, however. Our aim is to forge partnerships with our suppliers, joining forces to uphold human rights and fair competition practices in our supply chain, and supporting our suppliers to grow in this area.

Management and organisation

The extensiveness of our supply chains and the vast array of compliance topics we deal with mean that many stakeholders are involved in management and organisation. SCHOTT Group Sustainable Procurement and Compliance & Security carry out the risk analysis, while our local and global procurement organisations work hand in hand with Sustainable Procurement, Sustainability and Quality Assurance to conduct ESG integration surveys of key suppliers. The findings are incorporated into the supplier assessment coordinated by Quality Assurance. Case-specific measures are introduced via global and local procurement organisations in the event that a supplier fails to meet required ESG integration standards.

Disclosures on the EU Taxonomy Regulation (EU) 2020/852

The EU taxonomy, based on Regulation (EU) 2020/852 (“Taxonomy Regulation”), plays a crucial role within the EU’s Action Plan on Financing Sustainable Growth. The taxonomy aims to redirect capital flows towards sustainable economic activities, promoting the transition to a sustainable economy.

In pursuit of this goal, the taxonomy defines overarching environmental objectives that help to identify environmentally sustainable economic activities in line with sustainable development targets. The EU taxonomy currently covers six key environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

As a uniform classification system, the EU taxonomy defines which economic activities are taxonomy-eligible. Taxonomy-eligible economic activities are those that could be environmentally sustainable or have the potential to contribute to achieving the taxonomy’s environmental objectives. Pursuant to Article 3 of the Taxonomy Regulation, taxonomy-eligible activities must meet the following criteria to be classified as environmentally sustainable or taxonomy-aligned:

- The activity “contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16”.
- The activity meets the technical screening criteria in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2).
- The activity “does not significantly harm [the other] environmental objectives set out in Article 9 in accordance with Article 17” (DNSH principle).
- The activity complies with the minimum safeguards for human and labour rights as per Article 18.

Impact analysis and scope of application

We are disclosing information on our economic activities within this Combined Non-Financial Statement for our financial year from 1 October 2023 to 30 September 2024 pursuant to the requirements stipulated in the EU Taxonomy Regulation (EU) 2020/852 and its related delegated acts (EU) 2021/2139, (EU) 2021/2178, (EU) 2022/1214, (EU) 2023/2485 and (EU) 2023/2486. We are also reporting SCHOTT Pharma's taxonomy-eligible and taxonomy-aligned revenue, capital expenditure (CapEx) and operating expenses (OpEx) for the reporting period in accordance with Article 8 of the Taxonomy Regulation. We took into account all environmental objectives and related activities published within the scope of the EU taxonomy as of 30 September 2024, as defined in the aforementioned delegated acts that were applicable in the reporting period.

To determine taxonomy-eligible activities that are relevant for our Company, we built on the process established in the previous year and applied the current best practices on how to deal with the EU Taxonomy Regulation in the reporting period.

Approach and methodology

An interdisciplinary team of experts from the Sustainability, Operations, Finance, Controlling, Legal and Environmental Management divisions performs an impact analysis and identifies taxonomy-eligible activities once a year.

Our holistic approach helps us to assess and review the applicability of and compliance with the requirements. We made use of the tools provided by the EU through the EU Taxonomy Navigator website and evaluated potentially taxonomy-eligible economic activities based on the information in the EU Taxonomy Compass and delegated acts. Within the scope of the annual screening process, we also referred to publications by the Institute of Public Auditors in Germany (IDW) on the application of the EU Taxonomy Regulation, using these independent assessments to validate the applicability of certain activities for SCHOTT Pharma.

SCHOTT Pharma's economic activities that contribute to the six environmental objectives outlined in the taxonomy were selected and validated at the level of each location via cross-functional surveys. This enabled us to create a list of taxonomy-eligible activities applicable to our business.

SCHOTT Pharma's Controlling and Sustainability functions are responsible for centrally managing the validation process which consists of numerous documented steps and involves stakeholders directly at the level of each location.

Taxonomy eligibility assessment

The bulk of SCHOTT Pharma's economic activities is not (yet) covered by the EU taxonomy and is therefore classified as taxonomy-ineligible even though these activities may be in line with the EU's environmental objectives outside the current focus of the EU taxonomy. The main reason for this is that the glass manufacturing industry is not covered by the EU taxonomy at present.

As the current EU taxonomy structure is only applicable to selected industries, none of SCHOTT Pharma's primary economic activities is taxonomy-eligible at this point because the Taxonomy Regulation did not focus on the glass manufacturing industry or pharmaceutical primary packaging during the reporting period.

The EU taxonomy is mainly geared towards industries that make a significant contribution to the EU's environmental objectives. Since SCHOTT Pharma is not active in the industries prioritised by the Regulation, relevant taxonomy-eligible economic activities are restricted to infrastructure activities that are important for business operations. The uniform allocation of taxonomy-eligible economic activities to the individual environmental objectives allowed us to exclude double counting in the revenue, capital expenditure (CapEx) and operating expense (OpEx) categories. We identified the following taxonomy-eligible activities in the reporting period:

- CCM 4.15 District heating/cooling distribution
- CCM 5.2 Renewal of water collection, treatment and supply systems
- CCM 5.5 Collection and transport of non-hazardous waste in source-segregated fractions

- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 7.2 Renovation of existing buildings
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- CCM 7.7 Acquisition and ownership of buildings
- CCM 8.1 Data processing, hosting and related activities
- CE 2.3 Collection and transport of non-hazardous and hazardous waste
- CE 2.7 Sorting and material recovery of non-hazardous waste
- PPC 2.1 Collection and transport of hazardous waste

Because SCHOTT Pharma's economic activities do not aim to provide adaptation solutions within the meaning of the environmental objective "climate change adaptation", we do not report activities that are allocated exclusively to this environmental objective. A dedicated climate risk analysis was not performed in the reporting period either. However, this is planned for the upcoming financial year 2024/2025 when we transition to the reporting obligations under the Corporate Sustainability Reporting Directive (CSRD).

Taxonomy alignment assessment

Our taxonomy alignment assessment for economic activities identified as taxonomy-eligible is based on the following criteria laid out in the EU Taxonomy Regulation:

- Compliance with the minimum safeguards stipulated in Article 18
- Assessment of negative impacts on other environmental objectives set out in Article 9 in accordance with Article 17 ("do no significant harm" – DNSH principle)
- Assessment of technical screening criteria in accordance with Article 10

SCHOTT Pharma was not required to assess and report the taxonomy alignment of economic activities allocated to environmental objectives 3 to 6 in the reporting period. As such, only the assessment of the "climate change mitigation" and "climate change adaptation" environmental objectives was relevant for the reporting period. Due to lack of taxonomy eligibility, the "climate change adaptation" environmental objective was excluded in advance.

Compliance with minimum safeguards in the context of the alignment assessment was covered by integrating monitoring processes regarding the protection of human rights into the compliance management system (CMS) in the reporting period. The minimum safeguards adhered to by the respective divisions are in line with the requirements stipulated in Article 18 of the EU Taxonomy Regulation as to compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the fundamental Conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and in the International Bill of Human Rights. Our Declaration of Principles on Human Rights is applicable throughout the group; it stipulates compliance with the aforementioned principles and is monitored by our Human Rights Officer. Our Supplier Code of Conduct sets out the standards we expect our suppliers to meet. That includes respecting human rights and therefore complying with minimum safeguards.

In addition to compliance with minimum safeguards, the EU Taxonomy Regulation stipulates that taxonomy-eligible economic activities must not significantly harm other environmental objectives (DNSH principle). The DNSH criteria for the identified taxonomy-eligible activities include the allocation of taxonomy-eligible economic activities in the context of a climate risk analysis and vulnerability assessment in accordance with Appendix A to Delegated Regulation (EU) 2021/2139. A dedi-

cated climate risk analysis was not performed in the reporting period. However, we will perform a climate risk analysis in line with the requirements of the EU taxonomy and its environmental objectives when we adjust our reporting formats to the obligations under the Corporate Sustainability Reporting Directive (CSRD) in the next financial year. This means that the DNSH criteria for identified taxonomy-eligible economic activities were not met for the reporting period.

Because of this, the departments to which the activities related did not assess the technical screening criteria at the level of the locations in the reporting period. The same applies to the taxonomy conformity assessment of taxonomy-eligible SCHOTT Pharma activities related to external suppliers, leasing partners or service providers.

As a result, none of SCHOTT Pharma's taxonomy-eligible economic activities can be reported as taxonomy-aligned for the reporting period.

Revenue analysis

SCHOTT Pharma did not generate any revenue from taxonomy-eligible economic activities in the reporting period. As the activities defined in the EU taxonomy did not include the manufacture of our products during the reporting period, we cannot report taxonomy-eligible or taxonomy-aligned revenue.

Total revenues used as the reference value in the denominator correspond to consolidated revenue reported in the consolidated Financial Statements (cf. Consolidated Statement of Income for the period from 1 October 2023 to 30 September 2024). Revenue was calculated in accordance with applicable accounting standards and therefore complies with the requirements set out in Annex I section 1.1.1 to Delegated Regulation (EU) 2021/2178. Revenue recognition is aligned with IFRS 15 Revenue from Contracts with Customers.

Capital expenditure (CapEx) analysis

In the reporting period, SCHOTT Pharma's consumed capital expenditure of EUR 5.0m related to the following taxonomy-eligible economic activities:

- CCM 4.15 District heating/cooling distribution
- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 7.2 Renovation of existing buildings
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- CCM 7.7 Acquisition and ownership of buildings
- CCM 8.1 Data processing, hosting and related activities
- CE 2.7 Sorting and material recovery of non-hazardous waste

The capital expenditure was incurred to purchase products and services from taxonomy-eligible economic activities and to make investments, coupled with individual measures, aimed at minimising the carbon footprint of target activities or reducing greenhouse gas emissions. Building technology and building-related activities in connection with the expansion and renovation projects we carried out at our manufacturing locations account for the bulk of identified taxonomy-eligible capital expenditure. Investments in our fleet account for a smaller share.

No evidence of taxonomy alignment could be provided for any of the taxonomy-eligible capital expenditure in the reporting period.

Total capital expenditure used as the reference value in the denominator corresponds to the sum of investments in property, plant and equipment reported in the Consolidated Financial Statements, taking into consideration capitalised right-of-use assets from leases (cf. Notes to the Consolidated Financial Statements for the financial year 2023/2024, section on property, plant and equipment), and investments in intangible assets reported in the Consolidated Financial Statements (cf. Notes to the Consolidated Financial Statements for the financial year 2023/2024, section on intangible assets). Total capital expenditure was calculated in accordance with applicable accounting standards, complying with the requirements set out in Annex I section 1.1.2 to Delegated Regulation (EU) 2021/2178. Leases that do not convey a right to use the asset are not reported as capital expenditure.

	Share in total capital expenditure	
	Taxonomy-aligned share	Taxonomy-eligible share
CCM	**0%**	**1.3%**
CCA	–	–
WTR	–	–
CE	**0%**	**0%**
PPC	–	–
BIO	–	–

Operating expenses (OpEx) analysis

In the reporting period, SCHOTT Pharma's incurred insignificant operating expenses related to the following taxonomy-eligible economic activities:

- CCM 5.2 Renewal of water collection, treatment and supply systems
- CCM 5.5 Collection and transport of non-hazardous waste in source-segregated fractions
- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 7.2 Renovation of existing buildings
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- CCM 8.1 Data processing, hosting and related activities
- CE 2.3 Collection and transport of non-hazardous and hazardous waste
- CE 2.7 Sorting and material recovery of non-hazardous waste
- PPC 2.1 Collection and transport of hazardous waste

The operating expenses were incurred to purchase products and services from taxonomy-eligible economic activities and to make investments, coupled with individual measures, aimed at minimising the carbon footprint of target activities, at reducing greenhouse gas emissions, at facilitating the transition to a circular economy or at making a contribution to preventing or controlling pollution. The identified taxonomy-eligible operating expenses pertained to building technology and building-related activities, waste recovery as well as maintenance and repair work necessary for retaining the value of our fleet. Supporting activities such as data processing accounted for a smaller share.

No evidence of taxonomy alignment could be provided for any of the taxonomy-eligible operating expenses in the reporting period.

Total operating expenses used as the reference value in the denominator correspond to research and development costs reported in the Consolidated Financial Statements (cf. Notes to the Consolidated Financial Statements for the financial year 2023/2024, section on research and develop-

ment costs), expenses for short-term leases reported in the Consolidated Financial Statements (cf. Notes to the Consolidated Financial Statements for the financial year 2023/2024, section on leases) and expenses for maintenance and repair (not disclosed in the Annual Report).

Manufacturing processes in the glass industry are highly automated. Consequently, operating expenses are relatively low compared with the significant capital expenditure consumed for technology and infrastructure. Operating expenses as defined in Regulation (EU) 2021/2178 do not have a material impact on the company's overall financial performance or sustainability indicators. We make use of the option granted by section 1.1.3.2 of Annex I to this Regulation, which allows us to disclose the numerator as being equal to zero. Total operating expenses pursuant to section 1.1.3.1 of Annex I to this Regulation are disclosed in a dedicated OpEx table.

	Share in total operating expenses	
	Taxonomy-aligned share	Taxonomy-eligible share
CCM	0%	0%
CCA	–	–
WTR	–	–
CE	0%	0%
PPC	0%	0%
BIO	–	–

Proportion of turnover from products or services associated with Taxonomy-eligible economic activities – disclosure covering fiscal year 2024 (N)

Financial year N		2024		Substantial Contribution Criteria						
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	
		EUR k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. Taxonomy-eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**–**							
of which enabling		0	–							
of which transitional		0	–							
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**0**	**–**							
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**0**	**–**							
B. Taxonomy-non-eligible activities										
Turnover of Taxonomy-non-eligible activities		**957,091**	**100%**							
Total		**957,091**	**100%**							

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL Eligible, Taxonomy-elidible for the relevant envrionmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

	DNSH criteria ('does not significantly harm')									
	Chlimate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover year, N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
								0		
								0	E	
								0		T
								0		
								0		

Proportion of CapEx from products or services associated with Taxonomy-eligible economic activities – disclosure covering fiscal year 2024 (N)

Financial year N		2024		Substantial Contribution Criteria					
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)
		EUR k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**–**						
of which enabling		0	–						
of which transitional		0	–						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
District heating/cooling distribution	CCM 4.15	220	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	330	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	207	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	380	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	64	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	580	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	122	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	141	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Sorting and material recovery of non-hazardous waste	CE 2.7	50	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**2,095**	**1.3%**	**1.3%**	**0.0%**	**0.0%**	**0.0%**	**0.03%**	**0.0%**
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**2,095**	**1.3%**	**1.3%**	**0.0%**	**0.0%**	**0.0%**	**0.03%**	**0.0%**
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		**161,156**	**98.7%**						
Total		**163,251**	**100%**						

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

	DNSH criteria ('does not significantly harm')									
	Chlimate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
								0		
								0	E	
								0		T
								0.0%	–	–
								0.2%	–	T
								0.0%	–	T
								0.5%	E	–
								0.0%	E	–
								0.1%	E	–
								1.8%	–	–
								0.3%	–	T
								0.0%	–	–
								2.8%		
								2.8%		

EL Eligible, Taxonomy-elidible for the relevant envrionmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Proportion of OpEx from products or services associated with Taxonomy-eligible economic activities – disclosure covering fiscal year 2024 (N)

Financial year N		2024		Substantial Contribution Criteria					
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)
		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**–**						
of which enabling		0	–						
of which transitional		0	–						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Renewal of water collection, treatment and supply systems	CCM 5.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste in source-segregated fractions	CCM 5.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous and hazardous waste	CE 2.3	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Sorting and material recovery of non-hazardous waste	CE 2.7	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Collection & transport of hazardous waste	PPC 2.1	0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		**41,855**	**100.0%**						
Total		**41,855**	**100%**						

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

	DNSH criteria ('does not significantly harm')									
	Chlimate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
								0		
								0	E	
								0		T
								0.0%	–	–
								0.0%	–	–
								0.2%	–	T
								0.0%	–	T
								0.3%	E	–
								0.0%	E	–
								0.0%	–	T
								0.0%	–	–
								0.0%	–	–
								0.0%	–	–
								1.6%		
								1.6%		

EL Eligible, Taxonomy-elidible for the relevant envrionmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Other Components

Corporate Governance Statement (pursuant to sections 289f and 315d HGB) and Corporate Governance Report

Responsible corporate governance is of great importance to SCHOTT Pharma. Long-term thinking and sustainable action have characterised our successful corporate journey since our foundation. The management (the sole general partner SCHOTT Pharma Management AG, whose Management Board is responsible for managing SCHOTT Pharma) and the Supervisory Board manage and support the Company in its sustainable and value-adding development.

The Corporate Governance Statement pursuant to sections 289f and 315d HGB also includes the Declaration of Compliance pursuant to section 161 AktG, which contains relevant disclosures regarding corporate governance practices that go beyond the legal requirements, as well as information on where these are publicly available. It also includes a description of Management Board and Supervisory Board work processes and a description of the composition and work processes of their committees. Finally, it provides information on the setting of targets for the proportion of women on the Management Board and in the two management levels below the Management Board, as well as the deadlines for achieving these targets and compliance with the minimum proportions of women and men on the Supervisory Board.

The Corporate Governance Statement is available on our website at www.schott-pharma.com/investor-relations/corporate-governance/compliance-statement/.

Takeover-related disclosures

SCHOTT Pharma Management AG, the general partner of SCHOTT Pharma KGaA, explains the disclosures made in accordance with the requirements of sections 289a and 315a HGB below. The information is as of 30 September 2024.

Composition of subscribed capital

The subscribed capital of SCHOTT Pharma KGaA amounts to EUR 150,614,616.00. It is divided into 150,614,616 registered no-par value shares (ordinary bearer shares) with a notional nominal value of EUR 1.00 each. Each no-par value share carries one vote at the Annual General Meeting. Shareholders' rights are governed by the German Stock Corporation Act and the Memorandum and Articles of Association.

Restrictions affecting voting rights or the transfer of shares

Restrictions affecting voting rights or the transfer of shares may result from legal requirements or contractual agreements.

For example, shareholders may be legally barred from voting under certain conditions pursuant to section 136 AktG in conjunction with section 278(3) AktG. The general partners of a partnership limited by shares are barred from voting pursuant to section 285 AktG.

The general partner is not aware of any contractual restrictions regarding voting rights or the transfer of shares.

If voting rights are not restricted, all shareholders who have registered to participate in the Annual General Meeting in good time and have provided proof of their entitlement to participate in the Annual General Meeting are entitled to exercise their voting rights from all shares held and registered by them.

Direct or indirect shareholdings exceeding 10% of voting rights

In accordance with sections 33 and 34 of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG) – or as otherwise notified by the shareholders –, the general partner has been notified of the following shareholdings in the capital of SCHOTT Pharma KGaA that exceed ten percent of the voting rights.

Direct shareholder:

- SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, with a share of 77%

Indirect shareholders:

- SCHOTT AG, Mainz
- Carl Zeiss Foundation, Heidenheim an der Brenz and Jena

Shares with special rights granting the holder supervisory powers

There are no shares issued by the general partner with special rights granting the holder supervisory powers.

Control of voting rights for shares held by employees

There is no special type of control of voting rights for shares held by employees. Employees who hold shares in the company exercise their rights of control in the same way as other shareholders.

Appointment and removal of members of the Management Board and amendment to the Memorandum and Articles of Association

In accordance with clause 7.2 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the general partner is responsible for the management of the company.

In accordance with clause 6.3 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the general partner must withdraw from the company with three months' notice as soon as the totality of shares in the general partner is no longer directly or indirectly held by a person who holds more than 30% of the company's share capital directly or indirectly via a controlled company pursuant to section 17(1) AktG; this does not apply if all shares in the general partner are held directly or indirectly by the Company.

In accordance with clause 6.3 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the general partner must also withdraw from the company if the shares in the general partner are acquired by a person who does not simultaneously acquire shares in the Company representing more than 30% of the Company's share capital or does not make a takeover or mandatory offer to the Company's shareholders in accordance with the provisions of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) within six months of this acquisition taking effect; the appropriate consideration offered to the shareholders herein must also take into account the consideration paid by the acquirer for the shares in the general partner, insofar as this exceeds the amount of the general partner's equity.

This is without prejudice to other statutory grounds for the withdrawal of the general partner.

Members of the Management Board are appointed and dismissed by the general partner's Supervisory Board pursuant to section 84(1) AktG. They are appointed for a maximum period of five years.

In accordance with section 179 in conjunction with section 278(3) AktG, any amendment to the Memorandum and Articles of Association requires a resolution of the Annual General Meeting and, in accordance with section 285(2) sentence 1 AktG, the approval of the general partner.

Pursuant to clause 21 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the Annual General Meeting's resolution on an amendment to the Memorandum and Articles of Association requires a simple majority of all votes cast, unless legal requirements or SCHOTT Pharma KGaA's Memorandum and Articles of Association stipulate a higher majority or further requirements.

In accordance with clause 11.5 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the Annual General Meeting has delegated to the Supervisory Board the authority to make amendments to the Memorandum and Articles of Association that only affect the wording (section 179(1) sentence 2 AktG).

Authorisation of the Management Board, especially with regard to issuing or buying back shares

Pursuant to clause 4.2 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the general partner is authorised, with the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period ending on 19 June 2028 by a total of up to EUR 50,000,000.00 by issuing up to 50,000,000 new no-par value bearer shares against cash and/or non-cash contributions (authorised capital). Shareholders will generally be granted subscription rights. The new shares may also be acquired by a credit institution to be determined by the general partner or a company operating in accordance with section 53(1) sentence 1 of the German Banking Act (Kreditwesengesetz, KWG) or section 53b(1) sentence 1 or (7) KWG (financial institution), or a syndicate of such credit or financial institutions with the obligation to offer them to the company's shareholders for subscription (known as an indirect subscription right).

However, subject to the approval of the Supervisory Board, the general partner may exclude shareholders' subscription rights once or several times in certain circumstances.

Pursuant to clause 4.3 of SCHOTT Pharma KGaA's Memorandum and Articles of Association, the general partner is authorised, subject to the consent of the Supervisory Board, to issue in the period ending on 19 June 2028 bearer or registered convertible bonds or warrant-linked bonds or a combination of such instruments (together referred to as "bonds") with a limited or an unlimited term in a total nominal amount of up to EUR 750,000,000.00, and to grant holders of such bonds conversion or option rights (also with conversion or option obligations) to acquire up to 25,000,000 new no-par value bearer shares in the Company with a proportionate share in the share capital of up to EUR 25,000,000.00, as stipulated in these bonds' terms and conditions of issue. The Company's share capital is conditionally increased by up to EUR 25,000,000.00 by issuing up to 25,000,000 new no-par value bearer shares.

The purpose of the conditional capital increase is to grant no-par value shares to holders of bonds issued by the Company before 19 June 2028. It will only be carried out insofar as conversion or option rights are exercised, holders of bonds obliged to convert fulfil their obligation to do so or the Company exercises an option to grant no-par value shares in the Company instead of cash settlement (in whole or in part).

The new shares will be entitled to a share in the profits from the beginning of the financial year in which they come into existence through the exercise of conversion or option rights or the fulfilment of the respective obligations (financial year of creation); in contrast, the new shares participate in profits from the beginning of the financial year preceding the financial year of creation if the Annual General Meeting has not yet passed a resolution on the appropriation of the distributable profit of the financial year preceding the financial year of creation. The general partner is authorised to determine any further details of the conditional capital increase, subject to approval by the Supervisory Board.

Material agreements of the Company in the event of a change of control following a takeover bid and compensation agreements

SCHOTT Pharma AG KGaA is part of SCHOTT Group. Their parent company, SCHOTT AG in Mainz, Germany, is the controlling (indirect) shareholder of SCHOTT Pharma KGaA. There are various material agreements with SCHOTT AG that are subject to change of control clauses triggered in the event of a takeover offer:

- the 2023 Relationship Agreement which governs cooperation and the exchange of information within the Group
- the 2023 Framework Agreement on the continuous supply of glass tubes to SCHOTT Pharma
- the 2023 Master Service Agreement on the scope and content of reciprocal services to be provided

- the Group Trademark and Corporate Name Licence Agreement, the Trademark Licence Agreement and the Patent Licence Agreement, each from 2022, for cross-licensing
- the 2022 Treasury Service Agreement and the Cash Pool Management Agreement governing revolving credit lines and the inclusion of SCHOTT Pharma in the cash pool of SCHOTT AG

There are no further material agreements that are subject to change of control clauses triggered in the event of a takeover offer.

Compensation agreements entered into with members of the Management Board or employees in the event of a takeover offer

There are no compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Statement of the Management Board regarding the Subordinate Status Report pursuant to section 312(3) AktG

SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, Germany, is the limited liability shareholder of SCHOTT Pharma KGaA and has the majority of voting rights, which creates a dependency between SCHOTT Pharma KGaA and its limited liability shareholder. SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, Germany, is wholly owned by SCHOTT AG. In turn, the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, Germany, is the sole shareholder of SCHOTT AG. The conditions of section 312 AktG are considered to be fulfilled. We have therefore prepared a report on our Company's relationships with affiliated companies (Subordinate Status Report).

This report contains the following concluding statement by the Management Board of SCHOTT Pharma KGaA's general partner:

"We declare that SCHOTT Pharma AG & Co. KGaA, Mainz, has received adequate consideration for each legal transaction based on the circumstances known to us at the point in time the legal transactions were carried out. In the reporting year, no measures were taken or refrained from at the instigation or in the interest of SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, or its affiliated companies."

Mainz, Germany, 10 December 2024

SCHOTT Pharma AG & Co. KGaA,

Represented by the Management Board of SCHOTT Pharma Management AG

Andreas Reisse

Dr. Almuth Steinkühler

Consolidated Financial Statements

of SCHOTT Pharma AG & Co. KGaA, Mainz, Germany, for the financial year from 1 October 2023 to 30 September 2024

Consolidated Statement of Income

for the period from 1 October 2023 to 30 September 2024

(in EUR k)	Notes	2023/2024	2022/2023
Revenue	4	**957,091**	**898,602**
Cost of sales		–634,481	–582,113
Gross profit		**322,610**	**316,489**
Selling expenses	5	–79,843	–79,158
General administrative expenses	5	–44,633	–42,931
Research and development costs	6	–24,254	–26,822
Other operating income	7	26,395	25,739
Other operating expenses	8	–20,190	–12,676
Share of profit from investments accounted for using the equity method	9	12,491	11,742
Operating income (EBIT)		**192,576**	**192,383**
Interest income	10	5,959	5,227
Interest expenses	10	–13,487	–7,254
Net other financial result	10	–1,077	–4,554
Financial result		**–8,605**	**–6,581**
Profit before income taxes		**183,971**	**185,802**
Income tax expenses	11	–33,626	–33,868
Profit for the period		**150,345**	**151,934**
thereof attributable to non-controlling interests	22	660	92
thereof attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA	22	149,685	151,842
Earnings per share (in EUR), based on the share of profit for the period attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA			
Basic	22	0.99	1,01
Diluted	22	0.99	1,01

Consolidated Statement of Comprehensive Income

for the period from 1 October 2023 to 30 September 2024

(in EUR k)	Notes	2023/2024	2022/2023
Profit for the period		**150,345**	**151,934**
Items that will not be reclassified to the consolidated statement of income in future periods			
Actuarial gains/losses from pension provisions	22, 23	–6,838	–3,738
Deferred tax liabilities	22, 23	1,275	336
		–5,563	**–3,402**
Items that will be reclassified to the consolidated statement of income in future periods			
Foreign currency translation differences		–17,315	–11,094
Foreign currency translation differences attributable to non-controlling interests		–159	86
Foreign currency translation differences from investments accounted for using the equity method		–4,240	–5,894
		–21,714	**–16,902**
Other comprehensive income		**–27,277**	**–20,304**
Total comprehensive income		**123,068**	**131,630**
thereof attributable to non-controlling interests		501	178
thereof attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA		122,567	131,452

Consolidated Statement of Financial Position

as of 30 September 2024

Assets

(in EUR k)	Notes	30 Sep 2024	30 Sep 2023
Non-current assets			
Intangible assets	12	30,467	30,941
Property, plant and equipment	13	723,490	637,805
Investments accounted for using the equity method	14	85,056	79,055
Deferred tax liabilities	11	14,330	14,828
Other financial assets	15	6	18
Other non-financial assets	16	319	843
		853,668	**763,490**
Current assets			
Inventories	17	140,445	138,943
Contract assets	18	60,733	58,208
Trade receivables	18	168,487	156,652
Trade receivables – SCHOTT Group	38	6,401	8,838
Financial receivables – SCHOTT Group	38	141,339	35,485
Income tax assets		8,226	3,953
Other financial assets	19	7,732	8,521
Other non-financial assets	20	32,056	33,381
Cash and cash equivalents	21	23,182	24,357
		588,601	**468,338**
Total assets		**1,442,269**	**1,231,828**

Equity and liabilities

(in EUR k)	Notes	30 Sep 2024	30 Sep 2023
Equity			
Subscribed capital	22	150,615	150,615
Capital reserves	22	494,481	494,481
Generated Group equity	22	158,483	36,953
Accumulated other Group equity	22	–13,173	8,382
Equity attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA		**790,406**	**690,431**
Non-controlling interests	22	1,863	1,748
		792,269	**692,179**
Non-current liabilities			
Provisions for pensions and similar commitments	23	27,204	18,777
Provisions for income taxes		1,110	3,557
Other provisions	24	5,994	6,001
Deferred tax liabilities	11	20,515	24,822
Contract liabilities[1]	26	78,611	66,139
Other financial liabilities	28	81,086	69,207
		214,520	**188,503**
Current liabilities			
Other provisions	24	10,262	5,263
Accrued liabilities	25	49,825	59,003
Contract liabilities[1]	26	22,938	17,776
Trade payables	27	68,933	60,529
Trade payables – SCHOTT Group	38	26,579	30,115
Financial payables – SCHOTT Group	38	200,537	137,474
Income tax liabilities		35,328	20,397
Other financial liabilities	28	9,945	9,100
Other non-financial liabilities	29	11,133	11,489
		435,480	**351,146**
Total equity and liabilities		**1,442,269**	**1,231,828**

[1] To increase transparency, contract liabilities have been shown separately in the Statement of Financial Position since the financial year 2023/2024. Previously, these liabilities had been included in other non-current and current non-financial liabilities. The presentation of the previous year's figures was adjusted accordingly.

Consolidated Statement of Cash Flows

for the period from 1 October 2023 to 30 September 2024

(in EUR k)	Notes	2023/2024	2022/2023
Profit for the period		150,345	151,934
Depreciation, amortisation and impairment as well as impairment reversals on non-current assets	12, 13	64,978	46,648
Changes in provisions and accrued liabilities	23, 24, 25	347	1,127
Other non-cash income/expenses		–5,118	–4,148
Net gain or loss on the disposal of intangible assets and property, plant and equipment	12, 13	–585	–394
Net gain or loss from financial assets		–1,364	–685
Changes in inventories and advance payments made on inventories	17	–3,414	–15,380
Changes in contract assets	18	–2,525	–5,586
Changes in trade receivables	18	–16,788	–35,122
Changes in trade receivables – SCHOTT Group	38	2,357	8,276
Changes in other assets	20	–4,071	–9,354
Changes in contract liabilities[1]	26	17,479	28,625
Changes in trade payables	27	9,315	–1,512
Changes in trade payables – SCHOTT Group	38	–845	–2,391
Changes in other liabilities[1]	29	15,197	16,778
Changes in deferred taxes	11	–4,232	836
Dividends received from investments accounted for using the equity method	14	4,250	2,000
Cash flows from operating activities (A)	**33**	**225,326**	**181,652**
Proceeds from the sale of property, plant and equipment	12, 13	1,509	4,776
Purchase of property, plant and equipment	12, 13	–145,075	–175,467
Purchase of intangible assets	12, 13	–221	–57
Purchase of financial assets		–2,142	–663
Cash flows from investing activities (B)	**33**	**–145,929**	**–171,411**
Dividends paid to limited liability shareholders	22	–22,592	–18,878
Dividends paid to non-controlling interests	22	–386	–196
Other transactions with SCHOTT Group[2]	22	0	–126,807
Changes in financial receivables – SCHOTT Group	33, 38	–109,513	121,701
Changes in financial payables – SCHOTT Group	33, 38	61,920	21,905
Cash outflows from repayment of financial borrowings	33	0	–15
Cash outflows from allocation to plan assets	23	–3,471	–4,620
Cash inflows/outflows from financial assets	15, 19	–10	–234
Cash inflows/outflows from financial liabilities	28, 33	–547	–777
Cash outflows from repayments of outstanding lease liabilities	31, 33	–3,557	–3,474
Cash flows from financing activities (C)	**33**	**–78,156**	**–11,395**

(in EUR k)	Notes	2023/2024	2022/2023
Net change in cash and cash equivalents (A+B+C)		**1,241**	**–1,154**
Cash and cash equivalents at beginning of the period	**21, 33**	**24,357**	**28,795**
– Cheques, cash on hand		7	7
– Bank deposits		24,350	28,788
Change in cash and cash equivalents due to foreign exchange rates		–2,416	–3,284
Cash and cash equivalents at end of the period	**21, 33**	**23,182**	**24,357**
– Cheques, cash on hand		3	7
– Bank deposits		23,179	24,350

(in EUR k)		2023/2024	2022/2023
Additional notes to the Consolidated Statement of Cash Flows[3]			
Interest paid	10	–10,565	–6,660
Interest received	10	5,959	5,227
Income taxes paid	11	–29,732	–31,680

[1] To increase transparency, changes in contract liabilities – previously included in the item "Changes in advance payments received" – have been shown separately in the Consolidated Statement of Cash Flows since the financial year 2023/2024. Changes in additional advance payments received that do not correspond to the definition of contract liabilities within the meaning of IFRS 15 will be included under changes in other liabilities from now on. The presentation of the previous year's figures was adjusted accordingly.
[2] Please refer to Note 22 for further details on other transactions with SCHOTT Group.
[3] Included in cash flows from operating activities.

Consolidated Statement of Changes in Equity

for the period from 1 October 2023 to 30 September 2024

(in EUR k)	Subscribed capital	Capital reserves	
1 Oct 2022	**0**	**0**	
Profit for the period	0	0	
Other comprehensive income	0	0	
Total comprehensive income	**0**	**0**	
Dividends	0	0	
Other transactions with SCHOTT Group[2]	0	0	
Breakdown of invested equity by legal form[1]	150,615	494,481	
30 Sep 2023	**150,615**	**494,481**	
1 Oct 2023	**150,615**	**494,481**	
Profit for the period	0	0	
Other comprehensive income	0	0	
Total comprehensive income	**0**	**0**	
Dividends	0	0	
30 Sep 2024	**150,615**	**494,481**	

[1] On the reporting date of 1 October 2022, SCHOTT Pharma was not a sub-Group for which consolidated financial statements were required to be prepared in accordance with IFRS 10 Consolidated Financial Statements. Hence, net assets attributable to SCHOTT Group were reported as invested equity. After completion of the legal reorganisation as of 30 June 2023, the invested equity was distributed in accordance with the legal structure and the Memorandum and Articles of Association of SCHOTT Pharma AG & Co. KGaA. For further information, please see the Notes to the Consolidated Financial Statements as of 30 September 2023.

[2] Please refer to Note 22 for further details on other transactions with SCHOTT Group.

	Generated Group equity/ net investment by SCHOTT Group[1]	Accumulated other Group equity	Equity attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA	Non-controlling interests	Group equity
	681,908	**25,370**	**707,278**	**1,766**	**709,044**
	151,842	0	151,842	92	151,934
	–3,402	–16,988	–20,390	86	–20,304
	148,440	**–16,988**	**131,452**	**178**	**131,630**
	–18,878	0	–18,878	–196	–19,074
	–129,421	0	–129,421	0	–129,421
	–645,096	0	0	0	0
	36,953	**8,382**	**690,431**	**1,748**	**692,179**
	36,953	**8,382**	**690,431**	**1,748**	**692,179**
	149,685	0	149,685	660	150,345
	–5,563	–21,555	–27,118	–159	–27,277
	144,122	**–21,555**	**122,567**	**501**	**123,068**
	–22,592	0	–22,592	–386	–22,978
	158,483	**–13,173**	**790,406**	**1,863**	**792,269**

Notes to the Consolidated Financial Statements

for the financial year 2023/2024

General disclosures

1 Preliminary remarks

SCHOTT Pharma AG & Co. KGaA, Mainz, Germany ("SCHOTT Pharma KGaA" or the "Company") is a listed partnership limited by shares under German law. The shares of SCHOTT Pharma KGaA are admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and simultaneously admitted to the sub-segment of the Frankfurt Stock Exchange's Regulated Market with additional post-admission listing obligations (Prime Standard). The shares are quoted with the ticker symbol 1SXP and with ISIN DE000A3ENQ51.

The Consolidated Financial Statements reflect the business activities of SCHOTT Pharma KGaA and its subsidiaries ("SCHOTT Pharma", "SCHOTT Pharma Group" or the "Group"). SCHOTT Pharma Group is a leading global supplier of high-quality pharmaceutical packaging. The portfolio comprises drug containment and delivery systems such as prefillable syringes made of glass and polymer, cartridges, vials and ampoules. SCHOTT Pharma KGaA is the ultimate parent entity (UPE) of SCHOTT Pharma Group and holds material subsidiaries in Switzerland, the US and Hungary.

SCHOTT Pharma KGaA 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 51230. The Company's general partner is SCHOTT Pharma Management AG, Mainz, Germany ("SCHOTT Pharma Management AG").

The Consolidated Financial Statements of SCHOTT Pharma KGaA were prepared on a going concern basis. They were prepared in accordance with IFRS Accounting Standards published by the International Accounting Standards Board (IASB), London, observing all accounting standards and interpretations adopted and required to be applied by 30 September 2024, in the version adopted by the European Union. The present Consolidated Financial Statements comply with the provisions of section 315e HGB.

The Consolidated Financial Statements are prepared in euros. Unless stated otherwise, all amounts are shown in thousands of euros (EUR k). Both individual and total values represent the figure with the smallest rounding difference. This means that minor differences may occur between the sums reported and the sum total of the individual figures shown. The Consolidated Statement of Income has been prepared using the cost of sales (function of expense) method.

The Consolidated Financial Statements as of 30 September 2024 were prepared by the Management Board on 10 December 2024 and released to be submitted to the Supervisory Board. The Supervisory Board is responsible for examining the Consolidated Financial Statements and stating whether it endorses them. The Consolidated Financial Statements are published on the internet and in the Company Register (Unternehmensregister).

As the parent company, SCHOTT AG, Hattenbergstrasse 10, 55122 Mainz, Germany, prepares Consolidated Financial Statements as of 30 September for the largest group of consolidated companies, in which SCHOTT Pharma KGaA is included. These Consolidated Financial Statements are published online and in the German Company Register (Unternehmensregister).

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

2.1 Standards and interpretations to be applied in the current financial year

The International Accounting Standards Board (IASB) published the following new and amended standards and interpretations which were to be applied for the first time in the financial year under review.

Standards		Application required for financial years commencing on or after	Changed/ supplementary details in the Notes
IAS 12	Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules	Immediately[1] and 1 Jan 2023	Yes
IFRS 17	Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 Jan 2023	No
IAS 12	Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	No
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 Jan 2023	No
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	1 Jan 2023	No
IFRS 17	Insurance Contracts	1 Jan 2023	No

[1] Entities are allowed to apply the exemption immediately, but are required to comply with certain disclosure obligations for annual reporting periods beginning on or after 1 January 2023.

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

The act for ensuring a global minimum level of taxation for corporate groups came into force in Germany on 28 December 2023. As a domestic constituent entity and partially-owned parent entity (POPE), SCHOTT Pharma KGaA belongs to its ultimate parent entity (UPE) SCHOTT AG, which, due to its tax domicile in Germany, falls within the scope of this act. Since the act applies in principle to all financial years beginning after 30 December 2023, it will take effect for SCHOTT Pharma KGaA for the first time in the financial year 2024/2025.

As UPE of SCHOTT Group, SCHOTT AG is obliged to submit the legally required minimum tax return, to calculate the tax and, if necessary, to pay any top-up taxes. This also includes those calculations that relate to SCHOTT Pharma KGaA as the POPE and the domestic and foreign constituent entities it holds. The minimum rate of tax within the meaning of the act is 15%.

Where top-up taxes arise for jurisdictions that concern SCHOTT Pharma KGaA or one of its constituent entities and that have not already been settled through the payment of qualified domestic top-up taxes, these are charged by SCHOTT AG to SCHOTT Pharma KGaA. These allocations are to be included in the financial statements of SCHOTT Pharma KGaA as income taxes in accordance with IAS 12 Income Taxes.

SCHOTT Pharma KGaA has performed a corresponding impact analysis. If the provisions on the global minimum tax were to be applied in the financial year 2023/2024 – based on the current assessment and taking into account the temporary safe-harbour regulations –, it would result in an approximately EUR 2.5m increase in current taxes originating exclusively from Switzerland.

Tax effects that may arise from the future application of the global minimum tax rules are not taken into account when calculating the recognition of deferred tax assets and liabilities in accordance with IAS 12 Income Taxes.

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

IAS 12 Income Taxes provides for non-recognition of deferred taxes upon initial recognition of an asset or liability arising from a transaction that is neither a business combination nor affects the result as shown in the income statement or the tax result. There has been some uncertainty as to whether the exemption applies to transactions relating to leases and decommissioning obligations. The amendment now clarifies that deferred taxes in connection with the aforementioned transactions are to be recognised.

From the perspective of SCHOTT Pharma, the amendment particularly affects the right-of-use assets and lease liabilities to be recognised under IFRS 16 Leases, along with any related temporary differences for which deferred taxes now have to be recognised. However, there are no significant effects on the Consolidated Financial Statements or any retroactive adjustment since the Group has already recognised deferred taxes on differences arising from leases in the Statement of Financial Position.

IFRS 17: Insurance Contracts

IFRS 17 Insurance Contracts governs the principles applicable to the recognition, measurement, presentation and disclosures 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. The impact analysis did not identify any insurance-type contracts with customers. This means that, based on the current assessment, the standard has no impact on the financial position and financial performance of SCHOTT Pharma.

While the other published new and amended standards and interpretations, which were applicable for the first time in the financial year under review, had no significant impact on the financial position and financial performance of SCHOTT Pharma, they might influence reporting of future transactions.

2.2 Published standards and interpretations that have not yet been applied

Besides the mandatory IFRS mentioned in Note 2.1, the IASB published other IFRS that have already been endorsed by the EU in part, but will only become mandatory at a later date.

Standards		Application required for financial years commencing on or after	Adoption by the European Commission
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current – Deferral of Effective Date; Non-current Liabilities with Covenants	1 Jan 2024	19 Dec 2023
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 Jan 2024	20 Nov 2023
IAS 7 and IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 Jan 2024	15 May 2024
IAS 21	Amendments to IAS 21: Lack of Exchangeability	1 Jan 2025	No
IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 Jan 2026	No
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 Jan 2026	No
IFRS 18	Presentation and Disclosure in Financial Statements	1 Jan 2027	No
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 Jan 2027	No

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board (IASB) on 9 April 2024. IFRS 18 affects all financial statements prepared in accordance with IFRS and includes new fundamental requirements for how companies present and disclose financial performance in the primary financial statements and the notes. In order to become binding law in the European Union, IFRS 18 must first be endorsed by the EU in a specific procedure. SCHOTT Pharma does not make use of the existing option for early adoption. As IFRS 18 affects only presentation and disclosure of the Group's financial position and financial performance, it has no material effect beyond that scope according to current estimates.

As regards the remaining standards, SCHOTT Pharma also does not make use of any existing options for early adoption. These standards will be implemented in the Consolidated Financial Statements as of the date of mandatory adoption. According to current estimates, the new and amended regulations referred to above have no material effect on the Group's financial position and financial performance.

3 Significant accounting policies and methods of consolidation

3.1 Scope of consolidation, acquisitions and divestments

Scope of consolidation

Along with SCHOTT Pharma KGaA, one additional consolidated company (previous year: one) based in Germany and 14 foreign consolidated companies (previous year: 14) were fully included in the Consolidated Financial Statements. Subsidiaries are included using the full consolidation method from the date on which SCHOTT Pharma KGaA exercises control. SCHOTT Pharma KGaA is deemed to exercise 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. Three companies (previous year: three) were included in the scope of consolidation as of the reporting date using equity method accounting.

Please refer to the following list of shareholdings of SCHOTT Pharma Group as of 30 September 2024 with respect to the disclosures required by section 313(2) HGB.

Name and registered office of the Company	Equity interest (in%)	Comments
Subsidiaries included in the Consolidated Financial Statements		
Germany		
SCHOTT Pharma Mexico GmbH, Mainz, Germany	100.0	
International		
SCHOTT Envases Argentina S.A., Buenos Aires, Argentina	100.0	
SCHOTT Pharma Brasil Ltda., São Paulo, Brazil	100.0	[1]
SCHOTT Pharmaceutical Packaging (Zhejiang) Co., Ltd., Huzhen Town, China	100.0	[1]
SCHOTT France Pharma Systems SAS, Pont-sur-Yonne, France	100.0	
SCHOTT Pharma France SAS, Colombes, France	100.0	
PT. SCHOTT Igar Glass, Bekasi, Indonesia	100.0	
SCHOTT Envases Farmacéuticos SAS, Bogotá, Colombia	72.7	[1]
SCHOTT de México, S.A. de C.V., Amatlán de los Reyes, Mexico	100.0	[1]
SCHOTT Pharmaceutical Packaging OOO, Zavolzhye, Russia	100.0	[1]
SCHOTT forma vitrum holding ag, St. Gallen, Switzerland	100.0	
SCHOTT Pharma Schweiz AG, St. Gallen, Switzerland	100.0	
SCHOTT Hungary Kft., Lukácsháza, Hungary	100.0	
SCHOTT Pharma USA, Inc., Lebanon, US	100.0	
SCHOTT Pharma D.O.O. JAGODINA (formerly SCHOTT Pharma D.O.O. BEOGRAD, Belgrade), Jagodina, Serbia	100.0	
Companies accounted for using the equity method		
International		
SCHOTT Poonawalla Pvt. Ltd., Mumbai, India	50.0	[2]
Empha S.p.A., Turin, Italy	50.0	[1]
Smart Skin Technologies Inc., Fredericton, Canada	20.0	[1]

[1] Statutory financial year from 1 January to 31 December – included in the Consolidated Financial Statements based on interim financial statements as of 30 September 2024.
[2] Statutory financial year from 1 April to 31 March – included in the Consolidated Financial Statements based on interim financial statements as of 30 September 2024.

Acquisitions/divestments

No acquisitions or divestments took place during the financial year under review.

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 Pharma Group 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 recognised as expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the total consideration transferred and the amount recognised 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 payables as well as expenses and income of the consolidated companies are offset against each other as part of consolidation. Likewise, intercompany profits or losses from deliveries and services to other Group companies are eliminated.

Where 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 exercises control over this investee, including

- a contractual arrangement with other parties holding voting rights
- rights resulting from other contractual arrangements
- voting rights and potential voting rights of the Group

The results, assets and liabilities of material associates 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 Pharma's accounting policies are also applied to these associates.

Joint ventures within the meaning of IFRS 11 Joint Arrangements are also accounted for using the equity method.

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 Foreign 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 organisational operations are carried out independently in their respective national currency.

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

The assets and liabilities of consolidated subsidiaries whose functional currency is not the euro are translated at the mid-market rate of exchange as of the monthly reporting date, while their expenses and income that are attributable in full to SCHOTT Pharma are translated at the average exchange rate for the month in which the transaction took place, except for subsidiaries subject to application of IAS 29 Financial Reporting in Hyperinflationary Economies. Resulting translation differences are not reported in the Consolidated Statement of Income but directly in equity.

The following table shows the exchange rates for SCHOTT Pharma Group's key foreign currencies:

	Mid-market rate as of the reporting date		Average rate for the financial year	
1 EUR =	30 Sep 2024	30 Sep 2023	2023/2024	2022/2023
Brazilian real	6.09	5.30	5.52	5.40
Chinese renminbi	7.84	7.67	7.80	7.44
Indonesian rupiah	16,969.02	16,414.16	17,073.69	16,092.83
Mexican peso	21.87	18.40	18.85	19.64
Swiss franc	0.94	0.97	0.96	0.98
Hungarian forint	397.04	389.10	388.06	390.62
US dollar	1.12	1.06	1.08	1.06

The functional currency of SCHOTT Envases Argentina S.A., Buenos Aires/Argentina, which is included in the Consolidated Financial Statements – i.e. the Argentine peso – is 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 this company be restated to reflect

the purchasing power as of the end of the reporting period before they are included in the Consolidated Financial Statements of SCHOTT Pharma. This restatement was applied to all of the Company's assets and liabilities prior to translation. All amounts in the reporting packages were then translated at the closing rate on the reporting date for inclusion in the Consolidated Financial Statements.

The restatement pursuant to IAS 29 Financial Reporting in Hyperinflationary Economies 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 Pharma 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 31 December 2016 and on the retail price index for periods thereafter. The FACPCE publishes a detailed index table every month. The index for the financial year 2023/2024 was 3.10 on the basis of the purchasing power as of 30 September 2023 (previous year: 2.37).

For the restatement of non-monetary items (not including equity), SCHOTT Pharma applied the change in the general price index from the date of initial recognition of the transaction (for example 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 realisable value and fair value, no restatement is necessary. Under IAS 29 Financial Reporting in Hyperinflationary Economies, restated non-monetary assets must be tested for impairment in accordance with appropriate IFRS. If the recoverable amount of an item of property, plant and equipment or an intangible asset (or net realisable value for inventories) falls below its restated amount, an impairment loss must be recognised 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 Financial Reporting in Hyperinflationary Economies, 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 recognised in other comprehensive income. Any revaluation reserves from previous periods are eliminated. 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 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 derived as the difference between historical cost and the restatement of non-monetary assets, equity and items in the Statement of Comprehensive Income, and is included in the financial result. Please refer to Note 10 for more details.

3.4 Significant judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, as well as related disclosures and reporting of contingent liabilities. Uncertainty surrounding these assumptions and estimates might lead to results that require a material adjustment to carrying amounts of assets or liabilities in future periods.

Significant judgement was required on the following matters:

Revenue recognition

Recognition of revenue from the sale of customer-specific products over time vs. at a specific point in time

SCHOTT Pharma sells a broad variety of customer-specific products which have no alternative use. It must be judged whether these products fulfil the requirements laid down in IFRS 15.35(c) (i.e. whether SCHOTT Pharma's performance creates an asset with no alternative use to SCHOTT Pharma and whether SCHOTT Pharma has an enforceable right to payment for the performance completed to date).

Determining the transaction price where variable consideration and financing components are involved

SCHOTT Pharma has long-term series supply contracts under which customers make advance payments. These advance payments are recognised as contract liabilities. The advance payments are offset against subsequent serial deliveries, provided that the customers purchase contractually defined minimum quantities. Offsetting may vary, depending on the quantity purchased; advance payments therefore represent a variable consideration. In addition, SCHOTT Pharma adjusts the promised consideration for the effects of a financing component, provided that the payment date agreed for the advance payment constitutes a significant financing benefit for SCHOTT Pharma. For this reason, determining transaction prices by necessity involves discretionary judgements.

Definition of lease term

SCHOTT Pharma defines lease term as the non-cancellable base term of a lease, plus any periods for which there is an option to extend the lease if it is considered reasonably certain that the option will be exercised, or periods for which there is an option to terminate the lease if it is considered reasonably certain that this option will be exercised.

SCHOTT Pharma has several lease agreements that include extension and termination options. Evaluating whether it is reasonably certain whether or not a given option to extend or terminate the lease will be exercised involves discretionary judgements. When determining the term of the lease, all facts and circumstances are considered which represent an economic incentive to exercise extension options or not to exercise termination options.

Use of estimates

Preparing these Consolidated Financial Statements in accordance with IFRS requires estimates that affect the measurement of assets and liabilities, the nature and scope of contingent liabilities, purchase commitments as of the reporting date and the amount of income and expenses in the reporting period.

All underlying estimates and assumptions are based on the most current information available at that time. However, estimates and assumptions regarding future development may change due to market fluctuations and conditions outside SCHOTT Pharma's sphere of influence. Thus, estimates and actual results may differ. Changes are recognised in profit or loss as and when better information is available.

We specifically base our business trend expectations on both the circumstances prevailing at the time when the Consolidated Financial Statements are prepared and on realistic expectations regarding the future development of the industry and global environment.

The assumptions and estimates mainly relate to:

Economic useful lives of intangible assets and property, plant and equipment

Amortisation of intangible assets and depreciation of property, plant and equipment are based on the estimated useful lives of assets uniformly determined for SCHOTT Pharma. The expected useful lives are estimated based on our experience and are reviewed at least annually.

Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is calculated based on available data from binding sales transactions, conducted at arm's length, for similar assets, or observable market prices less incremental costs to sell a given asset. The value in use is calculated based on the discounted cash flow (DCF) model. The cash flows are derived from the budget for the next three years and do not include any restructuring activities SCHOTT Pharma has not yet committed itself to or any future investments that will enhance the performance of the assets of the tested CGU. The recoverable amount depends on the discount rate used for the DCF model, expected future cash inflows and the growth rate used for extrapolation purposes.

Incremental interest rate for leases

Since SCHOTT Pharma cannot readily determine the interest rate underlying a lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the interest rate SCHOTT Pharma would have to pay to raise – over a similar term and with similar collateral – the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. It therefore reflects what SCHOTT Pharma would have to pay if no observable rates were available (for example for subsidiaries not entering into financing transactions) or if such rates need to be adjusted to reflect the terms and conditions of the lease (for example if leases are not given in the subsidiary's functional currency). As a result, determining the IBR requires certain entity-specific estimates (such as the subsidiary's stand-alone credit rating) based on observable inputs (such as market interest rates), if available.

Loss allowance for expected credit loss from trade receivables and contract assets

SCHOTT Pharma regularly estimates the default risk of trade receivables and contract assets, taking many factors into account, for example the length of the customer relationship and the customer's payment behaviour. Credit agency ratings may also be considered, if necessary. Based on these criteria, each business partner is assigned an individual credit rating. Loss allowance for expected credit loss is then recognised based on that individual credit rating and the maturity of the receivable concerned. Other factors that cannot be taken into account when determining the credit rating are included through subsequent adjustments, where necessary. Changes to the assessment of these factors influence the amount of loss allowance for expected credit loss, with corresponding effects upon SCHOTT Pharma's profit.

Net realisable value of inventories

The net realisable value of inventories is the estimated revenue in the ordinary course of business less the estimated costs of completion and the estimated selling expenses. It is calculated based on historical experience.

Recognition and measurement of provisions

Provisions are measured at present value, using the best estimate of expected future expenses required to settle a given obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and liability-specific risks. Increases in provisions over time are recognised as interest expenses in the Consolidated Statement of Income.

Current and deferred taxes

Current and deferred taxes are calculated based on country-specific laws and regulations. Due to their complexity, tax items presented in the Consolidated Financial Statements may be interpreted differently by taxpayers on the one hand and local tax authorities on the other. Different interpretations may occur, especially in connection with the recognition and measurement of balance sheet items or in connection with the tax assessment of expenses and income. The calculation of deferred tax assets requires assumptions regarding future taxable income and the timing of when deferred tax assets will be realised. In this context, SCHOTT Pharma takes into consideration, among other things, the projected earnings from subsidiaries' business activities, the effects on earnings of the reversal of taxable temporary differences, and realisable tax strategies. Given that future business performance is uncertain and sometimes beyond SCHOTT Pharma's control, the assumptions made for the accounting of deferred taxes may include a substantial degree of uncertainty. SCHOTT Pharma conducts impairment tests for deferred tax assets on each reporting date, based on the planned taxable income for future financial years. Deferred tax assets are only recognised if future taxable income is likely to produce tax benefits. Further details on current and deferred taxes are disclosed in Note 11.

Recoverability of goodwill

SCHOTT Pharma reviews whether goodwill has been impaired at least once a year and/or whenever there are indications of impairment. The recoverable amount of a particular CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on management-approved financial budgets covering a three-year period. Cash flows beyond the three-year period are extrapolated using estimated growth rates.

Impact of climate change

SCHOTT Pharma's risk management system continually analyses potential risks arising from climate change. Identified risks include, in particular, rising energy and raw material prices and volatile material availability. In addition, extreme weather events, which can cause damage to buildings, manufacturing facilities and warehouses, and may lead to increasingly fragile supply chains, are already becoming more frequent. Taking into account SCHOTT Pharma's risk mitigation measures, the risk analysis identified no significant risks for the Company's business model as of the reporting date. Accordingly, SCHOTT Pharma currently does not expect such risks to have a significant impact on its business model or its financial position and financial performance. This assessment is based on various estimates and related assumptions that, in turn, are based on experience and various other factors considered appropriate under the given circumstances.

SCHOTT Pharma can make a contribution to protect the climate, and regards climate protection as a central field of action in its sustainability strategy. For further information, please refer to the Non-Financial Statement in the Combined Management Report.

3.5 Accounting policies

General

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

The key accounting policies are laid out below.

Recognition of revenue and other income, contract assets and contract liabilities

In accordance with IFRS 15 Revenue from Contracts with Customers, SCHOTT Pharma recognises revenue when control of the products has been transferred or the service has been rendered; in other words, when the customer is able to control use of the transferred goods or services and largely obtains the remaining benefits. This is subject to the proviso that a contract with enforceable rights and obligations exists and, among other things, receipt of the consideration is sufficiently probable. Revenue comprises the consideration that SCHOTT Pharma is expected to receive for the transfer of goods or the rendering of services.

When standard products are sold, revenue is recognised when control is transferred to the buyer, usually upon delivery of the goods. However, in the case of customer-specific production where the final product cannot be sold to another customer (customer-specific asset without alternative use) and where SCHOTT Pharma is entitled to enforceable payment rights for services rendered, revenue is recognised over time in accordance with IFRS 15.35(c). SCHOTT Pharma's production is generally based on standardised manufacturing processes which are each handled on an order-by-order basis. As a rule, production time is short (a few days) and SCHOTT Pharma focuses on serial production, i.e. standardised production for customer-specific requirements. With output for the customer being the most important factor for SCHOTT Pharma, revenue recognition on the basis of the units produced is generally considered a suitable method to accurately illustrate progress towards completion. In this case, a contract asset must be recognised because SCHOTT Pharma has recognised revenue from the fulfilment of the performance obligation before the conditions for invoicing, and thus for the recognition of a trade receivable, have been met.

A contract asset represents the right to receive consideration in exchange for goods or services transferred to a customer. If SCHOTT Pharma performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the conditional right to consideration. Contract assets are recognised as current assets because they arise and are due during the normal operating cycle. Impairment losses on contract assets follow the rules for financial assets. For more information, please refer to Note 30.

In contrast to contract assets, receivables represent unconditional claims to consideration, i.e., receivables fall 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 Pharma has concluded long-term series supply contracts with selected customers, within the scope of which the latter make advance payments for serial deliveries they will receive in subsequent financial years. The advance payments will be offset, provided that the customers purchase contractually agreed minimum quantities. As such, advance payments represent contract liabilities within the meaning of IFRS 15 Revenue from Contracts with Customers and are recognised in the Statement of Financial Position in line with their maturity. SCHOTT Pharma adjusts the amount of the promised consideration for the effects of the financing component when defining the transaction price, provided that the payment date agreed for the advance payment represents a significant benefit from a financing arrangement for SCHOTT Pharma. The resulting interest expenses are reported under the financial result.

Where the interval between transfer of a promised good to the customer and payment by the customer is one year or less, SCHOTT Pharma refrains from adjusting the promised consideration for the effect of a significant financing component for practical reasons in line with IFRS 15.63.

SCHOTT Pharma's payment terms of up to 90 days, depending on market and region, are in line with industry practice.

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

To the extent that SCHOTT Pharma provides services, revenue is recognised over time in accordance with IFRS 15.35(a). Services provided by SCHOTT Pharma are recognised as soon as the service has been rendered.

SCHOTT Pharma 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.

Revenue is recognised net of revenue-related taxes and variable components such as bonuses, cash discounts and rebates. If a contractual consideration contains a variable component, SCHOTT Pharma determines the amount of the consideration due to the Group 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 may only be included in the transaction price if it is highly probable that a significant reversal of cumulative revenue recognised will not occur as soon as the uncertainty associated with the variable consideration is resolved.

Recognition of expenses

Costs incurred in order to generate revenue and the cost of goods purchased for resale are reported under cost of sales. This item also includes expenses related to allocations to provisions to cover warranties.

Besides personnel and non-personnel costs and depreciation/amortisation in sales, 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/amortisation attributable to administrative operations.

Taxes chargeable as expenses, such as property tax and motor vehicle tax, are assigned to cost of sales, research and development costs, selling expenses or administrative expenses, based on where they were actually incurred.

Fair value measurement

SCHOTT Pharma measures certain financial instruments, such as derivatives, at fair value on every reporting date. Please refer to Note 30 for the fair values of financial instruments measured at amortised cost (AC) and the fair values of financial instruments measured at fair value through profit or loss (FVTPL).

The fair value is the price that would be received upon sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. Fair value measurement assumes that the transaction, i.e. the sale of the asset or transfer of the liability, takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The Group must have access to the principal or most advantageous market.

Fair value measurement of an asset or liability is based on the assumptions market participants would make when determining the price of the asset or liability, it being presumed that market participants would act in their own best economic interest.

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.

SCHOTT Pharma 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 financial statements are categorised 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 for the entire fair value measurement can be directly or indirectly observed on the market
- Level 3: valuation methods for which the lowest level input that is significant for the entire fair value measurement cannot be observed on the market

For assets and liabilities that are recognised on a recurring basis in the financial statements, SCHOTT Pharma 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 for the entire fair value measurement).

Where required, external appraisers are consulted for the evaluation 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.

To meet the fair value reporting requirements, SCHOTT Pharma has defined different classes of assets and liabilities, based on 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 capitalised if and as soon as 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 for the Company. Initial capitalisation of costs is based on management judgements that technological and economic feasibility is confirmed, 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 capitalised, 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. SCHOTT Pharma makes management judgements when assessing whether development costs are eligible for capitalisation. In analogy to the pharmaceutical industry, development costs for pharmaceutical packaging are only capitalised when approval has been granted for the pharmaceutical product to be packaged. As a result, SCHOTT Pharma does not recognise development costs because the criteria stipulated in IAS 38 Intangible Assets are not met. For further details, please refer to Note 6.

Development costs that cannot be capitalised are expensed.

Intangible assets

Intangible assets are recognised if (a) the intangible asset can be identified (i.e. if it can be separated or if it arises from contractual or other rights), (b) it is probable that SCHOTT Pharma Group will obtain economic benefits from the intangible asset going forward, and (c) the costs of the

intangible asset can be reliably determined. Intangible assets with finite useful lives are recognised at cost and amortised over the estimated useful life or a shorter contract term using the straight-line method. Additions during the course of the year are amortised pro rata temporis. Amortisation of intangible assets with finite useful lives is recognised in the Consolidated Statement of Income under the expense category corresponding to the function of the intangible asset within the company. Where specific circumstances indicate a need for impairment, intangible assets are tested for impairment. Please refer to the section on impairment of non-financial assets in these Notes.

The scheduled useful lives of intangible assets are generally as follows:

	Years
Patents and licences	2 to 20
Software	3 to 5

Development costs are not capitalised (please refer to the section on research and development costs in these Notes).

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 labour costs, the production cost of self-constructed property, plant and equipment also includes pro-rata indirect costs as well as borrowing costs, provided the requirements of IAS 23 Borrowing Costs are met. Property, plant and equipment is depreciated on a straight-line basis. Additions during the course of the year are depreciated pro rata temporis. Depreciation is recognised in the Consolidated Statement of Income under the expense category corresponding to the function of the property, plant and equipment within the Company. Where specific circumstances indicate a need for impairment, property, plant and equipment is tested for impairment. Please refer to the section on impairment of non-financial assets in these Notes.

If significant parts of a non-current asset have different useful lives, they are recognised as separate non-current assets and depreciated accordingly (component approach). At SCHOTT Pharma Group, this affects mainly large machines.

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, whilst investments in replacement and expansion as well as restoration and waste disposal commitments are capitalised. Gains and losses on the disposal of non-current assets are recognised under other operating income or other operating expenses, as the case may be.

Right-of-use assets

SCHOTT Pharma recognises 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 recognised, initial direct costs incurred and lease payments made at or before the commencement date less any incentives received.

Where specific circumstances indicate a need for impairment, right-of-use assets are also tested for impairment. Please also refer to the sections on leases and on the impairment of non-financial assets in these Notes.

Government grants

Government grants are not recognised until there is reasonable assurance that SCHOTT Pharma will 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 recognised 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 for a consideration as part of business combinations is tested for impairment at least once a year as well as in the event of specific indications that a CGU may be impaired. For the purposes of this impairment test, the goodwill is assigned to cash-generating units that benefit from it. In accordance with the provisions of IAS 36 Impairment of Assets, an impairment loss is recognised 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 exceeds its recoverable amount, the goodwill is written down to its recoverable amount. Reversing impairment losses on goodwill is prohibited.

The other intangible assets as well as property, plant and equipment and right-of-use assets are only tested for impairment if there are indications that there could be reasons for an impairment. Assets of a cash-generating unit must be adjusted for impairment if the carrying amount exceeds the net disposal 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 a CGU's assets are likely to generate over the period of use, assuming no change in use. If there are indications that reasons which led to an impairment loss in the past no longer apply, a test is conducted to determine whether the impairment is to be reversed up to the amortised carrying amount.

The detailed planning periods used generally comprise three years. Beyond this, a perpetual annuity is used and are based on values drawn from past experience as well as management's best estimate of future development. As in the previous year, the long-term growth rate used in perpetuity is 1.0% p.a.

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). Further details, including the carrying amounts and discount rates, can be found in Note 12.

Investments accounted for using the equity method

The carrying amounts of investments 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 on the part of an associate that exceed the Group's investment in the investee are recognised 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 realisable value. The net realisable value is 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 materials and production overheads, including depreciation, determined on the basis of normal capacity utilisation of the manufacturing facilities. Financing costs are taken into account in accordance with IAS 23 Borrowing Costs.

Income tax assets and liabilities

In accordance with IAS 12 Income Taxes, income tax assets relate exclusively to claims for refunds of taxes on income. Income tax assets are recognised if the Group can expect a corresponding refund on the basis of the applicable legal situation. Conversely, a liability for current income taxes is recognised when an obligation has arisen. SCHOTT Pharma regularly assesses individual tax matters to determine whether there is any scope for interpretation in light of applicable tax regulations. Tax provisions are recognised for risks from tax audits, if necessary. Please refer to Note 11 for further details.

Deferred taxes

Under IAS 12 Income Taxes, deferred tax assets and liabilities are recognised for all temporary differences between tax and financial (IFRS) accounts, tax credits and tax loss carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period in which an asset is realised or a liability is settled. SCHOTT Pharma 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 recognised when changes to relevant laws are enacted. Tax effects that may arise from the future application of the global minimum tax rules are not taken into account when calculating the recognition of deferred tax assets and liabilities in accordance with IAS 12 Income Taxes.

Deferred tax assets are recognised only to the extent that it is likely that temporary differences, tax loss carryforwards or tax credits can be offset against future taxable income. When determining the amount of deferred tax assets, management must use significant judgement with respect to the timing and amount of future taxable income as well as future tax planning strategies. Tax planning takes place for a planning period of up to five years. Further details, including carrying amounts, can be found under Note 11.

Value-added tax

Income, expenses, assets and liabilities are recognised net of value-added tax, except in the following cases:

- If the value-added tax that is incurred when assets are purchased or services are utilised is not recoverable from the tax authorities, the value-added tax is recognised as part of the production cost of the asset or as part of the expense item, as applicable.
- If receivables and payables are stated with the amount of value-added tax included.
- With regard to 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 VAT 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 other non-financial assets/other non-financial liabilities.

Other 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 Pharma treats cash on hand and cheques, demand deposits and time deposits with original maturities of up to three months as cash and cash equivalents. Cash equivalents are available at short notice, highly liquid, and can be converted into cash at any time. They are also subject to only minor impairment risks. These cash and cash equivalents meet the criteria of IAS 7 Statement of Cash Flows.

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 recognise 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, and the return on plan assets excluding net interest are recognised immediately in other comprehensive income. Pension commitments within SCHOTT Pharma are determined on the basis of the relevant local biometric calculation bases and parameters. Pension commitments in Germany are determined on the basis of the biometric bases of calculation set forth in Prof. Klaus Heubeck's Mortality Tables 2018 G.

Past service cost is recognised 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, unvested past service costs can no longer be deferred and recognised over the future vesting period.

The present value of the defined benefit obligation at the end of the financial year is compared with the fair value of plan assets (funded status), whereby capitalised values are netted against the corresponding obligations.

Provisions for pensions also include a small amount of employee-financed pension commitments (deferred compensation).

Given the long-term orientation of these plans, such estimates are subject to substantial uncertainty. Further details, including carrying amounts, can be found under Note 23.

Other provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, SCHOTT Pharma recognises 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 will probably (that means more likely than not) be required to settle the obligation, and the obligation amount can be reliably estimated. Provisions with a remaining term of more than one year are recognised at their discounted settlement amount.

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. Original estimates of costs related to warranties are 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 uncertainty.

Provisions for litigation risks

Provisions are recognised for risks arising from litigation and other official proceedings in which a SCHOTT Pharma Group company is the defendant. The amount recognised 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 remuneration

Provisions are set up for cash-settled share-based remuneration schemes for members of the Management Board and are reported under other personnel provisions.

The obligation for paying remuneration to the Management Board members lies with SCHOTT Pharma Management AG. However, SCHOTT Pharma Management AG is entitled to receive compensation from SCHOTT Pharma KGaA for all expenses associated with the management of the Company's business, including the remuneration paid to members of its executive bodies. As this means that SCHOTT Pharma KGaA bears the obligation in financial terms and effectively benefits from the work of the Management Board members, the remuneration is recognised as cash-settled share-based remuneration at the level of SCHOTT Pharma KGaA.

The fair value of the obligations is determined using a Monte Carlo simulation as of the reporting date. The main parameters used to measure the cash-settled share-based remuneration schemes are long-term company KPI, sustainability targets and SCHOTT Pharma KGaA's share price performance. Payout caps also apply.

As there is no empirical data available, the expected volatilities are based on the peer group volatilities for the remaining term of the relevant tranche. The dividend payments included in the valuation model are based on the medium-term dividend expectation. In addition, the Monte Carlo simulation uses the risk-free interest rate for the remaining term of the relevant tranche.

Any income or expenses resulting from the valuation are allocated to the functional areas responsible for them.

Accrued liabilities

An accrued liability is recognised 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 accrued liabilities reported are recognised at amortised cost.

Other non-financial liabilities

Other non-financial liabilities include liabilities from other taxes, advance payments received that do not match the definition of contract liabilities as defined by IFRS 15 Revenue from Contracts with Customers, and other liabilities that do not meet the definition of financial liabilities. They are recognised at cost or the relevant settlement amount.

Leasing

The determination of whether an arrangement contains a lease is based on the economic substance of the arrangement at the time it is concluded. This requires an assessment as to whether fulfilment of the contractual arrangement is dependent on the use of a specific asset or group of assets and whether the arrangement conveys a right to the use of the asset(s), 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 In-

come as a financing transaction, meaning that the right-of-use asset is depreciated on a straight-line basis and the lease liability is amortised 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. The practical expedient is used for leases of low-value assets and for short-term leases.

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 Pharma 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 recognised.

Earnings per share

Earnings per share are calculated by dividing the profit for the period attributable to limited liability shareholders of SCHOTT Pharma KGaA by the weighted average number of limited liability shares issued during each individual period. In the financial years 2023/2024 and 2022/2023, there were no equity instruments that would have diluted earnings per share on the basis of the limited liability shares issued at a given point in time.

Notes to the consolidated income statement and the consolidated statement of financial position

4 Revenue

Revenue mainly results from the sale of goods.

Revenue is presented by segment and region as part of segment reporting in Note 37.

The timing of revenue recognition is determined as follows:

(in EUR k)	2023/2024	2022/2023
Revenue recognised at a point in time	776,715	728,054
Revenue recognised over time	180,376	170,548
Revenue from Contracts with Customers	**957,091**	**898,602**

5 Selling and general administrative expenses

Selling expenses mainly include personnel and non-personnel expenses, depreciation, amortisation and impairment related to the sales functions, logistics, market research, shipping, advertising as well as licence expenses related to trademark rights.

Personnel and non-personnel expenses pertaining to the management and administrative cost centres are reported under general administrative expenses, unless they were charged to other functional areas as internally provided services.

6 Research and development costs

Research and development costs fell by EUR 2,568k to EUR 24,254k in the financial year 2023/2024 (this corresponds to 2.5% of revenue, previous year: 3.0%).

During the periods presented, no development costs were capitalised since the recognition criteria in accordance with IAS 38 Intangible Assets were not fulfilled for any project.

7 Other operating income

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

(in EUR k)	2023/2024	2022/2023
Income from reimbursed costs	9,400	6,536
Income from grants and reimbursements	8,931	1,342
Income from costs reimbursed in connection with the IPO	2,397	4,795
Income from non-income taxes	1,853	313
Income from commissions and licences	1,103	803
Income from insurance benefits	1,040	527
Income from the reversal of provisions/accrued liabilities	786	1,324
Income from disposals of property, plant and equipment	585	394
Scrap proceeds	218	379
Income from reversals of impairment losses and write-ups	0	5,709
Exchange rate gains	0	2,714
Other	82	903
	26,395	**25,739**

Income from reimbursed costs mainly includes income from research and development projects carried out for customers as well as from other services provided to SCHOTT Group companies. These amounts are reported under other operating income since they were not generated as part of SCHOTT Pharma's ordinary business activities or do not meet the requirements of IFRS 15 Revenue from Contracts with Customers.

The costs incurred by companies from SCHOTT Pharma Group in connection with the IPO were reimbursed by SCHOTT Group companies in the amount of EUR 2,397k based on a cost assumption agreement concluded in the financial year 2022/2023 (previous year: EUR 4,795k; of which prior-period income: EUR 650k). The related expenses are reported in other operating expenses.

EUR 8,931k (previous year: EUR 1,342k) of the income from grants and cost reimbursements relate to government grants for which the conditions for collection have been definitively met. In both financial years, these relate primarily to our subsidiary SCHOTT Pharma USA, Inc., Lebanon, USA.

Exchange rate losses of EUR 42,665k (previous year: EUR 37,051k) are netted against exchange gains of EUR 31,578k (previous year: EUR 39,765k). The balance in the financial year 2023/2024 is EUR –11,087k and is included in other operating expenses (previous year: EUR 2,714k in other operating income).

In the previous year, income from reversals of impairment losses and write-ups was fully attributable to assets located in Russia, more specifically property, plant and equipment (EUR 5,199k) and other current assets (EUR 510k). Please refer to Note 13 on property, plant and equipment for further details.

8 Other operating expenses

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

(in EUR k)	2023/2024	2022/2023
Exchange rate losses	11,087	0
IPO-related expenses	2,397	4,145
Recharged expenses	2,300	2,260
Expenses from non-income taxes	1,631	2,200
Loss allowances on receivables and other assets	1,204	1,535
Expenses from the recognition of provisions/accrued liabilities	1,027	1,768
Bank charges	409	276
Donations	21	16
Other	114	476
	20,190	**12,676**

The balance of exchange rate losses and exchange rate gains for the year under review is reported in other operating expenses (previous year: in other operating income). Please refer to Note 7 for further details.

Costs incurred by SCHOTT Pharma Group companies in connection with the IPO were charged to SCHOTT Group companies. The related income is reported as other operating income (see Note 7).

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

9 Share of profit from investments accounted for using the equity method

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

(in EUR k)	2023/2024	2022/2023
SCHOTT Poonawalla Pvt. Ltd., Mumbai, India	10,291	9,605
Empha S.p.A., Turin, Italy	2,230	2,412
Smart Skin Technologies Inc., Fredericton, Canada	–30	–275
	12,491	**11,742**

For more information, please refer to Note 14.

10 Financial result

(in EUR k)	2023/2024	2022/2023
Interest income	5,959	5,227
thereof from SCHOTT Group companies	3,818	2,263
Interest expenses	–13,487	–7,254
thereof from SCHOTT Group companies	–7,980	–2,999
thereof net interest expenses from pensions	–708	–594
Net interest result	**–7,528**	**–2,027**
Income from securities	1,378	685
Net gains/losses from current changes in inflation rates (hyperinflation)	–2,452	–5,239
Other financial income/expenses	–3	0
Net other financial result	**–1,077**	**–4,554**
Financial result	**–8,605**	**–6,581**

The net interest expenses from pensions include the interest expenses from compounding 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.

Net gains or losses from current changes in inflation rates reflect the effects of restatements of non-monetary assets, equity and items of the Statement of Income following changes in purchasing power. In both financial years, SCHOTT Pharma realised a loss of creditors due to the decline in purchasing power brought about by inflation.

11 Income taxes

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

(in EUR k)	2023/2024	2022/2023
Current taxes	–37,859	–32.693
Deferred taxes	4,233	–1.175
Income tax expenses	**–33,626**	**–33.868**

Deferred taxes are calculated on the basis of the tax rates that will apply on the expected realisation date, based on the legal environment in the individual countries. Corporate income tax, trade tax and the solidarity surcharge amount to a tax rate totalling 28.3% for German companies (previous year: 28.3%). Tax rates outside of Germany range between 10.7% and 35.0% (previous year: between 10.7% and 35.0%).

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

	30 Sep 2024		30 Sep 2023	
(in EUR k)	Assets	Liabilities	Assets[2]	Liabilities[2]
Intangible assets	872	14	559	17
Property, plant and equipment	4,317	33,072	3,266	31,947
Inventories	8,383	5,044	12,028	4,887
Current and non-current other assets	1,073	13,722	523	19,217
Pension provisions	5,045	0	3,536	0
Current and non-current other provisions and accrued liabilities	4,148	1,171	5,419	1,825
Current and non-current liabilities	23,071	215	22,570	217
Tax loss carryforwards	771	0	679	0
Other	1,267	1,894	0	464
Deferred taxes (before netting)	**48,947**	**55,132**	**48,580**	**58,574**
Offset amounts[1]	34,617	34,617	33,752	33,752
Amount recognised in the Statement of Financial Position	**14,330**	**20,515**	**14,828**	**24,822**

[1] Amounts offset within individual tax entities.
[2] This is not the first time that SCHOTT Pharma has recognised deferred taxes on differences arising from leases in the Statement of Financial Position. However, in previous years deferred tax liabilities from right-of-use assets were offset against deferred tax assets from lease liabilities. From the financial year 2023/2024 onwards, deferred tax assets and liabilities will not be netted. The presentation of the previous year's figures was adjusted accordingly. As a consequence, deferred tax liabilities as shown in property, plant and equipment and deferred tax assets as shown in current and non-current liabilities increased by EUR 19,123k each. Offset amounts were also adjusted accordingly. The amount recognised in the Statement of Financial Position did not change.

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

	2023/2024		2022/2023	
(in EUR k)	Consolidated Statement of Income	Recognised in OCI and equity	Consolidated Statement of Income	Recognised in OCI and equity
Intangible assets	316	0	551	0
Property, plant and equipment	–74	0	–890	0
Inventories	–3,802	0	–1,354	0
Current and non-current other assets	6,045	0	–2,614	0
Pension provisions	234	1,275	12	336
Current and non-current other provisions and accrued liabilities	–617	0	–843	0
Current and non-current liabilities	503	0	2,910	0
Tax loss carryforwards	92	0	679	0
Other	–163	0	174	0
Deferred taxes before exchange rate effects	**2,534**	**1,275**	**–1,375**	**336**
Exchange rate effects	1,699		200	
Deferred tax expenses	**4,233**		**–1,175**	

Deferred taxes on deductible temporary differences are recognised to the extent that it is probable that the temporary differences will reverse when there is sufficient taxable profit in future periods. The same applies for deferred taxes on loss carryforwards, provided the losses can be utilised within the relevant planning period.

As a result of forecasts of future taxable profit, deferred tax assets on temporary differences in the amount of EUR 161k (previous year: EUR 104k) were recognised for the tax group SCHOTT Pharma France SAS, Colombes, France. The deferred tax assets are recognised although the tax group of SCHOTT Pharma France SAS, Colombes, France, reported tax losses in the previous year.

An assessment of recoverability during a corresponding planning period resulted in no deferred tax assets being recognised for certain loss carryforwards and deductible differences. In the reporting year, tax loss carryforwards, interest carryforwards and tax credits for which no deferred tax assets are recognised existed for tax loss carryforwards in the amount of EUR 1,583k (previous year: EUR 1,690k) and for tax credits in the amount of EUR 0k (previous year: EUR 70k). The resulting unrecognised deferred tax assets on loss carryforwards amount to EUR 396k (previous year: EUR 492k). Unrecognised deferred tax assets on loss carryforwards do not expire.

In the reporting year, deferred taxes in the amount of EUR 1,275k (previous year: EUR 336k) were recognised in other comprehensive income as part of equity. This amount related to adjustments of the net liability of pension provisions recognised directly in other comprehensive income.

In the reporting year, deferred tax liabilities of EUR 1,894k (previous year: EUR 464k) were recognised for retained earnings of foreign subsidiaries, to the extent that their realisation through planned profit distributions or disposals is probable in the foreseeable future. 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 10,356k (previous year: EUR 12,941k) could arise if current tax law were to continue to apply.

The following table shows a reconciliation of expected to actually recognised tax expenses. To determine the expected tax rate, profit before income taxes is multiplied by a tax rate of 28.3% (previous year: 28.3%). This comprises a tax rate of 15.8% (previous year: 15.8%) for corporate income tax including solidarity surcharge and 12.5% (previous year: 12.5%) for trade tax.

(in EUR k)	2023/2024	2022/2023
Profit before income taxes	**183,971**	**185,802**
Calculated income tax expenses at the anticipated tax rate (28.3%, previous year: 28.3%)	52,064	52,582
Effect of tax rate changes	429	63
Non-deductible expenses	2,732	3,909
Tax-exempt components of income	–1,601	–4,997
Tax difference due to foreign tax rates	–19,139	–12,538
Change in valuation allowances for deferred tax assets	–28	–1,544
Taxes relating to prior periods	–3,468	–2,251
Other	2,637	–1,356
Income tax expenses as reported in the Statement of Income	**33,626**	**33,868**
Tax rate as reported in the Consolidated Financial Statements	18.3%	18.2%

The non-deductible expenses in the current financial year relate to expenses of EUR 2,124k (previous year: EUR 3,399k) in connection with tax-exempt dividends as well as additions in connection with SCHOTT Pharma KGaA, Germany, in accordance with section 1 of the German Foreign Tax Act (Außensteuergesetz, AStG).

Effects from tax-exempt components of income relate mainly to tax-exempt income from research and development costs incurred by SCHOTT Pharmaceutical Packaging (Zhejiang) Co., Ltd., Huzhen Town, China, in the amount of EUR –336k (previous year: EUR –179k). This also includes EUR –397k relating to effects in connection with hyperinflation accounting applied at SCHOTT Envases Argentina S.A., Buenos Aires, Argentina (previous year: EUR –1,048k). The item also includes an effect from income from not fully consolidated companies in the amount of EUR 788k (previous year: EUR –3,288k).

Tax differences due to foreign tax rates are EUR –22,489k (previous year: EUR –11,766k); these relate for the most part to SCHOTT Pharma Schweiz AG, St Gallen, Switzerland. It should be noted that this was partially offset by a tax-relevant write-up (previous year: write-down) of a fully consolidated subsidiary in the amount of EUR 2,021k (previous year: EUR –1,989k) which is reported under “Other”.

The “Other” item also contains a tax credit of EUR –1,297k (previous year: EUR 0k) for SCHOTT Hungary Kft., Lukácsháza, Hungary, and an increase in deferred tax liabilities on outside basis differences in the amount of EUR 1,430k (previous year: EUR –170k). The latter relate to differences that are likely to result in tax charges in the foreseeable future due to planned dividends.

Taxes relating to prior periods amounting to EUR –3,264k result from a one-off change in the estimated measurement of deferred taxes in the first half of the financial year 2023/2024.

The rules on global minimum taxation (Pillar Two) will apply to SCHOTT Pharma for the first time as of the financial year 2024/2025. If the provisions on the global minimum tax were to be applied in the financial year 2023/2024 – based on the current assessment and taking into account the temporary safe–harbour regulations – it would result in an approximately EUR 2.5m increase in current taxes originating exclusively from Switzerland. In this regard, we also refer to the comments under Note 2.1.

12 Intangible assets

(in EUR k)	Patents, licences and similar rights	Goodwill	Total
Cost			
1 Oct 2022	**7,153**	**30,953**	**38,106**
Additions	57	0	57
Disposals	122	0	122
Reclassifications	462	0	462
Hyperinflation adjustment	0	1,529	1,529
Foreign currency translation	–164	–2,991	–3,155
30 Sep 2023	**7,386**	**29,491**	**36,877**
Accumulated depreciation and impairment			
1 Oct 2022	**5,233**	**0**	**5,233**
Current depreciation and impairment	969	0	969
Disposals	122	0	122
Reclassifications	0	0	0
Hyperinflation adjustment	0	0	0
Foreign currency translation	–144	0	–144
30 Sep 2023	**5,936**	**0**	**5,936**
Carrying amount			
30 Sep 2023	**1,450**	**29,491**	**30,941**
Cost			
1 Oct 2023	**7,386**	**29,491**	**36,877**
Additions	221	0	221
Disposals	30	0	30
Reclassifications	128	0	128
Hyperinflation adjustment	0	2,131	2,131
Foreign currency translation	–215	–2,275	–2,490
30 Sep 2024	**7,490**	**29,347**	**36,837**
Accumulated depreciation and impairment			
1 Oct 2023	**5,936**	**0**	**5,936**
Current depreciation and impairment	669	0	669
Disposals	29	0	29
Reclassifications	0	0	0
Hyperinflation adjustment	0	0	0
Foreign currency translation	–206	0	–206
30 Sep 2024	**6,370**	**0**	**6,370**
Carrying amount			
30 Sep 2024	**1,120**	**29,347**	**30,467**

Goodwill is attributable to our companies in Switzerland, China and Argentina, resulting in effects of adjusting for hyperinflation as well as foreign currency translation effects.

For impairment testing purposes, goodwill acquired as part of business combinations was allocated to the cash-generating units Bulk Solutions, Polymer Solutions, Sterile Solutions and Glass Syringes.

The scheduled goodwill impairment test was performed as of 30 June 2024. The value in use was taken as the basis for determining the recoverable amount for the cash-generating units to which goodwill is allocated. In all periods under review, the recoverable amount of all cash-generating units exceeds their carrying amount. Key factors in determining the recoverable amount are, in particular, the cost of capital and the operating free cash flow (OFCF). Cash flow projections incorporate past experience and are based on group management's current planning for a three-year period; beyond this, a perpetual annuity is used.

Impairment tests carried out in the financial year 2023/2024 did not lead to the recognition of impairments. Even realistic changes to the key assumptions used in determining the value in use would not cause the carrying amount of cash-generating units to exceed their value in use.

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

CGU	Growth rate[1]	WACC after taxes	WACC before taxes	Carrying amount as of 30 Sep 2024 (in EUR k)
Bulk Solutions	1.0%	7.8%	10.9%	20.5
Polymer Solutions	1.0%	7.8%	10.9%	6.2

[1] Growth rate used to extrapolate cash flow projections.

CGU	Growth rate[1]	WACC after taxes	WACC before taxes	Carrying amount as of 30 Sep 2023 (in EUR k)
Bulk Solutions	1.0%	7.5%	10.5%	20.6
Polymer Solutions	1.0%	7.5%	10.5%	6.2

[1] Growth rate used to extrapolate cash flow projections.

13 Property, plant and equipment

(in EUR k)	Land, land rights and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Assets under construction	Total
Cost					
1 Oct 2022	**240,491**	**447,906**	**117,467**	**173,474**	**979,338**
Additions	5,891	15,415	8,612	147,045	176,963
Disposals	1,594	1,914	2,172	3,713	9,393
Reclassifications	20,755	34,786	8,204	–64,207	–462
Hyperinflation adjustment	4,378	6,243	1,386	923	12,930
Foreign currency translation	–8,970	–16,707	–3,555	–2,903	–32,135
30 Sep 2023	**260,951**	**485,729**	**129,942**	**250,619**	**1,127,241**
Accumulated depreciation and impairment					
1 Oct 2022	**90,506**	**291,227**	**80,003**	**393**	**462,129**
Current depreciation and impairment[1]	11,626	28,625	10,628	0	50,879
Reversal of impairment losses	889	4,310	0	0	5,199
Disposals	1,329	1,596	2,085	0	5,010
Reclassifications	117	–145	53	–25	0
Hyperinflation adjustment	3,212	5,307	1,390	0	9,909
Foreign currency translation	–5,157	–14,843	–3,108	–164	–23,272
30 Sep 2023	**98,086**	**304,265**	**86,881**	**204**	**489,436**
Carrying amount					
30 Sep 2023	**162,865**	**181,464**	**43,061**	**250,415**	**637,805**
Cost					
1 Oct 2023	**260,951**	**485,729**	**129,942**	**250,619**	**1,127,241**
Additions	41,652	38,872	11,067	71,439	163,030
Disposals	1,690	8,331	3,368	0	13,389
Reclassifications	38,404	74,594	12,697	–125,823	–128
Hyperinflation adjustment	6,066	8,631	1,781	1,081	17,559
Foreign currency translation	–8,917	–18,927	–2,142	–4,826	–34,812
30 Sep 2024	**336,466**	**580,568**	**149,977**	**192,490**	**1,259,501**
Accumulated depreciation and impairment					
1 Oct 2023	**98,086**	**304,265**	**86,881**	**204**	**489,436**
Current depreciation and impairment[1]	13,632	37,077	13,524	76	64,309
Reversal of impairment losses	0	0	0	0	0
Disposals	1,181	8,032	2,847	0	12,060
Reclassifications	0	0	19	–19	0
Hyperinflation adjustment	5,032	7,475	1,597	0	14,104
Foreign currency translation	–4,584	–13,427	–1,761	–6	–19,778
30 Sep 2024	**110,985**	**327,358**	**97,413**	**255**	**536,011**
Carrying amount					
30 Sep 2024	**225,481**	**253,210**	**52,564**	**192,235**	**723,490**

[1] Impairment losses are included in "Current depreciation and impairment".

In the financial year 2023/2024, there were major additions related to the expansion of production locations in Hungary, Germany, Serbia, the USA and Switzerland, also resulting in the reclassification of assets under construction.

As a result of an improved economic outlook for the production facility in Russia, reversals of impairment losses on property, plant and equipment in the amount of EUR 5,199k were recognised in the previous year and were fully attributable to the Drug Containment Solutions segment. The reversals of impairment losses referred to technical equipment and machinery (EUR 4,310k) and land, land rights and buildings (EUR 889k). The income generated from the reversal of impairment losses was recognised within other operating income.

Government grants received, which are deducted from the acquisition cost of the related assets, changed as follows:

(in EUR k)	2023/2024	2022/2023
1 Oct	**10,986**	**8,029**
Received during the financial year[1]	23,223	3,855
Released through the Statement of Income	–1,536	–1,234
Foreign currency translation	–242	336
30 Sep	**32,431**	**10,986**

[1] The disclosure regarding grants received in the financial year 2022/2023 was adjusted from EUR 990k to EUR 3,855k. As a result, the value as of the reporting date of 30 September 2023 increased to EUR 10,986k. The adjustment has no impact on total property, plant and equipment in the Consolidated Statement of Financial Position.

Grants received in the current financial year are mainly attributable to the subsidiaries SCHOTT Pharma USA, Inc., Lebanon, USA, and SCHOTT Hungary Kft., Lukácsháza, Hungary, which received grants for production-related development projects. The conditions underlying the grants were fully met, so that no uncertainties exist in this regard.

Purchase commitments for non-current assets amount to EUR 104,353k as of the reporting date (previous year: EUR 134,291k).

As in the previous year, no significant borrowing costs under IAS 23 Borrowing Costs were capitalised during the current financial 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 in accordance with IFRS 16 Leases. Please refer to Note 31 for further information on leases at SCHOTT Pharma.

14 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:

			Share in capital	
Company	Registered office	Primary activity	30 Sep 2024	30 Sep 2023
SCHOTT Poonawalla Pvt. Ltd.	Mumbai, India	Manufacture of pharmaceutical packaging	50%	50%
Empha S.p.A.	Turin, Italy	Manufacture of pharmaceutical packaging	50%	50%
Smart Skin Technologies Inc.	Fredericton, Canada	Provision of product quality services	20%	20%

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

2023/2024 (in EUR k)	Assets as of 30 Sep	Liabilities as of 30 Sep	Equity as of 30 Sep	Revenue	Result after taxes
SCHOTT Poonawalla Pvt. Ltd.	151,895	23,465	128,430	107,835	20,582
Empha S.p.A.[1]	15,633	22	15,611	0	4,030
Smart Skin Technologies Inc.[1]	15,104	8,016	7,088	6,388	–565
	182,632	**31,503**	**151,129**	**114,223**	**24,047**

[1] Data based on the statutory financial statements as of 31 December 2023.

The assets of SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, include non-current assets of EUR 101,640k and current assets of EUR 50,255k as of 30 September 2024. Non-current liabilities amount to EUR 6,859k and current liabilities amount to EUR 16,606k.

2022/2023 (in EUR k)	Assets as of 30 Sep	Liabilities as of 30 Sep	Equity as of 30 Sep	Revenue	Result after taxes
SCHOTT Poonawalla Pvt. Ltd.	155,997	40,434	115,564	106,547	19,210
Empha S.p.A.[1]	15,601	20	15,581	0	4,034
Smart Skin Technologies Inc.[1]	15,550	7,730	7,820	5,443	–3,022
	187,148	**48,184**	**138,965**	**111,990**	**20,222**

[1] Data based on the statutory financial statements as of 31 December 2022.

The assets of SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, as of 30 September 2023 included non-current assets of EUR 103,567k and current assets of EUR 52,430k. Non-current liabilities amount to EUR 12.998k and current liabilities amount to EUR 27.436k.

The following table illustrates the reconciliation of the financial information of SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, summarised above to the carrying amount recognised in the Consolidated Financial Statements:

(in EUR k)	30 Sep 2024	30 Sep 2023
Assets	151,895	155,997
Liabilities	–23,465	–40,434
Equity	128,430	115,564
50% equity interest of SCHOTT Pharma	**64,215**	**57,782**
Goodwill	3,826	4,070
Carrying amount of SCHOTT Pharma's investment accounted for using the equity method	**68,041**	**61,852**

The changes in equity recognised directly in equity due to currency differences at SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, amount to EUR –3,858k (previous year: EUR –5,293k) and the related change at Smart Skin Technologies Inc., Fredericton, Canada, amounts to EUR –65k (previous year: EUR –86k). In terms of goodwill, the changes in equity recognised directly in equity due to currency differences at SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, amount to EUR –244k (previous year: EUR –431k) and the related change at Smart Skin Technologies Inc., Fredericton, Canada, amounts to EUR –73k (previous year: EUR –84k).

The carrying amount of the investments accounted for using the equity method changed as presented in the following table:

(in EUR k)	2023/2024	2022/2023
1 Oct	**79,055**	**79,821**
Pro-rata share in income from investments accounted for using the equity method	12,491	11,742
Dividend distributions	–2,250	–6,614
Effect of exchange rate changes on OCI	–4,240	–5,894
30 Sep	**85,056**	**79,055**

Dividend distributions refer in full to Empha S.p.A., Turin, Italy, in the amount of EUR 2,250k (previous year: EUR 4,000k). In the previous year, there were also dividend distributions made by SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, in the amount of EUR 2,614k.

15 Other non-current financial assets

Other non-current financial assets largely include loans to third parties and employees and are measured at amortised cost.

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

16 Other non-current non-financial assets

Other non-current non-financial assets consist of prepaid expenses amounting to EUR 319k (previous year: EUR 432k). In the previous year, this item also included receivables from tax authorities in the amount of EUR 411k.

17 Inventories

(in EUR k)	30 Sep 2024	30 Sep 2023
Raw materials, consumables and supplies	105,758	91,301
Work in progress	22,281	20,984
Finished products and merchandise	43,222	48,881
Loss allowances	–30,816	–22,223
	140,445	**138,943**

In the year under review, impairment losses to write inventories down to their net realisable value in the amount of EUR 9,052k (previous year: EUR 5,576k) as well as reversals of impairment losses due to changes in estimates of future sales volumes amounting to EUR 460k (previous year: EUR 954k) were recognised. The carrying amount of inventories recognised at fair value less costs to sell is EUR 63,732k (previous year: EUR 55,929k). The amount of inventories recognised as an expense in the financial year 2023/2024 is EUR 407m (previous year: EUR 388m).

As in the previous year, no inventories were pledged as collateral for liabilities as of the reporting date of the financial year under review, apart from the usual retentions of title.

18 Trade receivables and contract assets

(in EUR k)	30 Sep 2024	30 Sep 2023
Trade receivables from third parties	161,400	150,965
Trade receivables from joint ventures	523	148
Notes receivable from third parties	6,564	5,539
Trade receivables (after loss allowances)	**168,487**	**156,652**
Contract assets	60,733	58,208
Trade receivables and contract assets (after loss allowances)	**229,220**	**214,860**

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.

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

(in EUR k)	2023/2024	2022/2023
1 Oct	**2,717**	**1,234**
Exchange rate changes	–14	–27
Additions	3,096	2,600
Utilisation	–121	–34
Reversals	–1,762	–1,056
30 Sep	**3,916**	**2,717**

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 (Note 30), which also state the specific loss allowances that were recognised for individual risks and loss events.

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 5,531k (previous year: EUR 7,942k) are secured by credit insurance with unchanged coverage of 95%.

As of 30 September 2024, contract assets amounted to EUR 60,733k (previous year: EUR 58,208k). This includes a loss allowance for expected credit loss of EUR 58k (previous year: EUR 56k).

19 Other current financial assets

(in EUR k)	30 Sep 2024	30 Sep 2023
Other marketable securities	3,249	1,532
Derivatives	3,227	3,716
Loan receivables	757	797
Creditors with debit balances	369	213
Miscellaneous other financial receivables	130	2,263
	7,732	**8,521**

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.

The dividend claim of EUR 2,000k against Empha S.p.A., Turin, Italy, which is accounted for using the equity method, reported under miscellaneous other financial receivables in the previous year, was settled in the financial year under review.

20 Other current non-financial assets

(in EUR k)	30 Sep 2024	30 Sep 2023
Receivables from value-added tax	23,063	21,036
Advance payments made	3,917	6,760
Prepaid expenses	2,766	3,125
Miscellaneous other non-financial receivables	2,310	2,460
	32,056	**33,381**

21 Cash and cash equivalents

(in EUR k)	30 Sep 2024	30 Sep 2023
Checks, cash on hand	3	7
Bank deposits (with terms to maturity of up to 90 days)	21,675	24,093
Term deposits (with terms to maturity of up to 90 days)	1,504	257
	23,182	**24,357**

The effective interest rates for euro-denominated bank deposits and time deposits with a term to maturity of up to 90 days are between 3.28% and 4.00% (previous year: between 1.17% and 3.98%). The fair value of cash and cash equivalents corresponds to the carrying amount. No restricted cash balances exist during the periods presented.

22 Equity

The individual components of equity and their changes are presented in the Consolidated Statement of Changes in Equity.

As of 30 September 2024, the subscribed capital of SCHOTT Pharma KGaA amounts to EUR 150,615k, which is unchanged as against the previous year and is fully paid in as of the reporting date. Subscribed capital consists of 150,614,616 ordinary bearer shares with no-par value and a notional interest of EUR 1.00 each in the share capital. As no new ordinary bearer shares were issued in the financial year 2023/2024, the number of outstanding shares has not changed compared with the previous year. Each share has one voting right at Annual General Meetings and is entitled to receive payments from resolved dividend distributions.

The Annual General Meeting on 20 June 2023 authorised the Management Board, with the approval of the Supervisory Board, to increase the share capital of SCHOTT Pharma KGaA until 19 June 2028 by up to a total of EUR 50,000k through one or more issues of new no-par value bearer shares in exchange for cash or non-cash contributions (Authorised Capital). Shareholders will generally be granted subscription rights.

The Annual General Meeting on 20 June 2023 also authorised the Management Board, with the approval of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or bonds with warrants (or a combination of such instruments – hereinafter collectively referred to as “bonds”) with a total principal amount of up to EUR 750,000k, with or without a limited term, on one or several occasions until 19 June 2028, and to grant holders or creditors of such bonds conversion or option rights, respectively to acquire new no-par value bearer shares in the Company representing a notional interest in the share capital of up to EUR 25,000k, as stipulated in detail in the terms and conditions of these bonds (Conditional Capital).

The Management Board did not make use of these authorisations in the financial year 2023/2024.

The capital reserve of SCHOTT Pharma KGaA amounts to EUR 491,935k pursuant to section 272(2) no. 1 HGB and is EUR 2,546k lower than the figure in accordance with IFRS. The difference results from measurement differences that arose in connection with the legal reorganisation of SCHOTT Pharma Group in the financial year 2022/2023.

In the past, SCHOTT Pharma Group did not meet the definition of a group within the meaning of IFRS 10 Consolidated Financial Statements. This means that net assets of the business units and the companies of the SCHOTT Pharma business attributable to SCHOTT Group were presented as invested equity (net investment). After completion of the legal reorganisation in the financial year 2022/2023, the invested equity was distributed in accordance with the legal structure and the Memorandum and Articles of Association of SCHOTT Pharma KGaA.

In the previous year, miscellaneous transactions with SCHOTT Group amounted to EUR 129,421k and mainly referred to the acquisition of shares in SCHOTT Poonawalla Pvt. Ltd., Mumbai, India, for a purchase price of EUR 124,532k. As a result of the application of the predecessor accounting method for transactions under common control, the purchase price of EUR 124,532k was recognised as a miscellaneous transaction with SCHOTT Group and, accordingly, as a reduction of invested equity of SCHOTT Group (of the generated Group equity).

Accumulated other Group equity comprises the accumulated differences from foreign currency translation recognised in equity resulting from the translation of the financial statements of consolidated foreign subsidiaries and of investments accounted for using the equity method.

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

(in EUR k)	Gains/losses from the revaluation of defined benefit pension plans	Currency translation differences	Total income and expenses recognised directly in equity
1 Oct 2022	**16,140**	**25,370**	**41,510**
Changes recognised in other comprehensive income	–3,738	–16,988	–20,726
Deferred taxes	336	0	336
30 Sep 2023	**12,738**	**8,382**	**21,120**
1 Oct 2023	**12,738**	**8,382**	**21,120**
Changes recognised in other comprehensive income	–6,838	–21,555	–28,393
Deferred taxes	1,275	0	1,275
30 Sep 2024	**7,175**	**–13,173**	**–5,998**

The dividend amount available for distribution to limited liability shareholders is dependent on equity (pursuant to the AktG) as recognised in the separate financial statements of SCHOTT Pharma KGaA in accordance with the HGB. Dividends can only be resolved and distributed if there is a net retained profit (after transfers to legal reserves). As of 30 September 2024, net retained profit of EUR 67,347k (previous year: EUR 50,052k) was reported in the annual financial statements of SCHOTT Pharma KGaA.

The Annual General Meeting on 14 March 2024 resolved to distribute a dividend of EUR 0.15 per no-par value share for the financial year 2022/2023. The distribution was made on 19 March 2024. This corresponds to a dividend distribution of EUR 22,592k. The remaining net retained profit reported in the Annual Financial Statements of SCHOTT Pharma KGaA has been carried forward to new account.

The Management Board and the Supervisory Board of SCHOTT Pharma KGaA will propose to the Annual General Meeting on 4 February 2025 to distribute a dividend of EUR 0.16 per no-par value share for the financial year 2023/2024. This corresponds to a dividend distribution of EUR 24,098k. The Management Board and the Supervisory Board also propose to carry forward the remaining net retained profit reported in the Annual Financial Statements of SCHOTT Pharma KGaA to new account.

Non-controlling interests

Non-controlling interests reported in the Consolidated Financial Statements relate to shares held by other shareholders in SCHOTT Envases Farmacéuticos SAS, Bogotá, Colombia.

Capital management

The purpose of capital management is to maximise the Company's income by optimising the relationship between equity and borrowings. It also ensures that all Group companies can operate under the premise of continuing as a going concern.

At SCHOTT Pharma, capital management measures in accordance with IAS 1 Presentation of Financial Statements include, in particular, the use of borrowings, the optimisation of investment activities, dividend payments, the optimisation of net working capital as well as capital increases and reductions.

All strategic and operating activities are assessed based on their contribution to increasing the Company's value. SCHOTT Pharma seeks to successfully utilise its business assets and create value in excess of the Group's cost of capital.

SCHOTT Pharma Group's corporate planning and continuous monthly reporting both include the calculation of net debt and operational free cash flow. Net debt includes all cash and cash equivalents as well as time deposits less financial liabilities. Net debt provides information on the financial situation. Operating free cash flow reflects the cash flows from the Company's operating activities after deducting investments in non-current assets. Any surplus cash funds can be used, for example, to finance investments without relying on external sources. In this way, measures required to influence the capital structure can be identified early.

In addition, the Management Board constantly reviews the capital structure. This review includes an assessment of the equity ratio. The equity ratio corresponds to the ratio of equity to total assets in the Consolidated Statement of Financial Position. As of 30 September 2024, the equity ratio amounts to 54.9% (previous year: 56.2%).

Net debt, which represents an important internal key indicator for financial management of SCHOTT Pharma Group, comprises the following:

(in EUR k)	30 Sep 2024	30 Sep 2023
Cash and cash equivalents	–23,182	–24,357
Other marketable securities	–3,249	–1,532
Financial receivables – SCHOTT Group	–141,339	–35,485
Financial payables – SCHOTT Group	200,537	137,474
Lease liabilities	85,802	72,331
Net debt	**118,569**	**148,431**

Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to limited liability shareholders of SCHOTT Pharma KGaA, as presented in the Statement of Income, by the weighted average number of outstanding limited liability shares of SCHOTT Pharma KGaA.

Diluted earnings per share are calculated by dividing the profit for the period attributable to limited liability shareholders of SCHOTT Pharma KGaA, as presented in the Statement of Income, by the weighted average number of outstanding limited liability shares of SCHOTT Pharma KGaA, adjusted by any dilutive effects of potential limited liability shares. At present, there are no instruments outstanding or planned with a potential dilutive effect. As a result, diluted earnings per share correspond to basic earnings per share.

	2023/2024	2022/2023
Profit for the period – attributable to limited liability shareholders of SCHOTT Pharma AG & Co. KGaA (in EUR k)	149,685	151,842
Weighted average number of outstanding limited liability shares – basic and diluted (in thousands of shares)	150,615	150,615
Earnings per share – basic (in EUR)	**0.99**	**1.01**
Earnings per share – diluted (in EUR)	**0.99**	**1.01**

23 Provisions for pensions and similar commitments

Expenses were recognised for defined contribution plans existing abroad in the amount of EUR 3,414k (previous year: EUR 3,948k) and in Germany in the amount of EUR 3,995k (previous year: EUR 3,556k), of which an amount of EUR 5,162k (previous year: EUR 4,886k) refers to contributions to state pension schemes.

The pension provisions for defined benefit obligations include current pensions as well as company- and employee-funded pension entitlements. The asset values were netted against the corresponding obligations. Pension provisions in Germany also include employee-financed pension commitments (deferred compensation) in the amount of EUR 111k (previous year: EUR 103k).

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

The “P 82 old” and “P 82 new” pension schemes are salary-based pension plans. Under 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 given a higher weighting. The defined benefit obligation (DBO) is also calculated proportionately.

The pension scheme “VO 2015” as well as the previously applicable pension scheme “VO 2000”, which was replaced on 1 October 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 remuneration and also on SCHOTT AG Group’s pre-tax profits.

The currently valid “VO 2015 NEW” pension scheme, which has been applicable for new entrants since 1 November 2015, is a defined contribution plan with a dynamic benefit contribution. Calculation of the benefit contribution is similar to that of “VO 2015”. This is awarded to the employee as a minimum capital payment and credited to an individualised securities account within the framework of a CTA (Contractual Trust Arrangement).

From 1 October 2025, the “VO 2015 NEW” pension scheme, including transitional arrangements, will also apply for SCHOTT AG employees on 1 November 2015, the date on which “VO 2015 NEW” came into effect (which was prior to the transfer of operations as part of the spin-off). The spin-off was concluded with effect from 1 October 2021, and the Pharma division, along with all rights and obligations, was transferred from SCHOTT AG, Mainz, Germany, to SCHOTT Pharma KGaA.

Outside of Germany, 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 subject to legal requirements that pension commitments be covered by plan assets as well as tax regulations regarding the deductible amounts.

The assumptions underlying the DBO calculation with respect to interest rates, salary and pension trends as well as mortality rates, vary depending on the economic and other parameters of the respective country in which the plans exist. Interest rates are calculated as of the reporting date for each specific company depending on the mean weighted terms to maturity (duration) of the pension commitments using matching maturities and currencies.

Pension provisions in Germany are determined on the basis of biometric calculation bases set out in Prof. Klaus Heubeck's Mortality Tables 2018 G. Pension commitments in Switzerland are determined on the basis of the biometric calculation bases set forth in the BVG 2020 Generationentafeln.

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

	30 Sep 2024			30 Sep 2023		
(in %)	Total	Domestic	Abroad	Total	Domestic	Abroad
Discount rate	1.73	3.50	1.31	2.67	4.60	2.28
Future salary increases	1.78	3.00	1.49	2.02	3.00	1.83
Future pension increases	0.43	2.22	0.00	0.39	2.21	0.00
Expected rate of inflation	1.29	2.25	1.05	1.45	2.25	1.28

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

	30 Sep 2024				30 Sep 2023			
(in %)	France	Indonesia	Mexico	Switzer-land	France	Indonesia	Mexico	Switzer-land
Discount rate	3.70	6.80	9.74	1.10	4.20	6.70	9.67	2.00
Future salary increases	2.75	8.00	8.50	1.30	2.75	10.00	8.50	1.50
Future pension increases	0.00	n/a	0.00	0.00	0.00	n/a	0.00	0.00
Expected rate of inflation	2.00	n/a	4.60	1.00	2.20	n/a	4.70	1.20

Based on IAS 19 Employee Benefits, the defined contribution pension obligations have the following funded status. The table also contains the employee-financed pension commitments:

	30 Sep 2024			30 Sep 2023		
(in EUR k)	Total	Domestic	Abroad	Total	Domestic	Abroad
Present value of obligations that are unfunded	4,173	47	4,126	4,699	38	4,661
Present value of obligations that are wholly or partly funded	131,450	25,815	105,635	102,724	18,244	84,480
Total present value of benefit obligations	**135,623**	**25,862**	**109,761**	**107,423**	**18,282**	**89,141**
Benefit obligations recognised in the Statement of Financial Position	**135,623**	**25,862**	**109,761**	**107,423**	**18,282**	**89,141**
Plan assets recognised in the Statement of Financial Position	**108,419**	**12,433**	**95,986**	**88,646**	**10,389**	**78,257**
Funded status	**27,204**	**13,429**	**13,775**	**18,777**	**7,893**	**10,884**
Pension provisions	**27,204**	**13,429**	**13,775**	**18,777**	**7,893**	**10,884**

Net pension expenses can be broken down as follows:

	2023/2024			2022/2023		
(in EUR k)	Total	Domestic	Abroad	Total	Domestic	Abroad
Service cost	8,019	2,941	5,078	4,982	1,803	3,179
Net interest cost	708	314	394	594	297	297
Past service cost	–2,529	0	–2,529	–267	0	–267
Total expenses recognised in the Statement of Income	**6,198**	**3,255**	**2,943**	**5,309**	**2,100**	**3,209**

Net interest cost is included in net interest income/expenses. Other expense components recognised in profit or loss are presented under the corresponding functional area under operating income (EBIT).

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

	2023/2024			2022/2023		
(in EUR k)	Total	Domestic	Abroad	Total	Domestic	Abroad
Defined benefit obligation at the beginning of the financial year	**107,423**	**18,282**	**89,141**	**93,143**	**17,443**	**75,700**
Exchange rate fluctuations	1,702	0	1,702	–715	0	–715
Service cost	8,019	2,941	5,078	4,982	1,803	3,179
Past service cost	–2,529	0	–2,529	–267	0	–267
Interest cost	2,861	837	2,024	2,675	715	1,960
Actuarial gains (–) and losses (+) from changes in financial assumptions	15,364	3,940	11,424	5,963	–1,534	7,497
Actuarial gains (–) and losses (+) from changes in demographic assumptions	–317	–320	3	–884	0	–884
Actuarial gains (–) and losses (+) from experience adjustments	734	1	733	1,906	–274	2,180
Benefit payments	–418	–93	–325	–1,458	–24	–1,434
Other changes	2,784	274	2,510	2,078	153	1,925
Defined benefit obligation at the end of the financial year	**135,623**	**25,862**	**109,761**	**107,423**	**18,282**	**89,141**
thereof wholly unfunded	4,173	47	4,126	4,699	38	4,661
thereof funded on pro-rata basis	131,450	25,815	105,635	102,724	18,244	84,480

Plan assets changed as follows in the financial year:

	2023/2024			2022/2023		
(in EUR k)	Total	Domestic	Abroad	Total	Domestic	Abroad
Plan assets at the beginning of the financial year	**88,646**	**10,389**	**78,257**	**78,518**	**9,508**	**69,010**
Interest income from plan assets	2,153	523	1,630	2,081	417	1,664
Exchange rate fluctuations	1,961	0	1,961	–681	0	–681
Actuarial gains (+) and losses (–)	8,943	627	8,316	3,247	–214	3,461
Employer contributions	3,471	933	2,538	4,620	678	3,942
Benefit payments	749	–28	777	–1,081	–18	–1,063
Other changes	2,496	–11	2,507	1,942	18	1,924
Plan assets recognised in the Statement of Financial Position at the end of the financial year	**108,419**	**12,433**	**95,986**	**88,646**	**10,389**	**78,257**
Actual gains (+) and losses (–) of plan assets	11,096	1,150	9,946	5,328	202	5,126

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

Under the CTAs, SCHOTT Pharma KGaA has transferred assets over to a trust association which in turn has transferred the funds it has received over to another trust association (custodian). This custodian is obliged to manage and invest the funds it receives solely for the company in accordance with an investment management agreement. Investments are made via special fund mandates with external asset managers. These mandates are mixed funds that invest in equities and bonds, and are managed by asset managers in accordance with prescribed investment guidelines, including a defined value protection strategy.

Plan assets in Switzerland are managed by a dependent collective pension fund **(Sammelstiftung).**

SCHOTT Pharma's plan assets can be broken down as follows:

	30 Sep 2024			30 Sep 2023		
(in %)	Total	Domestic	Abroad	Total	Domestic	Abroad
Shares quoted on active markets	32	29	33	32	31	32
Fixed-income securities quoted on active markets	35	57	33	36	58	33
Qualifying insurance policies	1	5	0	1	6	0
Cash	2	3	2	3	5	2
Real estate	21	0	24	23	0	26
Other	9	6	8	5	0	7
	100	**100**	**100**	**100**	**100**	**100**

Allocations to plan assets are as follows:

	2023/2024			2022/2023		
(in EUR k)	Total	Domestic	Abroad	Total	Domestic	Abroad
Total allocation	**3,471**	**933**	**2,538**	**4,620**	**678**	**3,942**

At least EUR 6,171k in contributions to plan assets are expected for the following financial year.

A change in the material actuarial assumptions would have the following effects on the amount of pension obligations, with the major share pertaining to Switzerland:

	30 Sep 2024			
	Increase by	in EUR k	Decrease by	in EUR k
Discount rate	+50 basis points	–9,208	–50 basis points	11,604
Future salary change	+50 basis points	3,491	–50 basis points	–3,472
Future pension change	+50 basis points	5,188	–50 basis points	–928
Life expectancy	+1 year	2,297	–1 year	–2,228

	30 Sep 2023			
	Increase by	in EUR k	Decrease by	in EUR k
Discount rate	+50 basis points	–6,624	–50 basis points	7,374
Future salary change	+50 basis points	2,850	–50 basis points	–2,789
Future pension change	+50 basis points	3,824	–50 basis points	–682
Life expectancy	+1 year	1,582	–1 year	–1,550

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

(in EUR k)	2025	2026	2027	2028	2029	2030–2034
Domestic	180	274	449	546	785	6,389
Abroad	4,736	6,243	5,705	5,227	6,014	30,078
Total payout	**4,916**	**6,517**	**6,154**	**5,773**	**6,799**	**36,467**

Duration of the defined benefit obligation was 16.5 years (previous year: 16 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.

24 Other provisions

	30 Sep 2024		30 Sep 2023	
(in EUR k)	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Sales	7,606	0	2,912	0
Personnel costs	159	1,836	100	1,726
Miscellaneous	2,497	4,158	2,251	4,275
	10,262	**5,994**	**5,263**	**6,001**

Other provisions developed as follows compared to the previous year:

(in EUR k)	1 Oct 2023	Utilisation	Reversals	Additions	Reclassifi-cations in accordance with IAS 19	Changes in exchange rates	30 Sep 2024
Sales	2,912	1,967	419	7,016	0	64	7,606
Personnel costs	1,826	709	484	1,376	0	–15	1,994
Miscellaneous	6,526	911	525	2,114	0	–548	6,656
	11,264	**3,587**	**1,428**	**10,506**	**0**	**–499**	**16,256**

(in EUR k)	1 Oct 2022	Utilisation	Reversals	Additions	Reclassifi-cations in accordance with IAS 19	Changes in exchange rates	30 Sep 2023
Sales	3,599	1,471	795	1,621	0	–42	2,912
Personnel costs	1,373	279	321	1,800	–673	–74	1,826
Miscellaneous	10,580	2,178	3,669	2,530	0	–737	6,526
	15,552	**3,928**	**4,785**	**5,951**	**–673**	**–853**	**11,264**

Provisions for sales mainly comprise warranty provisions in the amount of EUR 7,606k (previous year: EUR 2,861k).

The anniversary obligations shown under personnel provisions in the amount of EUR 1,648k (previous year: EUR 1,416k) were measured using a discount rate of 3.7% (previous year: 4.2%) for domestic obligations in the amount of EUR 799k (previous year: EUR 635k).

Obligations resulting from partial retirement schemes in the amount of EUR 992k (previous year: EUR 410k) were determined based on actuarial methods taking into account biometric calculation based in accordance with the 2018 G Mortality Tables by Prof. Klaus Heubeck and a discount rate of 3.14% (previous year: 3.99%) in line with the projected unit credit method. The obligations for partial retirement are secured by means of a value protection balance in the form of a notarial trust account in the amount of EUR 722k (previous year: EUR 251k) with obligations being netted against the value protection balance.

Miscellaneous other provisions include, amongst others, provisions for litigation risks in the amount of EUR 2,471k (previous year: EUR 2,991k) and provisions for decommissioning obligations in the amount of EUR 760k (previous year: EUR 760k) as well as provisions for several further risks and precautionary measures.

In the financial year 2023/2024, non-current provisions increased by EUR 66k (previous year: EUR 66k) to reflect the unwinding of the discount; the amount is included in the column "Additions". The unwinding of the discount mainly refers to personnel provisions.

Share-based remuneration

The share-based remuneration scheme with cash settlement for Management Board members is tied to the achievement of specific KPI and the long-term performance of shares in SCHOTT Pharma KGaA. Based on a defined individual annual target amount and depending on the price of shares in SCHOTT Pharma KGaA, a specific number of performance shares is allocated to each Management Board member at the beginning of each performance period. These performance shares only grant an entitlement to a monetary payment and do not include any shareholder rights.

Each performance period has a duration of four years. The number of individual performance shares at the beginning of the relevant performance period corresponds to the individual annual target amount divided by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the beginning of the performance period. The resulting number of performance shares is rounded commercially to the nearest whole number. Deviating from the above, a different procedure was agreed for the first performance period which runs from 1 October 2023 to 30 September 2027. As a result of the IPO and the initial listing of SCHOTT Pharma KGaA on 28 September 2023, the starting share price for the first tranche was calculated based on the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the first 90 exchange trading days from the time of the IPO.

The Supervisory Board sets performance criteria as well as corresponding target values, threshold values and caps for the relevant performance period in defined categories. The performance categories include the following for the 2023/2024 tranche:

- value creation (60% weighting)
- sustainability (30% weighting)
- strategy (10% weighting)

The target achievement level is calculated once the performance period in question has ended. If the corresponding value is equal to or lower than the threshold value the target achievement level is 0%. If the value achieved exceeds the threshold value but remains below the target value, the target achievement level for the target concerned is determined by way of linear interpolation between the threshold value and the target value. If the value achieved exceeds the target value but remains below the cap, the target achievement level for the target concerned is determined by way of linear interpolation between the target value and the cap. If the value achieved is equal to or higher than the cap at the end of a performance period, the target achievement level is 180%.

An overall target achievement level is calculated at the end of the performance period by adding up the weighted target achievement levels. This sum is then multiplied by the number of individual performance shares allocated at the beginning of the performance period. The number of performance shares resulting from this multiplication at the end of the performance period is rounded commercially to the nearest whole number.

In order to calculate the disbursement amount, the number of performance shares at the end of the performance period is multiplied by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the end of the performance period in question. The resulting amount to be disbursed can never exceed 180% of the original individual target amount.

The starting share price for the 2023/2024 tranche, which runs from 1 October 2023 to 30 September 2027, is EUR 31.09. As a result, the Management Board members were allocated a total of 16,307 performance shares by dividing the individual target amounts by the starting share price and rounding this number to the nearest whole number in line with standard commercial practice.

The pro rata temporis calculation of expenses is based on the fair value of the performance shares on each valuation date, calculated using a Monte Carlo simulation. Valuation on the reporting date is based on expected volatility of 31.5% and a risk-free interest rate of 1.88%. The expenses are recognised over the four-year performance period.

Once the four-year performance period has ended, the performance shares are non-forfeitable. If a Management Board member's term ends before the four-year performance period is completed, all rights and entitlements of the member will expire immediately and without compensation

The value of the provisions came to EUR 65k as of 30 September 2024 (previous year: EUR 0k). Net expenses for the financial year 2023/2024 came to EUR 65k (previous year: EUR 0k). The mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days came to EUR 31.11 as of 30 September 2024.

25 Accrued liabilities

(in EUR k)	30 Sep 2024	30 Sep 2023
Other liabilities for personnel	20,048	27,489
Outstanding invoices	13,355	12,847
Christmas bonuses	12,583	14,734
Commissions/bonuses	2,240	2,512
Cost for the audit of financial statements	1,595	1,394
Other accrued liabilities	4	27
	49,825	**59,003**

The drop in other liabilities for personnel is due, first of all, to an inflation-adjustment bonus promised to employees in September 2023 and paid out in the financial year 2023/2024. In addition, a guaranteed bonus was granted to selected employees within the context of the IPO. This was also paid out in the financial year 2023/2024.

Outstanding invoices and commissions/bonuses are financial liabilities measured at amortised cost.

26 Contract liabilities, non-current and current

To increase transparency, contract liabilities have been shown separately in the Consolidated Statement of Financial Position since the financial year 2023/2024. Previously, these liabilities had been included in other non-current and current non-financial liabilities. The presentation of the previous year's figures was adjusted accordingly. Contract liabilities are carried as financial liabilities within the meaning of IFRS 15 Revenue from Contracts with Customers. The increase in contract liabilities to EUR 101,549k (previous year: EUR 83,915k) is due primarily to two customers making advance payments for existing long-term series supply.

All of the current contract liabilities reported as of 30 September 2023 resulted in revenue in the financial year under review. Contracts with an original term of more than twelve months are expected to result in total revenue of approximately EUR 797m in the financial years 2024/2025 to 2034/2035. As permitted by IFRS 15.121(a), the transaction price allocated to performance obligations that remain unsatisfied as of the reporting date is not disclosed for contracts with an original term of no more than one year.

27 Trade payables

(in EUR k)	30 Sep 2024	30 Sep 2023
Trade payables due to third parties	68,866	60,518
Trade payables due to joint ventures	67	11
	68,933	**60,529**

All trade payables reported in the reporting period and the previous year have a remaining term to maturity of less than one year.

28 Other non-current and current financial liabilities

	30 Sep 2024		30 Sep 2023	
(in EUR k)	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Lease liabilities	4,928	80,874	3,138	69,193
Negative fair values from derivatives	4,353	0	4,754	0
Debtors with credit balances	619	0	1,178	0
Miscellaneous financial liabilities	45	212	30	14
	9,945	**81,086**	**9,100**	**69,207**

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.

The negative fair values from derivatives are the result of currency hedges.

The changes in lease liabilities are explained in Note 31 “Leases”.

29 Other non-financial liabilities

(in EUR k)	30 Sep 2024	30 Sep 2023
Social security liabilities	2,234	2,531
Personnel liabilities	1,954	2,078
Liabilities due to tax authorities	1,609	1,992
Deferred income	1,364	2,722
Income tax withheld from wages and salaries	1,255	991
Miscellaneous other non-financial liabilities	2,717	1,175
	11,133	**11,489**

To increase transparency, contract liabilities have been shown separately in the Consolidated Statement of Financial Position since the financial year 2023/2024. Previously, these liabilities had been included in other non-current and current non-financial liabilities. The presentation of the previous year’s figures was adjusted accordingly.

All other non-financial liabilities reported in the reporting period and the previous year have a remaining term to maturity of less than one year.

Additional Notes

30 Financial instruments and risk management

30.1 Financial assets and financial liabilities

In accordance with IFRS 9 Financial Instruments, financial assets at SCHOTT Pharma Group are divided into the following categories:

- measured at amortised cost (AC)
- financial assets at fair value through profit or loss (FVTPL)

The classification of financial assets (in the form of debt securities) at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on 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 amortised cost. At SCHOTT Pharma Group, this includes in particular cash and cash equivalents, time deposits, trade receivables and financial receivables – SCHOTT Group.

If financial instruments are not held exclusively for the purpose of collecting the contractual cash flows, they are measured at fair value through profit or loss (FVTPL). At SCHOTT Pharma Group, this primarily includes derivative financial instruments that are not designated as part of 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. Options are measured using the Black-Scholes model; in each case, 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 recognised sources are used as input parameters for the models. Any gain or loss resulting from subsequent measurement is recognised in the Consolidated Statement of Income.

In accordance with IFRS 9 Financial Instruments, reporting entities may elect to measure equity instruments at fair value through other comprehensive income. SCHOTT Pharma has not applied this option in these Consolidated Financial Statements.

Financial liabilities are generally allocated to the measurement category "Amortised cost (AC)" and are carried at amortised cost using the effective interest method. At SCHOTT Pharma Group, this primarily includes trade payables, financial payables – SCHOTT Group as well as selected accrued liabilities items.

At SCHOTT Pharma Group, regular way purchases and sales are recognised as of the settlement date, regardless of their classification. Financial assets and liabilities are generally not netted unless SCHOTT Pharma has a right to set off recognised amounts and intends to settle on a net basis. Financial assets and liabilities were not netted in these Consolidated Financial Statements.

Financial assets and liabilities are initially recognised 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. Fair values recognised in the Statement of Financial Position regularly correspond to market prices. If these cannot be determined directly by reference to an active market, they are measured – to the extent 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 amortised cost or at fair value through other comprehensive income (FVOCI). In addition to losses already incurred, the model

also includes future expectations with regard to the impairment of financial assets. IFRS 9 Financial Instruments provides for a three-stage procedure for allocating loss allowance in determining expected credit loss. This procedure can be summarised as follows.

Stage 1: all financial assets are allocated to Stage 1 at initial recognition. An allowance is recognised for credit losses expected to occur within the next twelve 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 lifetime expected credit losses on the financial asset is recorded. Payments that are more than 30 days past due 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 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 term deposits are allocated to Stage 1. Since cash and cash equivalents are exclusively invested with banks and financial institutions that have a low risk of default, there have been no indications for a transfer to Stage 2 to date.

The simplified approach is applied to trade receivables and contract assets. It is not necessary to make an assessment as regards a potential significant increase in credit risk in this case, since an impairment is recognised directly for the expected term. 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 derecognised when one of the three following requirements is met:

- the contractual rights to derive cash flows from a financial asset have expired
- SCHOTT Pharma Group retains the rights to receive cash flows from financial assets, but has a contractual obligation 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 Pharma 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 derecognised when the obligation underlying the liability is discharged, cancelled 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 recognised through profit or loss.

Disclosures on financial instruments

SCHOTT Pharma assumes that, for any financial asset and/or financial liability with a remaining term of no more than twelve months, the carrying amount represents the best estimate for the fair value.

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

Classification, measurement categories and reconciliation to the items in the Consolidated Statement of Financial Position as of 30 September 2024

Measurement			At amortised cost		
Measurement category			Financial assets measured at amortised cost (AC)		
Class			Loans and receivables		
Items in the Statement of Financial Position (in EUR k)	Total carrying amounts	Total fair values	Carrying amount	Fair value	
Assets					
Non-current assets					
Investments accounted for using the equity method	85,056	n/a[1]	0	0	
Other financial assets	6	6	6	6	
Current assets					
Trade receivables	168,487	168,487	168,487	168,487	
Trade receivables – SCHOTT Group	6,401	6,401	6,401	6,401	
Financial receivables – SCHOTT Group	141,339	141,339	141,339	141,339	
Other financial assets	7,732	7,732	1,257	1,257	
Cash and cash equivalents	23,182	23,182	23,182	23,182	
	432,203	**347,147**	**340,672**	**340,672**	

Measurement			At amortised cost		
Measurement category			Financial liabilities measured at amortised cost (AC)		
Class			Liabilities		
Items in the Statement of Financial Position (in EUR k)	Total carrying amounts	Total fair values	Carrying amount	Fair value	
Equity and liabilities					
Non-current liabilities					
Other financial liabilities	81,086	212	212	212	
Current liabilities					
Accrued liabilities	15,595	15,595	15,595	15,595	
Trade payables	68,933	68,933	68,933	68,933	
Trade payables – SCHOTT Group	26,579	26,579	26,579	26,579	
Financial payables – SCHOTT Group	200,537	200,537	200,537	200,537	
Other financial liabilities	9,945	5,017	664	664	
	402,675	**316,873**	**312,520**	**312,520**	

[1] Not applicable.
[2] The fair value is not disclosed for lease liabilities in accordance with IFRS 16 Leases.

	At fair value			
	Financial assets measured at fair value through profit or loss (FVTPL)			
	Securities and derivatives		Financial assets not within the scope of IFRS 7	
	Carrying amount	Fair value	Carrying amount	Fair value
	0	0	85,056	n/a[1]
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	6,475	6,475	0	0
	0	0	0	0
	6,475	**6,475**	**85,056**	**0**

		At fair value	
		Financial liabilities measured at fair value through profit or loss (FVTPL)	
	Lease liabilities	Derivatives	
	Carrying amount	Fair value[2]	Carrying amount	Fair value
	80,874	n/a[1]	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	4,928	n/a[1]	4,353	4,353
	85,802	**0**	**4,353**	**4,353**

Classification, measurement categories and reconciliation to the items in the Consolidated Statement of Financial Position as of 30 September 2023

Measurement			At amortised cost		
Measurement category			Financial assets measured at amortised cost (AC)		
Class			Loans and receivables		
Items in the Statement of Financial Position (in EUR k)	Total carrying amounts	Total fair values	Carrying amount	Fair value	
Assets					
Non-current assets					
Investments accounted for using the equity method	79,055	n/a[1]	0	0	
Other financial assets	18	18	18	18	
Current assets					
Trade receivables	156,652	156,652	156,652	156,652	
Trade receivables – SCHOTT Group	8,838	8,838	8,838	8,838	
Financial receivables – SCHOTT Group	35,485	35,485	35,485	35,485	
Other financial assets	8,521	8,521	3,273	3,273	
Cash and cash equivalents	24,357	24,357	24,357	24,357	
	312,926	**233,871**	**228,623**	**228,623**	

Measurement			At amortised cost		
Measurement category			Financial liabilities measured at amortised cost (AC)		
Class			Liabilities		
Items in the Statement of Financial Position (in EUR k)	Total carrying amounts	Total fair values	Carrying amount	Fair value	
Equity and liabilities					
Non-current liabilities					
Other financial liabilities	69,207	14	14	14	
Current liabilities					
Accrued liabilities	15,359	15,359	15,359	15,359	
Trade payables	60,529	60,529	60,529	60,529	
Trade payables – SCHOTT Group	30,115	30,115	30,115	30,115	
Financial payables – SCHOTT Group	137,474	137,474	137,474	137,474	
Other financial liabilities	9,100	5,962	1,208	1,208	
	321,784	**249,453**	**244,699**	**244,699**	

[1] Not applicable.
[2] The fair value is not disclosed for lease liabilities in accordance with IFRS 16 Leases.

Derivatives reported under other current financial assets in the amount of EUR 3,227k (previous year: EUR 3,716k) and derivatives reported under other current financial liabilities in the amount of EUR 4,353k (previous year: EUR 4,754k) are fully attributable to SCHOTT Pharma KGaA.

	At fair value			
	Financial assets measured at fair value through profit or loss (FVTPL)			
	Securities and derivatives		Financial assets not within the scope of IFRS 7	
	Carrying amount	Fair value	Carrying amount	Fair value
	0	0	79,055	n/a[1]
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	5,248	5,248	0	0
	0	0	0	0
	5,248	**5,248**	**79,055**	**0**

		At fair value	
		Financial liabilities measured at fair value through profit or loss (FVTPL)	
	Lease liabilities	Derivatives	
	Carrying amount	Fair value[2]	Carrying amount	Fair value
	69,193	n/a[1]	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	3,138	n/a[1]	4,754	4,754
	72,331	**0**	**4,754**	**4,754**

Fair value measurement

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

For all current financial instruments in the categories "Financial assets measured at amortised cost (AC)" and "Financial liabilities measured at amortised cost (AC)", it is assumed that the carrying amount corresponds to the fair value. Because lease liabilities are not within the scope of IFRS 9 Financial Instruments, their fair values do not have to be determined. For financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), the fair value of derivatives is measured using significant observable input parameters (Level 2), while the fair value of securities is measured using quoted prices on active markets (Level 1). Please refer to Note 19 and Note 28 for information on the fair value of derivatives and securities.

There were no reclassifications between the levels of the fair value hierarchy in the period under review.

SCHOTT Pharma's investments in associates and joint ventures accounted for using the equity method are not within the scope of IFRS 7 Financial Instruments: Disclosures.

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

Financial year 2023/2024

		From subsequent measurement		
(in EUR k)	From interest and similar income/ expenses	At fair value	Impairment losses/ reversals	Net gain/loss 2023/2024
Financial assets measured at amortised cost (AC)	5,504	0	–1,204	4,300
Financial assets and financial liabilities measured at fair value through profit or loss (FVTPL)	0	1,424	0	1,424
Financial liabilities measured at amortised cost (AC)	–7,988	0	0	–7,988
Total	**–2,484**	**1,424**	**–1,204**	**–2,264**
Net foreign exchange gain/loss				–11,147
Total				**–13,411**

Financial year 2022/2023

		From subsequent measurement		
(in EUR k)	From interest and similar income/ expenses	At fair value	Impairment losses/ reversals	Net gain/loss 2022/2023
Financial assets measured at amortised cost (AC)	4,030	0	–1,535	2,495
Financial assets and financial liabilities measured at fair value through profit or loss (FVTPL)	0	6,936	0	6,936
Financial liabilities measured at amortised cost (AC)	–3,013	0	0	–3,013
Total	**1,017**	**6,936**	**–1,535**	**6,418**
Net foreign exchange gain/loss				–3,537
Total				**2,881**

Interest on financial instruments is presented in net interest income/expenses and includes interest income from financial instruments classified as “financial assets measured at amortised cost” and “financial assets measured at fair value through profit or loss (FVTPL)” as well as interest expenses from financial liabilities classified as “financial liabilities measured at amortised cost” and “financial liabilities measured at fair value through profit or loss (FVTPL)”.

Impairment losses and reversals of impairment losses on financial assets measured at amortised cost (AC) are presented in other operating income or expenses respectively. For derivative financial instruments, income and expenses from “financial assets/liabilities at fair value through profit or loss (FVTPL)” are also recognised under other operating income or other operating expenses respectively.

All other components of the subsequent measurement of financial instruments are included in the other financial result.

No financial instruments whose fair value previously could not be reliably determined were derecognised.

In addition, a net foreign exchange loss of EUR 11,147k (previous year: net loss of EUR 3,537k) was incurred for assets and liabilities measured at amortised cost.

30.2 Risk management

As a result of its international business activities, SCHOTT Pharma is exposed to risks resulting from market fluctuations in exchange rates and interest rates. To control these risks, the companies of SCHOTT Pharma are integrated into the central treasury and cash management system of SCHOTT Group. Central currency management is responsible for protecting the operating business from transaction risks resulting from exchange rate fluctuations. 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-specific liquidity forecasts serve as the basis for hedging.

Derivative financial instruments are used exclusively for hedging purposes (but hedge accounting is not applied), i.e. only in connection with corresponding underlying transactions from the original business activity that have a risk profile opposite to that of 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.

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

Credit risk

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

As SCHOTT Pharma is part of the cash pool and treasury workflows of SCHOTT Group, a major portion of its credit risk arises in relation to SCHOTT AG. The credit risk arising from cash and cash equivalents is limited by working exclusively with selected contracting parties. In addition, SCHOTT Pharma only uses marketable financial instruments with sufficient market liquidity, as considered eligible under the Treasury guideline.

SCHOTT Pharma reduces credit risks arising from trade receivables by constantly monitoring the credit quality and payment history of its business partners. Each business partner is assigned an individual credit limit on the basis of these criteria. SCHOTT Pharma does not see any substantial credit risk for the Company, as it continuously monitors credit limits for its large and heterogeneous customer base. In addition, SCHOTT Pharma uses credit insurance to mitigate customer credit risk.

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

(in EUR k)	30 Sep 2024	30 Sep 2023
Loans and receivables	317,490	204,266
Cash and cash equivalents	23,182	24,357
Financial assets not within the scope of IFRS 7	85,056	79,055
Financial assets at fair value through profit or loss (FVTPL)	6,475	5,248
	432,203	**312,926**

Similarly, the maximum default risk and the credit risk exposure of contract assets correspond to the carrying amount as of the reporting date of EUR 60,733k (previous year: EUR 58,208k).

As in the previous year, no collateral was held as of the reporting date that would allow the collateral to be sold or provided as own collateral in case the debtor is not in 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. Customer receivables are classified into a total of eight credit risk classes and according to the corresponding past due dates. SCHOTT Pharma deems a receivable to have defaulted 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. When calculating loss allowance on cash and cash equivalents, SCHOTT Pharma assumes that there has been no significant increase in credit risk. Cash and cash equivalents totalling EUR 23m are mainly invested with high credit-quality banks. For cash and cash equivalents, the loss allowance was calculated on the basis of twelve-month expected credit losses and reflects the short maturities.

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

	30 Sep 2024			
(in EUR k)	Gross carrying amount	Loss rate (weighted average)	Loss allowance	Credit-impaired
Not past due	145,079	0.1%	193	No
1–30 days past due	16,122	0.4%	62	No
31–60 days past due	4,895	2.1%	104	No
61–90 days past due	2,267	1.6%	36	No
More than 90 days past due[2]	5,865	29.9%	3,521	Yes[1]
Foreign currency adjustments (excluding allocation to maturities)	–1,825	–	–	–
Total trade receivables	**172,403**	**–**	**3,916**	**–**
Contract assets (not past due)	**60,791**	**0.1%**	**58**	**No**

[1] Trade receivables which are more than 120 days past due are considered "credit-impaired", whereas trade receivables which are past due between 91 and 120 days are not.
[2] The loss rate for receivables more than 90 days past due does not include specific allowances; however, these are included in the loss allowances.

	30 Sep 2023			
(in EUR k)	Gross carrying amount	Loss rate (weighted average)	Loss allowance	Credit-impaired
Not past due	133,081	0.5%	636	No
1–30 days past due	14,308	0.9%	125	No
31–60 days past due	3,286	1.4%	51	No
61–90 days past due	3,597	2.0%	78	No
More than 90 days past due[2]	4,611	18.2%	1,827	Yes[1]
Foreign currency adjustments (excluding allocation to maturities)	486	–	–	–
Total trade receivables	**159,369**	**–**	**2,717**	**–**
Contract assets (not past due)	**58,264**	**0.1%**	**56**	**No**

[1] Trade receivables which are more than 120 days past due are considered "credit-impaired", whereas trade receivables which are past due between 91 and 120 days are not.
[2] The loss rate for receivables more than 90 days past due does not include specific allowances; however, these are included in the loss allowances.

In the financial year under review, the loss allowances on trade receivables include specific loss allowances in the amount of EUR 1,767k recorded for individual risks and loss events (previous year: EUR 987k).

Liquidity risk

Liquidity risk describes the risk that a company is unable to sufficiently meet its financial obligations. SCHOTT Pharma's financial liabilities mainly comprise financial payables – SCHOTT Group, trade payables and lease liabilities.

The following table provides an overview of the remaining contractual maturities of undiscounted financial liabilities:

(in EUR k)	Carrying amount	Gross outflows	Up to 1 year	1 to 5 years	More than 5 years
30 Sep 2024					
Trade payables	68,933	68,933	68,933	0	0
Trade payables – SCHOTT Group	26,579	26,579	26,579	0	0
Financial payables – SCHOTT Group	200,537	200,537	200,537	0	0
Accrued liabilities	15,595	15,595	15,595	0	0
Other financial liabilities	876	876	664	212	0
Lease liabilities	85,802	127,994	8,048	24,339	95,607
Derivatives	4,353	4,353	4,353	0	0
30 Sep 2023					
Trade payables	60,529	60,529	60,529	0	0
Trade payables – SCHOTT Group	30,115	30,115	30,115	0	0
Financial payables – SCHOTT Group	137,474	137,474	137,474	0	0
Accrued liabilities	15,359	15,359	15,359	0	0
Other financial liabilities	1,221	1,221	1,207	14	0
Lease liabilities	72,331	94,262	5,243	18,470	70,549
Derivatives	4,754	4,754	4,754	0	0

The derivatives reported as of the reporting date are forward exchange contracts. The volume of the hedge corresponds to EUR 412m (previous year: EUR 402m). Liquidity risk is managed in cooperation with SCHOTT AG's Treasury department (based on a service agreement) which uses an efficient cash management system for this purpose.

SCHOTT Pharma ensures its solvency and liquidity supply through rolling liquidity planning and by maintaining liquidity reserves. SCHOTT Group has granted SCHOTT Pharma several revolving credit lines in a total amount of EUR 412m (previous year: EUR 315m), with a term ending on 31 December 2027, of which a total of EUR 201m (previous year: EUR 138m) was drawn as of 30 September 2024.

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 Pharma is an international corporate group and therefore particularly exposed to currency, interest rate and commodity price risks (the latter especially in the form of energy prices).

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 Pharma 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 SCHOTT Pharma companies (translation risks).

Transactions risks are mitigated as a result of the global presence of SCHOTT Pharma, including local production and global purchasing activities. Net currency positions determined on a regular basis using currency-specific liquidity forecasts serve as the basis for hedging the remaining transaction risks. The currency forwards that are used to hedge transaction risk have a remaining term of no more than twelve months.

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 currency-specific forecast of cash flows over the next twelve months, taking into account the concluded hedging instruments, and is shown in the table below:

(in EUR m)	Exposure as of 30 Sep 2024	Exposure as of 30 Sep 2023
Argentine peso	–9.4	–10.0
Brazilian real	4.9	–3.2
Chinese renminbi	3.4	0.5
Indonesian rupiah	–4.3	–2.0
Colombian peso	4.4	4.0
Mexican peso	–3.1	–13.7
Russian rouble	5.9	9.2
Swiss franc	–118.6	–52.1
Serbian dinar	–3.4	0.0
Hungarian forint	–8.2	–7.7
US dollar	122.1	39.8

As of 30 September 2024, transaction risks were hedged in US dollar, Swiss franc, Chinese renminbi, Mexican peso and Hungarian forint.

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 (CFaR) represents the potential loss that the exposure will not exceed based on a confidence interval of 95% and a holding period of one year. CFaR totalled EUR 10.1m as of 30 September 2024 (previous year: EUR 14.8m).

Interest rate risk

The aim of interest rate management is to protect the financial result from the negative effects of fluctuating market interest rates.

Interest rate risk is evaluated using a sensitivity analysis. A parallel shift of the yield curve by 100 basis points is carried out, simulating the effects of a change in market 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 their fair value.

On the basis of market data as of 30 September 2024, a parallel shift of the euro yield curve by 100 basis points would affect the Statement of Income by less than EUR 0.4m (previous year: less than EUR 0.8m).

Commodity price risk

Commodities can be subject to strong price fluctuations, for example due to periodic limited availability. Moreover, SCHOTT Pharma's production processes are energy-intensive and a substantial proportion is dependent on a continuous energy supply. Energy supply has a direct impact on SCHOTT Pharma's production processes as well as an indirect influence upon procurement of glass tubing as a primary product. SCHOTT Pharma is therefore exposed to price risks in the commodity and energy markets. The Purchasing department is responsible for managing these price risks at SCHOTT Pharma and performs this task on the basis of central policies. 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.

31 Leases

There are rental and leasing relationships mainly for land, including 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 from leases as of 30 September 2024 were as follows:

(in EUR k)	30 Sep 2024	30 Sep 2023
Land, land rights and buildings	81,837	69,690
Technical equipment and machinery	32	44
Other equipment, operating and office equipment	185	194
	82,054	**69,928**

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

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

	Years
Land, land rights and buildings	2 to 99
Technical equipment and machinery	2 to 17
Other equipment, operating and office equipment	3 to 5

The lease obligations are extinguished over the corresponding contractual term.

In the current financial year, right-of-use assets totalling EUR 17,956k were recognised as additions. These are broken down as follows:

(in EUR k)	30 Sep 2024	30 Sep 2023
Land, land rights and buildings	17,796	1,287
Technical equipment and machinery	6	42
Other equipment, operating and office equipment	154	168
	17,956	**1,497**

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

(in EUR k)	2023/2024	2022/2023
Depreciation on right-of-use assets for land and buildings	4,649	5,404
Depreciation on right-of-use assets for technical equipment and machinery	17	17
Depreciation on right-of-use assets for other equipment, operating and office equipment	156	137
Interest expenses for lease liabilities	2,485	2,141
Short-term lease expenses	1,016	787
Low-value lease expenses	146	131
Expenses from variable lease payments not included in lease liabilities	44	93
	8,513	**8,709**

In the financial year 2023/2024, total cash outflows for leases amounted to EUR 7,031k (previous year: EUR 6,626k).

The breakdown of undiscounted future cash outflows from leases is included in Note 30.

Future cash flows of EUR 4,935k (previous year: EUR 3,661k) were not included in lease liabilities, as it is not reasonably certain that the leases will be extended or not be terminated.

There were no future cash flows for leases that SCHOTT Pharma has entered into in the financial year 2023/2024, but which have not yet commenced (previous year: EUR 20,572k).

32 Contingent liabilities and assets

To the extent permitted and required, provisions have been recognised by the Group companies for all legal disputes in appropriate amounts.

There were no contingent assets as of the reporting date.

33 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 flows from operating activities are derived indirectly on the basis of the consolidated profit for the period. Cash flows from operating activities are adjusted for non-cash expenses and income – primarily depreciation, amortisation and impairment 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 taking out or repaying financial receivables or payables – SCHOTT Group as well as other financial liabilities and payments of dividends. “Financial receivables – SCHOTT Group” and “Financial payables – SCHOTT Group” comprise the cash pool payables and receivables vis-à-vis SCHOTT Group. Since SCHOTT Pharma companies are permitted to draw down liquidity to finance their operating business as per the cash pool

agreements, cash pool transactions can be characterised as financing transactions and are therefore generally classified as financing activities. In the previous year, financing activities also comprised equity transactions with SCHOTT Group within the context of the legal reorganisation.

Changes of items reported in the Statement of Financial Position shown in the Statement of Cash Flows cannot be derived directly from the Statement of Financial Position, as these have been adjusted for non-cash transactions and exchange rate effects.

Cash and cash equivalents recognised in the Statement of Cash Flows include cash on hand, bank deposits and cheques in the amount of EUR 23,182k (previous year: EUR 24,357k).

Change in liabilities from financing activities

The sum total of the corresponding cash flows within financing activities corresponds to the sum total of the following items: changes in financial receivables – SCHOTT Group, changes in financial payables – SCHOTT Group, cash inflows and outflows from taking out or repaying financial borrowings, inflows/outflows from financial liabilities, and outflows from repayments of outstanding lease liabilities in the Statement of Cash Flows.

Financial year 2023/2024

(in EUR k)	1 Oct 2023	Cash flows	Changes in exchange rates	New leases	Other	30 Sep 2024
Financial receivables – SCHOTT Group	–35,485	–109,513	3,659	0	0	–141,339
Financial payables – SCHOTT Group	137,474	61,920	1,143	0	0	200,537
Lease liabilities	72,331	–3,557	–521	17,956	–407	85,802
Other	1,208	–547	3	0	0	664
	175,528	**–51,697**	**4,284**	**17,956**	**–407**	**145,664**

Other financial liabilities whose cash flows are not included in the cash flows from financing activities:

Negative fair values from derivatives	4,754					4,353
Non-current trade payables	14					212
	180,296					**150,229**

Other changes in the financial year 2023/2024 comprised disposals of right-of-use assets and hence the derecognition of the related lease liabilities.

Financial year 2022/2023

(in EUR k)	1 Oct 2022	Cash flows	Changes in exchange rates	New leases	Other	30 Sep 2023
Financial receivables – SCHOTT Group	–161,810	121,701	4,624	0	0	–35,485
Financial payables – SCHOTT Group	120,569	21,905	–5,000	0	0	137,474
Lease liabilities	74,808	–3,474	–500	1,497	0	72,331
Liabilities to banks	0	–15	15	0	0	0
Other	2,001	–777	–16	0	0	1,208
	35,568	**139,340**	**–877**	**1,497**	**0**	**175,528**

Other financial liabilities whose cash flows are not included in the cash flows from financing activities:

Negative fair values from derivatives	28					4,754
Non-current trade payables	66					14
	35,662					**180,296**

34 Employees

Annual average number of employees	2023/2024	2022/2023
Germany	679	644
EMEA (excluding Germany)	1,797	1,653
North America	488	616
South America	683	756
Asia and South Pacific	965	962
	4,612	**4,631**
Trainees	38	34
Total	**4,650**	**4,665**

Group employees comprise the employees of the companies included in the Consolidated Financial Statements.

The number of employees on the reporting date of 30 September 2024 was up by 43 (0.9%) to 4,689 (previous year: 4,646).

35 Personnel expenses

The following personnel expenses were incurred in the financial year:

(in EUR k)	2023/2024	2022/2023
Wages and salaries	199,681	198,507
Social security contributions	36,347	35,013
Expenses for retirement benefits	2,274	2,686
Total	**238,302**	**236,206**

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

36 Auditor's fee

The total fees charged for the financial year by the auditor of the Consolidated Financial Statements, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ("EY"), Eschborn/Frankfurt/Main, Germany, can be broken down as follows:

(in EUR k)	2023/2024	2022/2023
Auditing fees	2,337	3,145
thereof EY GmbH & Co. KG	1,439	2,384
thereof other auditors	898	761
Other assurance services	28	580
thereof EY GmbH & Co. KG	21	575
thereof other auditors	7	5
Total	**2,365**	**3,725**

The auditing fees related primarily to the audit of the Consolidated Financial Statements of SCHOTT Pharma KGaA, audits of the Annual Financial Statements of SCHOTT Pharma KGaA and its subsidiaries, and the review of the Condensed Interim Consolidated Financial Statements as of 31 March 2024. Other assurance services related mainly to other assurance services required by law, contractually agreed or commissioned on a voluntary basis.

In the financial year 2022/2023, the auditing fees also included the fees for the audit of the Combined Financial Statements for the financial years 2019/2020, 2020/2021 and 2021/2022 in connection with the IPO, whilst fees incurred for the issue of the comfort letter are shown under other assurance services. These fees were refunded by SCHOTT AG in the financial year 2022/2023 based on a cost assumption agreement, with the corresponding income reported in other operating income under income from costs reimbursed in connection with the IPO.

The fees of the other auditors are mainly attributable to companies in the international EY network.

37 Segment reporting

In accordance with IFRS 8 Operating Segments, segment reporting is presented on the basis of the internal management and reporting system for the Management Board of SCHOTT Pharma. The Management Board is the Chief Operating Decision Maker (CODM) as defined in IFRS 8 Operating Segments and monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The definition of the operating segments as well as the indicators described are in line with internal management and reporting; the key performance indicators are revenue and EBITDA. The accounting and financial reporting principles applied are the same as those described for SCHOTT Pharma Group in the note on “Significant accounting policies and methods of consolidation”.

SCHOTT Pharma comprises the two operating segments Drug Containment Solutions (DCS) and Drug Delivery Systems (DDS).

The DCS product portfolio – consisting of vials, cartridges and ampoules – offers customers a wide range of sterile and non-sterile standard and high-end solutions for storing drugs safely. Pharmaceutical glass vials provide safe storage of injectable drugs due to their high chemical resistance, which limits interactions between liquid drug formulations and the container. Furthermore, special features such as improved inner surfaces, tighter geometries and the possibility of internal and external coatings meet additional requirements for special areas of application. Cartridges are glass cylinders that have to be inserted into injection devices (for example auto-injectors, pen devices, wearable injection devices) to dispense simple or complex drugs in accurate doses. They are a proven and safe form of drug delivery. Ampoules are especially suitable for the administration of single doses. In glass-sealed ampoules, contact exists solely between the drug and the glass, which substantially reduces the risk of the drug being contaminated. Glass vials and cartridges are also offered in a pre-washed and pre-sterilised ready-to-use configuration and with standardised secondary packaging options.

The DDS products are characterised by enhanced functionality and offer the customers systems to deliver drugs safely. The DDS portfolio comprises sterilised, prefillable syringes made of glass, and high-tech polymers that are ready to use. Prefillable syringes offer a highly stable, long-term storage solution for complex and sensitive drugs such as biologics and allow for an exact dosage of drugs. This improves the effectiveness of the application and significantly reduces the risk of application errors such as incorrect dosage or injuries, due to significantly fewer manual tasks during administration. Prefillable syringes may be used in a safe and convenient way by both healthcare professionals and the patient at home. This administration system also contributes to reducing drug waste. Prefillable glass syringes are made of type I borosilicate glass, while polymer syringes are made of a high-tech cyclic olefin copolymer (COC).

The IFRS Interpretations Committee’s decision on the disclosure of revenues and expenses for reportable segments led to an adjustment in the reporting for each of our operating segments in the financial year 2023/2024. Additionally, cost of sales is now disclosed separately in the segment

reporting as it represents a material expense both qualitatively and quantitatively, influencing the segment result that underpins Management Board decisions. Comparative figures for the previous year have been adjusted accordingly.

The business relationships between the operating segments are generally based on prices that are also agreed upon with third parties. Revenue and further transactions between operating segments are eliminated upon consolidation and reported in the Consolidation/Reconciliation column. The Consolidation/Reconciliation column also includes the necessary reconciliation and reclassification items, plus exchange rate effects recognised in profit or loss. In addition, all assets and liabilities of SCHOTT Pharma that do not meet the definition of segment assets and segment liabilities are reported in the Consolidation/reconciliation column. Capital expenditure shown in the Consolidation/reconciliation column refers to investments made by group headquarters.

Financial year 2023/2024

(in EUR k)	DCS	DDS	Consolidation/ reconciliation	Total SCHOTT Pharma
Revenue				
External revenue	518,355	438,736	0	957,091
Inter-segment revenue	363	4	–367	0
Cost of sales	–386,237	–248,740	496	–634,481
Reversals of impairment losses/ impairment losses	0	–93	0	–93
Share of profit from investments accounted for using the equity method	12,491	0	0	12,491
Operating income (EBIT)	**66,319**	**137,077**	**–10,820**	**192,576**
Depreciation, amortisation and impairment losses	34,934	29,357	687	64,978
EBITDA	**101,253**	**166,434**	**–10,133**	**257,554**
Reconciliation from segment EBITDA to SCHOTT Pharma profit for the period				
Depreciation, amortisation and impairment losses	–	–	–	–64,978
Financial result	–	–	–	–8,605
Income tax expenses	–	–	–	–33,626
Profit for the period	**–**	**–**	**–**	**150,345**
Capital expenditure	52,962	91,830	504	145,296
Segment assets	169,504	207,903	1,064,862	1,442,269
Segment liabilities	77,006	113,381	459,613	650,000

Financial year 2022/2023

(in EUR k)	DCS	DDS	Consolidation/ reconciliation	Total SCHOTT Pharma
Revenue				
External revenue	554,963	343,639	0	898,602
Inter-segment revenue	3,033	0	–3,033	0
Cost of sales	–400,003	–185,272	3,162	–582,113
Reversals of impairment losses/ impairment losses	5,199	–185	0	5,014
Share of profit from investments accounted for using the equity method	11,742	0	0	11,742
Operating income (EBIT)	**86,517**	**106,083**	**–217**	**192,383**
Depreciation, amortisation and impairment losses	22,953	22,778	917	46,648
EBITDA	**109,470**	**128,861**	**700**	**239,031**
Reconciliation from segment EBITDA to SCHOTT Pharma profit for the period				
Depreciation, amortisation and impairment losses	–	–	–	–46,648
Financial result	–	–	–	–6,581
Income tax expenses	–	–	–	–33,868
Profit for the period	**–**	**–**	**–**	**151,934**
Capital expenditure	51,786	122,782	956	175,524
Segment assets	180,672	185,405	865,751	1,231,828
Segment liabilities	70,674	95,613	373,362	539,649

EBIT and EBITDA reported for the DCS operating segment include EUR 8,760k in government grants recognised in profit or loss (previous year: EUR 1,198k), which were reported as other operating income.

Definition of selected performance indicators:

- EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as operating income (EBIT) before depreciation, amortisation, impairment losses and reversals of impairment losses on intangible assets and property, plant and equipment
- capital expenditure is defined as cash additions to intangible assets and property, plant and equipment and corresponds to the additions reported in the Statement of Cash Flows
- segment assets comprise the following items of the Statement of Financial Position: inventories, contract assets, trade receivables, trade receivables – SCHOTT Group as well as creditors with debit balances reported under other financial assets
- segment liabilities comprise the following items of the Statement of Financial Position: contract liabilities, trade payables, trade payables – SCHOTT Group, as well as received advance payments reported under other non-financial liabilities and debtors with credit balances reported under other financial liabilities

The geographical information is based on the geographical regions of Europe, the Middle East, Africa (“EMEA”), Asia and the South Pacific, North America and South America. Revenue presented in the tables below refers to revenue generated within the relevant financial years, while non-current assets are reported as of the respective reporting date.

	2023/2024				
(in EUR k)	EMEA	Asia and South Pacific	North America	South America	SCHOTT Pharma
Revenue by location of the Customer	539,401	168,847	166,719	82,124	957,091
Revenue by location of the Company	619,713	112,735	144,739	79,904	957,091
Non-current assets	601,566	140,186	72,521	25,059	839,332

	2022/2023				
(in EUR k)	EMEA	Asia and South Pacific	North America	South America	SCHOTT Pharma
Revenue by location of the Customer	475,764	155,606	184,615	82,617	898,602
Revenue by location of the Company	552,337	101,789	162,470	82,006	898,602
Non-current assets	517,469	135,150	69,305	26,720	748,644

In the financial year 2023/2024, the German pharma operations generated revenue of EUR 79,418k (previous year: EUR 102,986k). In addition, revenue from German customers amounted to EUR 55,168k (previous year: EUR 54,821k).

Non-current assets comprise intangible assets, property, plant and equipment, investments accounted for using the equity method, and other non-financial assets. As of 30 September 2024, the German Pharma operations recognised non-current assets of EUR 220,925k (previous year: EUR 193,154k).

In the financial year 2023/2024, SCHOTT Pharma generated revenue amounting to EUR 102.4m and EUR 95.5m with two major customers, which is equivalent to 10.7% and 10.0% of external revenue respectively. This revenue was generated in the DCS and DDS segments. These customers did not exceed this reportable threshold in the same period of the previous year.

38 Related party disclosures

The majority of limited liability shares in SCHOTT Pharma KGaA is held by SCHOTT Glaswerke Beteiligungs- und Export GmbH, Mainz, its sole shareholder being SCHOTT AG, Mainz. In turn, the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, is the sole shareholder of SCHOTT AG, Mainz. Accordingly, the group of related companies of SCHOTT Pharma Group includes all direct and indirect subsidiaries of SCHOTT AG, associates and joint ventures of SCHOTT Group, the Carl Zeiss Foundation, Heidenheim an der Brenz and Jena, Carl Zeiss AG, Oberkochen, as well as their related companies (together “Carl Zeiss Group”). No significant transactions were concluded with Carl Zeiss Group companies during the reporting periods. SCHOTT Pharma Management AG, Mainz, is the general partner of SCHOTT Pharma KGaA and, as such, also belongs to the group of related companies.

In addition, related parties comprise all persons who – as key management personnel – exercise a significant influence on the business activities of SCHOTT Pharma. This includes members of the Management Board of SCHOTT Pharma Management AG, the members of the Supervisory Boards of SCHOTT Pharma KGaA and SCHOTT Pharma Management AG and their close family members.

Transactions with subsidiaries included in the Consolidated Financial Statements of SCHOTT Pharma KGaA were eliminated as part of consolidation and are therefore not explained.

Transactions with SCHOTT Group

SCHOTT Pharma Group companies conducted the following transactions with SCHOTT Group companies:

	2023/2024			2022/2023		
(in EUR k)	SCHOTT AG	Remaining SCHOTT companies	Total	SCHOTT AG	Remaining SCHOTT companies	Total
Sale of goods and services and other income	3,126	8,479	11,605	4,817	5,273	10,090
Purchase of goods and services and other expenses for services	105,539	78,484	184,023	104,439	74,792	179,231

Sale of goods and services to SCHOTT Group

During the normal course of business, SCHOTT Pharma supplies certain products and renders selected services to SCHOTT Group companies. In addition, costs incurred in connection with the IPO were passed on to SCHOTT Group companies under a cost assumption agreement. Please refer to Note 7 for further details.

Purchase of goods and services and other expenses for services provided by SCHOTT Group

During the normal course of business, SCHOTT Pharma Group companies purchase certain products needed for the manufacturing process from other SCHOTT Group companies, in particular glass tubes.

In addition, subsidiary SCHOTT Pharmaceutical Packaging (Zhejiang) Co., Ltd., Huzhen Town, China, acts as exclusive distributor for pharmaceutical packaging produced by SCHOTT Group company SCHOTT Glass Technologies (Suzhou) Co., Ltd., Suzhou, China.

Expenses for services relate to central corporate services provided by SCHOTT AG, such as tax and legal, IT, HR, accounting and treasury. SCHOTT AG also charges brand licence fees based on a percentage of revenue that SCHOTT Pharma generates with third parties. SCHOTT Pharma will continue to use these services provided by SCHOTT Group companies based on service level agreements.

Receivables and payables related to SCHOTT Group companies are as follows:

	30 Sep 2024			30 Sep 2023		
(in EUR k)	SCHOTT AG	Remaining SCHOTT companies	Total	SCHOTT AG	Remaining SCHOTT companies	Total
Receivables	145,931	1,809	147,740	39,094	5,229	44,323
thereof trade payables	4,592	1,809	6,401	3,609	5,229	8,838
thereof from financing	141,339	0	141,339	35,485	0	35,485
Liabilities	211,522	15,594	227,116	149,790	17,799	167,589
thereof trade payables	12,798	13,781	26,579	12,667	17,448	30,115
thereof from financing	198,724	1,813	200,537	137,123	351	137,474

As of 30 September 2024, loss allowances for doubtful accounts in relation to SCHOTT Group companies were recorded in the amount of EUR 2k (previous year: EUR 63k).

Financing

SCHOTT Pharma is included in SCHOTT Group's cash pooling management. Financial receivables and payables relate solely to cash pooling transactions. The balances are interest-bearing with interest rates having been agreed on an arm's length basis. The interest rate is determined based on the arm's length principle using the respective currency-specific monthly reference rate (e.g. 1M Euribor) plus an intra-Group margin.

SCHOTT Group granted several revolving credit facilities to SCHOTT Pharma companies in a total amount of EUR 412m (previous year: EUR 315m), with a term ending on 31 December 2027. Of this, a total of EUR 201m (previous year: EUR 138m) was drawn as at 30 September 2024.

Interest income in connection with cash pooling transactions in the current financial year amounts to EUR 3,818k (previous year: EUR 2,263k), including EUR 3,817k attributable to SCHOTT AG (previous year: EUR 2,245k), whereas interest expenses in the current financial year amount to EUR 7,980k (previous year: EUR 2,999k), of which EUR 7,866k are attributable to SCHOTT AG (previous year: EUR 2,986k).

Hedging

Any hedging activities for SCHOTT Pharma are performed on an arm's length basis via SCHOTT AG. The consideration is in line with prevailing market terms.

Leases

SCHOTT Pharma KGaA has two lease agreements with SCHOTT Group companies: for a commercial property in Müllheim and an office property in Mainz, Germany. The initial lease agreement for the office property in Mainz was terminated due to relocation in the financial year 2023/2024 and replaced by a new lease agreement. The lease agreement for the commercial property has a base term of ten years, with two five-year extension options for SCHOTT Pharma KGaA. When recognising the right-of-use asset and the lease liability, the extension options were taken into account since it was deemed sufficiently likely that they would be exercised. The lease agreement for the office property has a base term of five years, with two five-year extension options for SCHOTT Pharma KGaA. The extension options were not taken into account when recognising the right-of-use asset and the lease liability. In addition, SCHOTT Pharma USA, Inc., Lebanon, USA, concluded a lease agreement with a 99-year term for a property in the US in the financial year 2023/2024. Please refer to Note 31 for more details.

The following table presents the development of right-of-use assets related to SCHOTT Group companies:

(in EUR k)	2023/2024	2022/2023
1 Oct	**67,527**	**71,217**
New leases	4,196	0
Disposals	–398	0
Depreciation, amortisation and impairment losses	–3,720	–3,690
Foreign currency translation	–100	0
30 Sep	**67,505**	**67,527**

The following table presents the development of leases related to SCHOTT Group companies:

(in EUR k)	2023/2024	2022/2023
1 Oct	**69,627**	**71,532**
New leases	4,196	0
Disposals	–406	0
Repayment and interest	–2,071	–1,905
Foreign currency translation	–100	0
30 Sep	**71,246**	**69,627**

Transactions with associates and joint ventures

SCHOTT Pharma Group companies conducted the following transactions with joint ventures:

(in EUR k)	2023/2024	2022/2023
Sale of goods and services and other income	2,140	1,818
Purchase of goods and services and other expenses for services	660	17

Receivables and payables in relation to joint ventures are as follows:

(in EUR k)	30 Sep 2024	30 Sep 2023
Receivables	523	2,148
Liabilities	67	11

As of 30 September 2024, loss allowances for doubtful accounts in relation to joint ventures were recorded in the amount of EUR 21k (previous year: EUR 0k).

No transactions with associates were concluded in the reporting periods and there were no receivables or payables as of the respective reporting dates.

39 Remuneration of the Management Board and the Supervisory Board

Remuneration for the Management Board of SCHOTT Pharma Management AG, general partner of SCHOTT Pharma KGaA, is as follows:

(in EUR k)	2023/2024	2022/2023
Short-term benefits	1,459	1,031
Post-employment benefits	0	90
Share-based remuneration	65	217
Total remuneration	**1,524**	**1,338**

The remuneration of the members of the Supervisory Board of SCHOTT Pharma KGaA comprises a fixed remuneration as well as additional remuneration for work in committees, and amounted to EUR 340k in the financial year 2023/2024 (previous year: EUR 132k).

The remuneration of the members of the Supervisory Board of SCHOTT Pharma Management AG exclusively comprises a fixed remuneration and amounted to EUR 80k in the financial year 2023/2024 (previous year: EUR 33k).

The basic principles of the remuneration system and individual remuneration amounts for members of the Management Board and the Supervisory Board are summarised in the Remuneration Report.

The obligation for paying remuneration to the Management Board members lies with SCHOTT Pharma Management AG. SCHOTT Pharma Management AG, however, is entitled to receive compensation from SCHOTT Pharma KGaA for all expenses associated with the management of the Company's business, including the remuneration paid to members of its executive bodies. Accordingly, remuneration for the members of SCHOTT Pharma Management AG's Management Board and Supervisory Board was charged to SCHOTT Pharma KGaA. As this means that SCHOTT Pharma KGaA bears the obligation in financial terms and effectively benefits from the work of the Management Board members, all provisions and prepaid expenses related to Management Board remuneration were also recognised at the level of SCHOTT Pharma KGaA.

As of 30 September 2024, outstanding balances for short-term benefits amounted to EUR 283k for Management Board members (previous year: EUR 215k), EUR 340k (previous year: EUR 132k) for the Supervisory Board members of SCHOTT Pharma KGaA and EUR 80k (previous year: EUR 33k) for the Supervisory Board members of SCHOTT Pharma Management AG.

Andreas Reisse has two plans structured as a direct commitment granted by SCHOTT Pharma KGaA, which have been maintained by this company as statutory non-forfeitable entitlements since 30 September 2023. There are no further entitlements under these plans, and no further entitlements have been earned since 30 September 2023. Provisions stood at EUR 2,216k as of 30 September 2024 (previous year: EUR 2,012k).

As in the previous year, no other significant business transactions were concluded between SCHOTT Pharma Group companies and members of the Management Board and the Supervisory Board of SCHOTT Pharma and their close family members in the financial year 2023/2024.

40 Members of the Management Board and positions held by Management Board members of SCHOTT Pharma Management AG as general partner of SCHOTT Pharma AG & Co. KGaA

Andreas Reisse

Chairman of the Management Board of SCHOTT Pharma Management AG (since 15 July 2022)

Offices held

Member of the Board of Directors, SCHOTT Glass Technologies Co. Ltd., Suzhou, China

Chairman and Legal Representative of the Board of Directors, SCHOTT Pharmaceutical Packaging Co. Ltd., Zhejiang, China

Chairman of the Board of Directors, SCHOTT Poonawalla Pvt. Ltd., Mumbai, India

Dr. Almuth Steinkühler

Member of the Management Board (CFO) of SCHOTT Pharma Management AG (since 15 July 2022)

Offices held

Chairman of the Board of Directors, SCHOTT Poonawalla Pvt. Ltd., Mumbai, India

41 Members of the Supervisory Board and positions held by Supervisory Board members of SCHOTT Pharma AG & Co. KGaA

Peter Goldschmidt

Chief Executive Officer,
STADA Arzneimittel AG, Bad Vilbel, Germany

Chairman of the Supervisory Board of
SCHOTT Pharma AG & Co. KGaA
(on the Supervisory Board since 4 April 2023)

Offices held

Member of the Supervisory Board,
SCHOTT Pharma Management AG, Mainz,
Germany

Dr. Wolfgang Wienand

Chief Executive Officer, Lonza AG, Basel,
Switzerland (since July 2024)

Chief Executive Officer, Siegfried Holding AG,
Zofingen, Switzerland (until June 2024)

Deputy Chairman of the Supervisory Board of
SCHOTT Pharma AG & Co. KGaA
(on the Supervisory Board since 4 April 2023)

Offices held

Member of the Board of Directors,
Mettler-Toledo International Inc., Columbus,
USA

Member of the Supervisory Board,
SCHOTT Pharma Management AG, Mainz,
Germany

Ann-Kristin Erkens

Chief Financial Officer, SIG Group AG,
Neuhausen, Switzerland
(on the Supervisory Board since 4 April 2023)

Eva Kienle

Chief Financial Officer,
KWS SAAT SE & Co. KGaA, Einbeck, Germany
(on the Supervisory Board since 4 April 2023)

Offices held

Member of the Supervisory Board,
Zumtobel Group AG, Dornbirn, Austria

Christine Wening

Head of Global Supply Chain Management
Employee representative
(on the Supervisory Board since
19 April 2023)

Mario Just

Member of the Employee Council
Employee representative
(on the Supervisory Board since
19 April 2023)

Audit Committee

- **Eva Kienle, Chairwoman**
- **Ann-Kristin Erkens**
- **Christine Wening**

42 Declaration of Compliance pursuant to section 161 AktG

The Management Board and the Supervisory Board issued the Declaration of Compliance pursuant to section 161 AktG in September 2024 and subsequently made it permanently available to the public on the website of SCHOTT Pharma KGaA, at www.schott-pharma.com/investor-relations/corporate-governance/compliance-statement/.

43 Events after the reporting date

Dr. Wolfgang Wienand will resign from the Supervisory Board of SCHOTT Pharma KGaA with effect from 31 December 2024. Prof. Wolfram Carius from Mainz, Germany, is to be put forward to the Annual General Meeting as a potential successor when it is held on 4 February 2025.

No other significant events occurred between the reporting date (30 September 2024) and the date on which this report was prepared (10 December 2024) that would have had a material effect on the financial position and financial performance of SCHOTT Pharma Group.

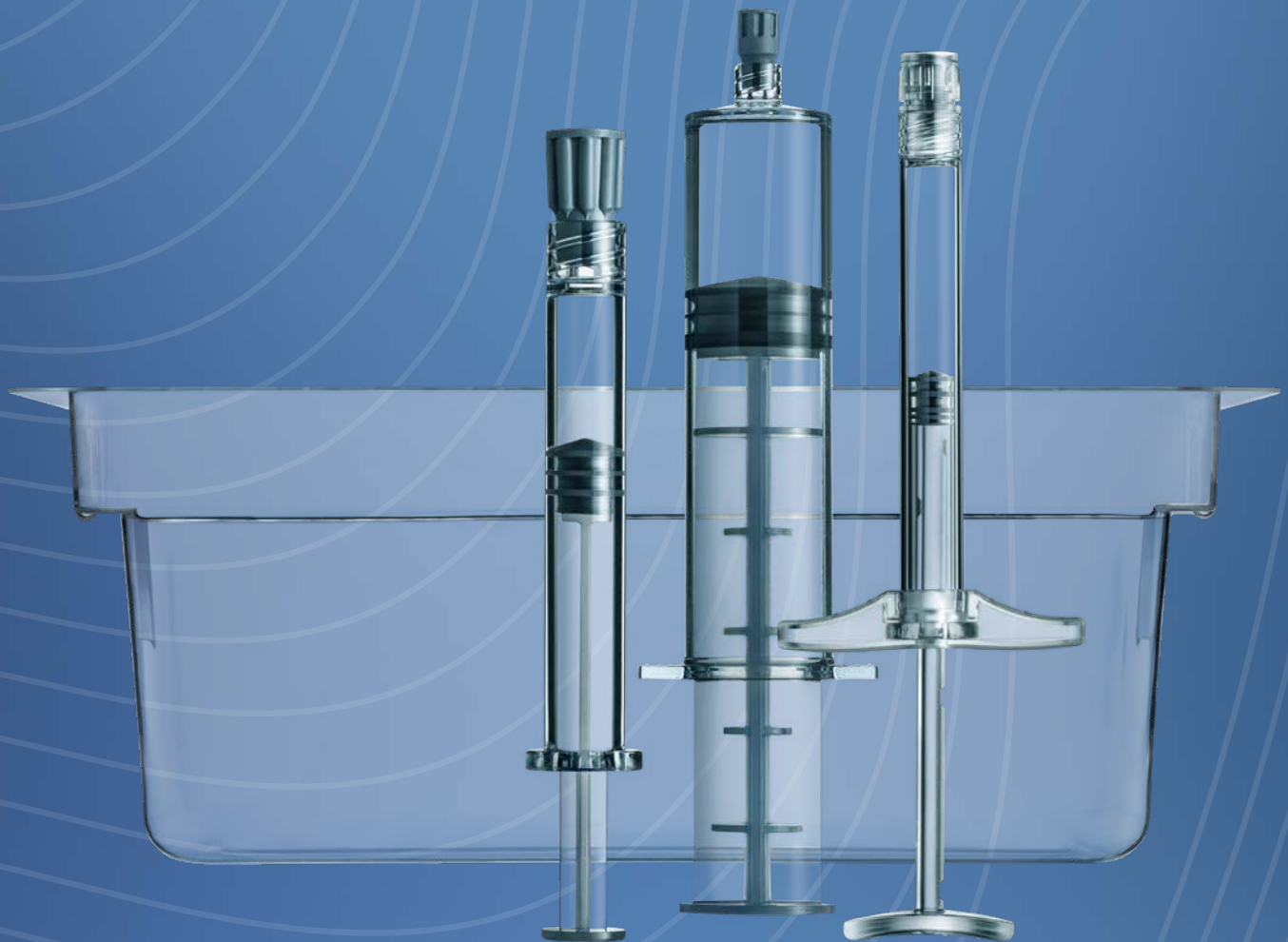
Mainz, 10 December 2024

SCHOTT Pharma AG & Co. KGaA

Represented by the Management Board of SCHOTT Pharma Management AG

Andreas Reisse Dr. Almuth Steinkühler

Additional information



Responsibility Statement pursuant to sections 297(2) sentence 4 and 315(1) sentence 5 of the HGB

To the best of our knowledge and in accordance with the applicable reporting principles, the Consolidated Financial Statements of SCHOTT Pharma AG & Co. KGaA give a true and fair view of the net assets, financial position and results of operations of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Mainz, 10 December 2024

SCHOTT Pharma AG & Co. KGaA

Represented by the Management Board of SCHOTT Pharma Management AG

Andreas Reisse Dr. Almuth Steinkühler

Independent auditor's report

To SCHOTT Pharma AG & Co. KGaA

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of SCHOTT Pharma AG & Co. KGaA, 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 of SCHOTT Pharma AG & Co. KGaA, which is combined with the management report of the Company ("combined management report") 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 combined non-financial statement included in the "Non-financial statement" section of the combined management report or the corporate governance statement, which is published on the website stated in the combined management report and is part of the combined management report. Furthermore, we have not audited the content of the disclosures extraneous to management reports contained in the third paragraph of the "Group-wide management of risks and opportunities" subsection of the "Report on risks and opportunities" section. Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 289 to 289f and 315 to 315d HGB or pursuant to GAS 20.

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 ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 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 combined non-financial statement referred to above, on the content of the corporate governance statement referred to above or on the content of the aforementioned third paragraph of the "Group-wide management of risks and opportunities" subsection of the "Report on risks and opportunities" section of the combined management report.

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 the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute

of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. 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.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from October 1, 2023 to September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Revenue recognition, in particular with regard to correct revenue recognition prior to the reporting date

Reasons why the matter was determined to be a key audit matter

In the consolidated financial statements of SCHOTT Pharma AG & Co. KGaA, revenue from the sale of products is recognized when control of the products has been transferred. This is usually the case when risks have been transferred in accordance with the agreed Incoterms.

Due to the large number of customers, the different types of products and the resulting large number of different contractual arrangements, including those governing the transfer of risk, particular care is required when accounting for transactions, especially with regard to the correct application of the accrual basis of accounting. Furthermore, customer-specific products without alternative use require the use of judgment regarding compliance with the requirements of IFRS 15.35c.

Against this background, revenue recognition, in particular with regard to correct revenue recognition prior to the reporting date, was a key audit matter.

Auditor's response

During our audit, we considered, based on the requirements of IFRS 15, the recognition and measurement requirements applied in the consolidated financial statements of SCHOTT Pharma AG & Co. KGaA for the recognition of revenue. Furthermore, we obtained an understanding of the design of the underlying business processes and tested the design and operating effectiveness of selected controls of the accounting-related internal control system, in particular with regard to changes in Incoterms and the correct application of the accrual basis of accounting for revenue. We analyzed the recognition of revenue based on the contractual arrangements on a sample basis in view of the requirements of IFRS 15. To substantiate the existence of revenue, we examined whether it led to trade receivables and, in turn, whether payments were received to settle these receivables. In addition, applying analytical and substantive audit procedures, we analyzed whether the revenue for fiscal year 2023/2024 was recognized on an accrual basis, e.g., by obtaining external balance confirmations for trade receivables and reviewing credit notes issued after the reporting date.

Overall, our procedures on the recognition of revenue from the sale of products, in particular with regard to correct revenue recognition prior to the reporting date, did not lead to any reservations.

Reference to related disclosures

With regard to the recognition and measurement policies applied for the recognition of revenue from the sale of products, refer to the disclosure on the recognition of revenue in note "3 Significant accounting policies and methods of consolidation" and note "4 Revenue" of the notes to the consolidated financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board pursuant to Sec. 171 (2) AktG ["Aktiengesetz": German Stock Corporation Act]. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG on the German Corporate Governance Code, which is part of the corporate governance statement, and for the remuneration report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the combined non-financial statement referred to above, the corporate governance statement referred to above and the aforementioned disclosures extraneous to management reports contained in the third paragraph of the "Group-wide management of risks and opportunities" subsection of the "Report on risks and opportunities" section of the combined management report. The other information also comprises additional parts to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular:

- Performance indicators at a glance
- Letter from the Management Board
- Report of the Supervisory Board
- Responsibility statement pursuant to sections 297 (2) sentence 4 HGB and 315 (1) sentence 5 of the HGB
- Remuneration report
- Glossary
- Multi-year overview
- Financial calendar
- All other parts of the published annual report

but not the consolidated financial statements, not the disclosures in the combined management report whose content is audited and not our auditor's report thereon.

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

In connection with our audit, our responsibility is to read the 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in 2024_SCHOTT_Pharma_KAuKLB_ESEF.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined management report for the fiscal year from October 1, 2023 to September 30, 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1) (09.2022).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB.

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting on March 14, 2024. We were engaged by the Supervisory Board on June 24, 2024. We have been the group auditor of SCHOTT Pharma AG & Co. KGaA without interruption since the abbreviated fiscal year from March 22, 2022 to September 30, 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Baur.

Eschborn/Frankfurt am Main, December 10, 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Baur	Behr
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Independent auditor's report on a limited assurance engagement

To SCHOTT Pharma AG & Co. KGaA, Mainz

We have performed a limited assurance engagement on the non-financial statement included in the "Group non-financial statement" section of the group management report of SCHOTT Pharma AG & Co. KGaA, Mainz, (hereinafter the "Company"), which is combined with the non-financial statement, for the period from October 1, 2023 to September 30, 2024 (hereinafter the "non-financial Reporting").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting. Base year disclosures were also not subject to our assurance engagement.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial Reporting in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "Information on the EU Taxonomy Regulation (EU) 2020/852" of the non-financial Reporting.

These responsibilities of the Company's executive directors include the selection and application of appropriate methods for the preparation of the non-financial Reporting and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial Reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial Reporting) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Information on the EU Taxonomy Regulation 2020/852" of the non-financial Reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the non-financial Reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Reporting is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "Information on the EU Taxonomy Regulation 2020/852" of the non-financial Reporting. Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting, as well as base-year disclosures.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees regarding the selection of topics for the non-financial Reporting, the impact and risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial Reporting about the preparation process, about the internal controls related to this process as well as disclosures in the non-financial Reporting,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating relevant data in the reporting period such as environmental and personnel data,
- Identification and assessment of risks of material misstatement in the non-financial Reporting,
- Analytical procedures on selected disclosures in the non-financial Reporting,
- Inquiries, inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the non-financial Reporting;
- Reconciliation of selected disclosures with the corresponding data in the annual financial statements and management report,
- Evaluation of the process to identify the economic activities taxonomy-eligible and taxonomy-aligned as well as the corresponding disclosures in the non-financial Reporting,
- Evaluation of the presentation of disclosures in the non-financial Reporting.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial Reporting of the Company for the period from October 1, 2023 to September 30, 2024 is not prepared, in all material respects,

in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "Information on the EU Taxonomy Regulation 2020/852" of the non-financial Reporting.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial Reporting or the base-year disclosures.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The enclosed "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 1 Month 2024 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 10 December 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

zur Nieden	Storz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Remuneration Report

Introduction

With this Remuneration Report, SCHOTT Pharma AG & Co. KGaA, Mainz, Germany ("SCHOTT Pharma KGaA"), discloses the remuneration granted and owed to the members of the Management Board of SCHOTT Pharma Management AG, also Mainz ("SCHOTT Pharma Management AG"), the general partner of SCHOTT Pharma KGaA.

In addition, the Remuneration Report also provides details on the remuneration granted and owed to members of the Supervisory Boards of SCHOTT Pharma KGaA and SCHOTT Pharma Management AG.

The Remuneration Report outlines the fundamental principles of the remuneration system for members of the Management Board and the Supervisory Boards and provides a transparent insight into the link between remuneration and performance. The Remuneration Report was prepared in collaboration between the Supervisory Board and the Management Board in accordance with section 162 AktG and the recommendations set out in the German Corporate Governance Code (GCGC), as amended. It is audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in both formal (in accordance with section 162(3) AktG) and substantive terms.

The presentation of remuneration granted and owed in the Remuneration Report is in accordance with the provisions of section 162(1) AktG. Accordingly, the report comprises all remuneration components actually paid to members of the Management Board and the Supervisory Boards in the reporting year (granted remuneration) and all remuneration components legally due but not yet paid (owed remuneration). This means that remuneration granted and owed is allocated to the correct period, even though payout may occur at a later date.

The legislation and regulations governing remuneration reports are geared towards the situation at public limited companies and do not take account of the special features of partnerships limited by shares. There are major differences between the two legal forms in terms of liability and management. As a result, some of the recommendations set out in the GCGC can only be applied in a modified form due to the structural differences between public limited companies and partnerships limited by shares.

The corporate structure is such that the Management Board members of SCHOTT Pharma Management AG indirectly manage the business of SCHOTT Pharma KGaA. As SCHOTT Pharma Management AG is not a listed company, sections 87a and 120a AktG generally do not apply directly to it or to the Management Board members. In the interests of good corporate governance and transparency, however, the remuneration system for the Management Board members is voluntarily based on sections 87a and 120a AktG and takes into account the recommendations set out in the GCGC as amended.

Detailed information on the remuneration system for the members of the Management Board of the general partner and on the remuneration system for the members of the Supervisory Board can also be found on the website at Management & bodies – SCHOTT Pharma (schott-pharma.com).

The Remuneration Report for the financial year 2022/2023 was approved by the Annual General Meeting held on 14 March 2024 with a majority of 96.97%.

Remuneration for Management Board members

New remuneration system from the financial year 2023/2024

Principles of the remuneration system

The remuneration system for the members of the Management Board of SCHOTT Pharma Management AG, the general partner of SCHOTT Pharma KGaA, was approved by the Annual General Meeting held on 14 March 2024 with a majority of 98.44%. Since 1 October 2023, it has applied

(or will apply) to all existing Management Board service contracts, extensions as well as to new service contracts being entered into.

In the context of the defined corporate strategy, the remuneration system is designed to contribute to the continuation of the profitable growth achieved by the Company to date and, in particular, to increase the value of the Company in the long run.

In order to support these objectives, the remuneration system for Management Board members sets out principles and formulates incentives that can be summarised as follows:

Implement the corporate strategy	The remuneration of Management Board members creates incentives for the implementation of SCHOTT Pharma Group's worldwide corporate strategy.
Generate profitable growth	Management Board members' variable remuneration depends upon SCHOTT Pharma Group's growth and profitability to a significant extent.
Create long-term value	Key factors for Management Board remuneration are value creation and sustainability, especially over the long term.
Remuneration linked to performance	Remuneration is directly linked to Management Board members' performance. A high share of variable components means that remuneration is geared towards the Company's success.
Foster sustainable action	Remuneration of Management Board members underscores SCHOTT Pharma Group's commitment to environmental, social and governance (ESG) aspects.
Safeguard regulatory compliance	The remuneration of Management Board members is designed to comply with legal provisions for listed companies as well as with the recommendations of the GCGC as amended.

Appropriateness of Management Board remuneration

In accordance with the requirements of the Stock Corporation Act and the GCGC, the Supervisory Board takes care to ensure that the remuneration to be paid to Management Board members is set appropriately, reflecting each member's responsibilities and performance. When defining this remuneration, the Supervisory Board also takes into account SCHOTT Pharma's overall situation as well as its sustainable and long-term development. Both external (horizontal) and internal (vertical) comparisons are used to assess appropriateness.

The horizontal (external) analysis looks at a group of companies with a similar market position (in particular sector, size, country) to assess whether the amount and structure of the remuneration granted are appropriate and usual. This peer group consists of SDAX and MDAX companies with a comparable market capitalisation, headcount and revenue.

The vertical (internal) analysis examines the relationship between Management Board remuneration and (i) the remuneration paid to the Company's top management reporting directly to the Management Board members of SCHOTT Pharma (Global Management Team and first management level below the Management Board), as well as to (ii) the employees of SCHOTT Pharma working in Germany, both overall and over time.

Structure and components of Management Board remuneration

The remuneration system for the Management Board includes both fixed and variable components which together constitute the total remuneration paid to a Management Board member.

The fixed remuneration components make up the "fixed remuneration" which is paid irrespective of how the company performs. The fixed remuneration consists of a fixed annual salary, non-cash and other fringe benefits, and an annual pension benefit.

The variable remuneration components are tied to the achievement of pre-defined performance targets and together constitute the "variable remuneration". The variable remuneration consists of short-term, one-year remuneration and long-term, multi-year remuneration. The short-term variable remuneration for the financial year concerned centres on incentives for profitable growth ("STI programme"). The long-term variable remuneration is geared towards the Company's long-term development ("LTI programme"). The Supervisory Board sets the annual performance targets for the individual Management Board members before or at the beginning of the financial year.

The LTI programme is a remuneration component that provides incentives for long-term value generation and sustainable action over a period of four financial years. Alongside defined performance targets, the long-term share price performance of SCHOTT Pharma is also considered. This is reflected through virtual shares ("performance shares").

Structure of total Management Board remuneration				
Maximum remuneration pursuant to section 87a AktG				
Malus and clawback rules				
	30%	LTI	Term: 4 years	Focus: · create long-term value · foster sustainable action
Variable remuneration	20%	STI	Term: 1 year	Focus: · generate profitable growth
Fixed remuneration	50%	· fixed annual salary · fringe benefits · pension benefits		

Fixed remuneration

Fixed annual salary

Each member of the Management Board receives a fixed annual salary for their work, paid in twelve monthly instalments.

Fringe benefits

Each member of the Management Board receives fringe benefits in line with common market practice, such as a company car (including for private use), accident and private liability insurance cover, payment of costs for a health check, as well as subsidies for health and long-term care insurance.

The Management Board members are also covered by directors' and officers' (D&O) liability insurance, which provides for a deductible corresponding to 10% of the damage, up to a maximum of 150% of the annual fixed remuneration, in accordance with section 93(2) sentence 2 AktG.

As a general rule, all members of the Management Board have an equal entitlement to the fringe benefits. These benefits may, however, vary on a case-by-case basis, particularly in terms of their amount, depending on a member's personal situation and the extent to which the benefits are used.

Pension benefits

Management Board members also receive an annual amount to pay towards a private pension ("pension benefit"). This amount is paid in twelve equal monthly instalments together with the member's fixed annual salary. The pension benefit does not constitute a company pension scheme as defined by the Occupational Pensions Act (Betriebsrentengesetz, BetrAVG).

Variable remuneration

Short-term variable remuneration (STI)

Management Board members are entitled to variable remuneration with a performance period spanning one financial year (short-term incentive, STI). The STI programme is structured as a target bonus system and is tied to the extent to which the targets set by the Supervisory Board are achieved. The service contract concluded with each Management Board member sets out an individual target amount that matches the STI in the event of 100% target achievement. The disbursement amount is calculated at the end of the relevant financial year, based on the achievement of financial performance criteria.

The financial performance criteria are as follows:

- Revenue growth (40% weighting)
- ROCE (return on capital employed) (30% weighting)
- EBITDA margin (earnings before interest, taxes, depreciation and amortisation margin) (30% weighting)

The financial performance criteria of revenue growth, ROCE and EBITDA margin are based on an ambitious target achievement system. The Supervisory Board sets an annual target value, as well as a threshold value and a cap, for all of the performance criteria. These values are based on the business development that is expected over a period spanning several years. If the target value defined for a given financial performance criterion is achieved, the target achievement level is 100%. If the value achieved for a financial performance criterion is equal to or lower than the threshold value, the target achievement level is 0%. If the value achieved for a financial performance criterion equals or exceeds the cap, the target achievement level is 200%. Where the value achieved falls between the threshold value and the target value, or between the target value and the cap, the target achievement level is determined by way of linear interpolation in each case.

For the purposes of calculating the target achievement level, the Supervisory Board can opt to make adjustments to reflect any non-recurring effects (for example after a company is acquired or sold).

The target achievement level for each performance criterion is weighted, and the sum of the weighted individual target achievement levels produces the overall target achievement level for a financial year. The STI amount is calculated based on the overall target achievement level and the annual target amount set out in the service contract. The disbursement amount is always limited to 150% of the annual target amount (“STI cap”).

The STI is paid out as part of the payroll run in the month following the adoption of the annual financial statements of SCHOTT Pharma KGaA.

Overview of the STI plan		
Category	Performance criterion	Weighting
Growth	Revenue growth	40%
Profitability	ROCE	30%
	EBITDA	30%
Disbursement	✓ Target achievement capped at 200% for individual targets ✓ Disbursement capped at 150% of target amount	
Malus & Clawback	✓ Malus and clawback rules have been defined	

Long-term variable remuneration (LTI)

In addition to the STI, the Management Board members are granted virtual shares linked to the price of shares in SCHOTT Pharma KGaA (“performance shares”). This annual, share-based remuneration component sets a long-term incentive (LTI) by tying the performance shares allocated to Management Board members to the Company’s share price performance over a four-year period.

The service contract concluded with each Management Board member includes an individual annual target amount. Based on the target amount and depending on the price of shares in SCHOTT Pharma KGaA, a specific number of performance shares are allocated to each Management Board member at the beginning of each performance period.

The number of individual performance shares at the beginning of the relevant performance period corresponds to the individual annual target amount divided by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the beginning of the performance period ("starting share price"). The resulting number of performance shares is rounded commercially to the nearest whole number.

Deviating from the calculation of the starting share price described above, a different procedure was agreed for the first performance period, which runs from 1 October 2023 to 30 September 2027. As a result of the IPO and the initial listing of SCHOTT Pharma KGaA on 28 September 2023, the starting share price for the first tranche was calculated based on the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the first 90 exchange trading days from the time of the IPO.

The Supervisory Board sets performance criteria for the relevant performance period in defined categories.

The value creation category (60% weighting) is measured based on economic value added (EVA). To emphasise the long-term incentive effect, a cumulative target value is defined for the entire performance period.

Non-financial environmental, social and governance (ESG) performance criteria are defined for the sustainability category (30% weighting). The LTI programme places particular emphasis on environmental and social targets, which can vary from one performance period to the next. The Supervisory Board defines performance criteria with a view to the sustainability topics that are important to the Company and pays particular attention to defining transparent and measurable targets.

The strategy category (10% weighting) supports the implementation of the corporate strategy. The Supervisory Board sets specific targets for each performance period in alignment with the corporate strategy, placing particular emphasis on the future success of major investment projects.

At the beginning of each performance period, the Supervisory Board defines a target value for each target. If this target value is met, the target achievement level is 100%. The Supervisory Board also sets a threshold value for each target as the lower end of the target corridor. Results that are equal to, or lower than, this "threshold value" produce a target achievement level of 0%. A cap is also set as the upper end of the target corridor. Results that are equal to, or higher than, this "cap" produce a target achievement level of 180%.

The target achievement level is calculated once the performance period has ended. If the corresponding value is equal to or lower than the threshold value, the target achievement level is 0%. If the value achieved exceeds the threshold value but remains below the target value, the target achievement level for the target concerned is determined by way of linear interpolation between the threshold value and the target value. If the value achieved exceeds the target value but remains below the cap, the target achievement level for the target concerned is determined by way of linear interpolation between the target value and the cap. If the value achieved is equal to or higher than the cap at the end of a performance period, the target achievement level is 180%.

An overall target achievement level is calculated at the end of the performance period by adding up the weighted target achievement levels. This sum is then multiplied by the number of individual performance shares allocated at the beginning of the performance period. The number of performance shares resulting from this multiplication at the end of the performance period is rounded commercially to the nearest whole number.

In order to calculate the disbursement amount, the number of performance shares at the end of the performance period is multiplied by the arithmetic mean XETRA closing price of shares in SCHOTT Pharma KGaA over the last 90 exchange trading days prior to the end of the performance period in question. The resulting amount to be disbursed can never exceed 180% of the original individual target amount ("LTI cap").

The disbursement amount is due for payment in the month following the adoption of the annual financial statements of SCHOTT Pharma KGaA for the last year in the relevant performance period.

In the event of a change of control, the LTI programme can be adjusted at the discretion of the Supervisory Board or replaced by a new form of long-term variable remuneration that is comparable in terms of its value and from an economic perspective.

Overview of the LTI plan

Performance period (four financial years)

Granting			Category	Performance criterion	Weighting			Disbursement
Individual LTI target amount			Value creation	Accumulated EVA for the performance period	60%			Disbursement amount
÷			Sustain-ability	ESG targets	30%			=
Starting share price (ø of closing prices for the last 90 exchange trading days prior to the start of the performance period)	=	**Number of performance shares granted**	Strategy	Long-term success of strategic investment projects	10%	**Number of performance shares at the end of the period**	×	**Share price at the end of the period** (ø of closing prices for the last 90 exchange trading days during the performance period)
		×	**Total target achievement (max. 180%)**			=		

Disbursement	✓ Total target achievement capped at 180% ✓ Disbursement capped at 180% of target amount
Malus/clawbacks	✓ Malus and clawback rules have been defined

Maximum remuneration

The amount of each variable remuneration component is capped. The STI payment is limited to 150% of the corresponding target amount, while the LTI payment cannot exceed 180% of the corresponding target amount.

In addition and in line with the provisions of the GCGC, the Supervisory Board has set an upper limit for the total amount of all remuneration elements that a Management Board member can receive for their work on the Management Board over a one-year period, i.e. currently consisting of the fixed and variable remuneration ("maximum remuneration"). In order to calculate the maximum remuneration, fringe benefits are recognised based on the amount of the non-cash benefit for tax purposes. LTI payments are allocated to the year in which the underlying performance shares are granted.

The maximum remuneration limits the total remuneration that an individual can earn, i.e. the sum of all individual components based on the maximum target achievement level and other payments or bonuses. The maximum annual remuneration is EUR 2,000,000 gross for the Chief Executive Officer and EUR 1,500,000 gross for ordinary Management Board members.

Any severance payments made when a Management Board member's contract is terminated prematurely, or other ad-hoc bonuses that were not granted by SCHOTT Pharma Management AG in return for work performed by the Management Board member, do not count towards and are not limited by the maximum remuneration.

If the relevant payments made to a Management Board member exceed the relevant maximum remuneration, the amounts received as part of the long-term variable remuneration are reduced accordingly until the maximum remuneration is no longer exceeded. This means that the Supervisory Board of SCHOTT Pharma Management AG will review the final payment amount against the maximum remuneration for 2023/2024 (the financial year of grant) for the first time in the financial year 2027/2028, i.e. after the end of the first performance period for the LTI programme.

Malus and clawback

The service contracts concluded with the Management Board members feature malus and clawback provisions which allow for a reduction in (malus), or clawback of, variable remuneration components at the Supervisory Board's due discretion in certain cases. This option can be used if there is proof that a Management Board member has committed a breach of duty justifying legally effective termination for cause, or has violated the major due diligence obligations incumbent upon them in accordance with section 93 AktG with wilful intent or gross negligence.

If variable remuneration components are calculated or disbursed based on incorrect data, the Supervisory Board can correct the calculation or claim back remuneration components that have already been disbursed.

Amounts can be reduced or clawed back for up to two years after the date of payment of the variable remuneration component. The malus and clawback regulations do not affect any potential liability for damages on the part of the Management Board member vis-à-vis SCHOTT Pharma Management AG.

In the reporting year, the Supervisory Board of SCHOTT Pharma Management AG saw no need to reduce variable remuneration that had not yet been disbursed (malus) or to claim back variable remuneration that had already been paid out (clawback).

Other contractual provisions

The Management Board service contracts provide for a compensation payment in the event that an individual's appointment ends prematurely and the service contract is terminated for convenience with effect from the end of the period set out in section 622(1) and (2) of the Civil Code (Bürgerliches Gesetzbuch, BGB).

In line with the recommendations set out in the GCGC, this payment is limited to twice the annual remuneration ("severance cap") and must never constitute remuneration for more than the remaining term of the contract. For the purposes of calculating severance pay, annual remuneration is determined as the total remuneration for the past financial year or, in the Supervisory Board's reasonable discretion, as the expected total remuneration for the current financial year – in each case excluding pension benefits, non-cash benefits and other fringe benefits.

If service contracts are terminated for cause in a legally effective manner by SCHOTT Pharma Management AG, no severance payment is made.

This provision was not applied in the reporting period.

If the service contract concluded with a Management Board member or the latter's mandate as a Management Board member of SCHOTT Pharma Management AG ends during a financial year, rules regarding pro rata temporis reduction have been defined for the STI and LTI programmes.

In the event of temporary incapacity to work due to illness, an accident or for other reasons for which the Management Board member is not responsible, SCHOTT Pharma Management AG continues to pay the member's fixed remuneration as well as the short-term and long-term variable remuneration for a period of six months, but until the service contract ends at the very latest.

Non-compete clause and secondary employment

During their mandate as Management Board members, members are subject to a comprehensive non-compete clause. Post-contractual non-compete clauses can also be agreed with Management Board members. These apply for a maximum term of two years. If a post-contractual non-compete clause is agreed in a service contract, an appropriate allowance is granted based on the provisions set out in section 74(2) HGB.

If Management Board members assume supervisory board or other mandates at subsidiaries of SCHOTT Pharma KGaA or companies affiliated with these subsidiaries, no separate remuneration is granted for these activities. This work is generally covered by the fixed remuneration. When supervisory board or other mandates are accepted outside the group, the Supervisory Board decides on a case-by-case basis whether or not, and to what extent, the remuneration is to be offset.

Management Board remuneration in the financial year 2023/2024

Both the CEO, Andreas Reisse, and Dr. Almuth Steinkühler, member of the Management Board (CFO), were appointed as members of the Management Board of SCHOTT Pharma Management AG throughout the reporting period.

Fixed remuneration

Fixed annual salary

The fixed annual salary paid to Andreas Reisse totalled EUR 396,507 in the financial year 2023/2024 (previous year: EUR 355,839), while that paid to Dr. Almuth Steinkühler came to EUR 254,007 (previous year: EUR 207,400).

Fringe benefits

The above-mentioned fringe benefits paid to Andreas Reisse totalled EUR 14,918 in the financial year 2023/2024 (previous year: EUR 12,295), while those paid to Dr. Almuth Steinkühler came to EUR 23,220 (previous year: EUR 22,415).

Pension benefits

Both Andreas Reisse and Dr. Almuth Steinkühler were entitled to a pension benefit in the reporting period, which was paid as a monthly cash payment. Andreas Reisse received a pension benefit of EUR 106,632 in the reporting period (previous year: EUR 0) and Dr. Almuth Steinkühler received EUR 71,007 (previous year: EUR 9,000).

For periods prior to the reporting period, Andreas Reisse has two defined plans structured as a direct commitment granted by SCHOTT Pharma KGaA, which have been maintained by this Company as statutory non-forfeitable entitlements since 30 September 2023. There are no further entitlements under these plans, and no further entitlements have been earned since 30 September 2023. Provisions stood at EUR 2,216k as of 30 September 2024 (previous year: EUR 2,012k).

Variable remuneration

Short-term variable remuneration (STI)

The short-term variable remuneration (STI) is based on the financial performance criteria defined in greater detail below:

The revenue growth of SCHOTT Pharma Group is defined as the increase in the revenue reported for a given financial year, compared to the prior-year period. The revenue expected for the financial year 2022/2023 at the time the target was set, namely EUR 878.2m, was applied as the value

for the prior-year period. Based on reported revenue of EUR 957.1m for the financial year 2023/2024, this resulted in revenue growth of 9.0%. Revenue growth is reflected in the STI programme with a weighting of 40%.

The return of capital employed (ROCE) of SCHOTT Pharma Group is defined as the ratio (expressed as a percentage) of operating income (EBIT) to average capital employed, i.e. the capital tied up in operations to achieve the Company's objectives. It largely comprises current and non-current assets, less trade payables and advance payments received on orders. The average is determined as the arithmetic mean of the twelve monthly values during the reporting period. Based on reported EBIT of EUR 192.6m and average capital employed of EUR 979.8m, the ROCE for the financial year 2023/2024 was 19.7%. The ROCE is included in the calculation of the STI with a weighting of 30%.

SCHOTT Pharma Group's EBITDA margin is based on the reported operating income (EBIT) before depreciation and amortisation (including impairment losses and reversals of impairment losses) on intangible assets and property, plant and equipment, which is divided by the revenue reported. Reported EBITDA in the reporting period came to EUR 257.6m. Reported revenue in the reporting period amounted to EUR 957.1m. This produces an EBITDA margin of 26.9% in the reporting period. The EBITDA margin weighting is 30%.

Relative to the set target values as well as the threshold values and caps, these actual values yielded the following target achievement levels:

STI (variable remuneration) 2023/2024

Andreas Reisse
Chief Executive Officer (CEO)

						Target Achievement		
Target	Unit	Weighting	Threshold Value	Target Value	Cap	in absolute terms	in relative terms	weighted
Revenue growth	in % YoY	40%	+8.0	+10.0	+12.0	+9.0	49.2%	19.7%
ROCE	in %	30%	18.2	20.2	22.2	19.7	72.7%	21.8%
EBITDA margin	in %	30%	24.1	26.1	28.1	26.9	140.5%	42.2%
Total in %		**100%**						**83.7%**
Total in EUR		**208,000**						**174,096**

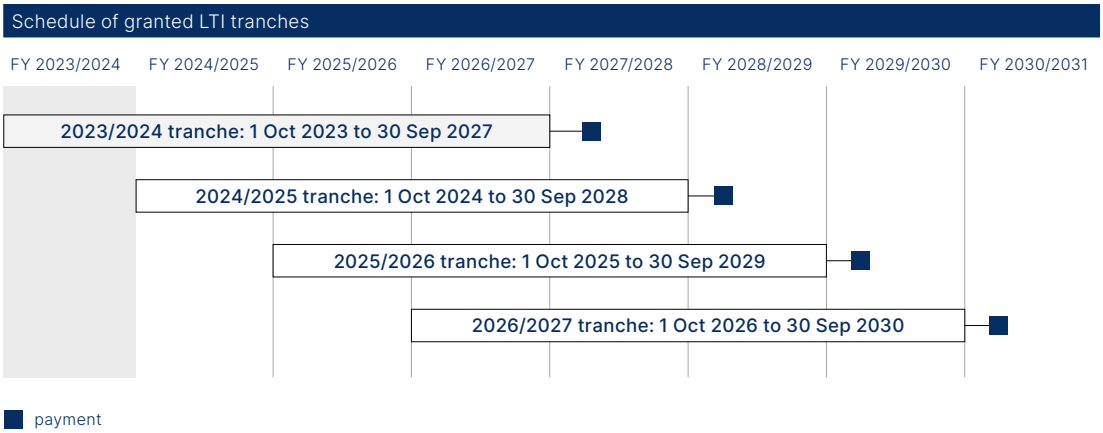
STI (variable remuneration) 2023/2024

Dr. Almuth Steinkühler
Member of the Management Board (CFO)

						Target Achievement		
Target	Unit	Weighting	Threshold Value	Target Value	Cap	in absolute terms	in relative terms	weighted
Revenue growth	in % YoY	40%	+8.0	+10.0	+12.0	+9.0	49.2%	19.7%
ROCE	in %	30%	18.2	20.2	22.2	19.7	72.7%	21.8%
EBITDA margin	in %	30%	24.1	26.1	28.1	26.9	140.5%	42.2%
Total in %		**100%**						**83.7%**
Total in EUR		**130,000**						**108,810**

Long-term variable remuneration (LTI)

The Management Board members were granted a tranche as part of the new LTI programme for the first time in the financial year 2023/2024.



For the first 2023/2024 tranche, which covers the performance period from 1 October 2023 to 30 September 2027, specific target amounts were defined in the individual service contracts: EUR 312,000 for Andreas Reisse and EUR 195,000 for Dr. Almuth Steinkühler.

The number of individual performance shares was determined by calculating the arithmetic starting share price, rounded to two decimal places, which corresponds to the XETRA closing prices of shares in SCHOTT Pharma KGaA on the first 90 exchange trading days. The resulting starting share price for the 2023/2024 tranche is EUR 31.09.

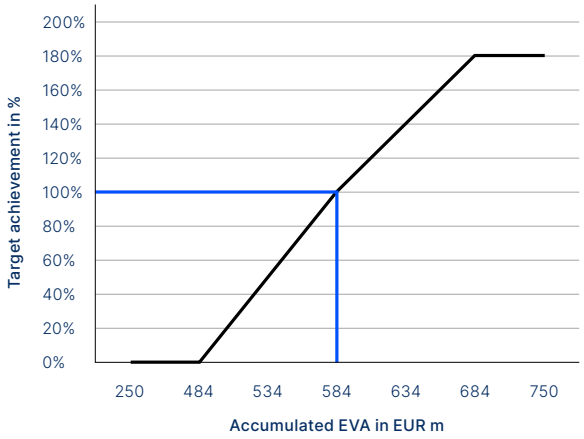
As a result, Andreas Reisse was allocated a total of 10,035 performance shares by dividing his individual target amount by the starting share price and rounding this number to the nearest whole number in line with standard commercial practice. Dr. Almuth Steinkühler was allocated 6,272 performance shares.

The following performance criteria, which are set out in greater detail below, were defined for the performance period from 1 October 2023 to 30 September 2027:

The value creation category is measured based on EVA. SCHOTT Pharma Group's EVA is defined as its operating income (EBIT) less the costs used to employ the average capital tied up, i.e. the capital tied up in operations to achieve the company's objectives. It largely comprises current and non-current assets, less trade payables and advance payments received on orders. The average is determined as the arithmetic mean of the twelve monthly values during the reporting period. This average is then multiplied by the cost of capital.

The target value corresponds to the total EVA over the entire performance period and was set at EUR 584m. The Supervisory Board has set a threshold value of EUR 484m, i.e. actual results that are equal to or below this amount result in a target achievement level of 0%. The cap which, if reached or exceeded, leads to the maximum possible target achievement level of 180%, is EUR 684m. The value creation category is included in the calculation of the overall target achievement level with a weighting of 60%.

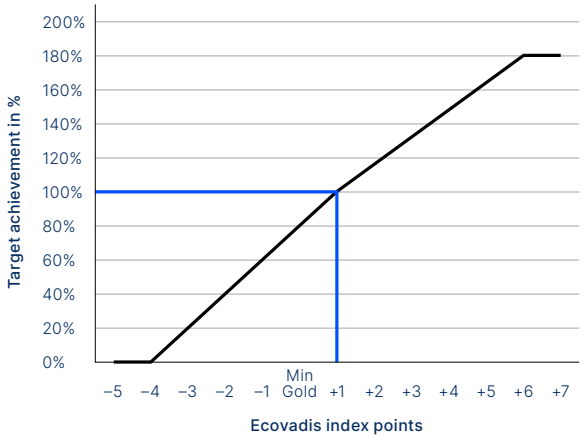
Target value: **EUR 584m**; interval: ± EUR 100m



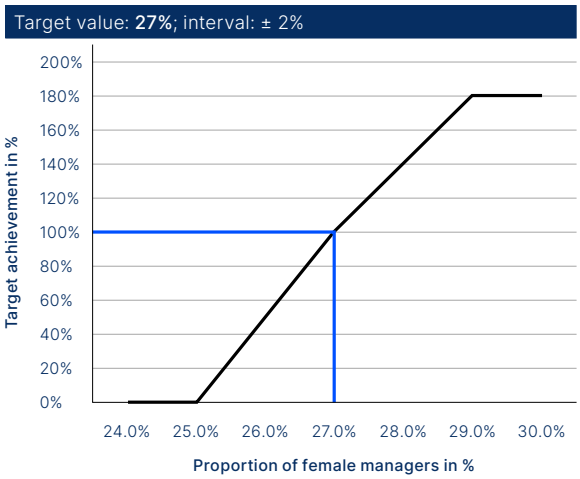
The sustainability category is assigned a weighting of 30% for the overall target achievement level and, in the 2023/2024 tranche, comprises two environment and social performance targets, each with an equal weighting of 15%.

As far as the environmental target is concerned, SCHOTT Group's successful certification by the external and independent rating agency Ecovadis has been defined as the performance target for the financial year 2025/2026. The target value is based on the index points awarded by Ecovadis and is one (1) index point above the minimum required for "gold" category certification. The threshold value and cap are defined based on an interval of ± 5 index points.

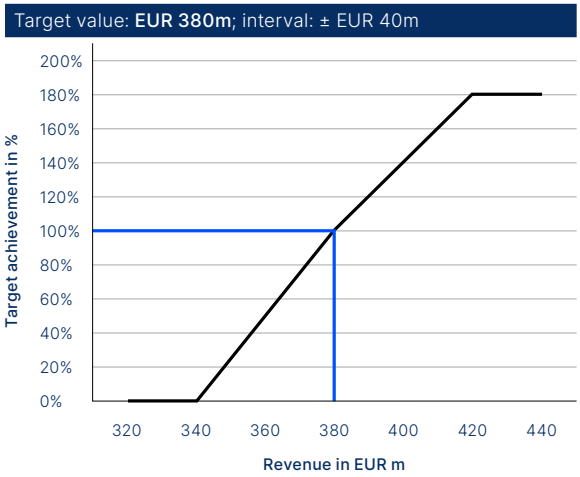
Target value: **1 index point above minimum for gold**
Interval: ± 5 index points



The focus of the social target is on the proportion of female managers with disciplinary management responsibility within SCHOTT Pharma Group. The performance target has been defined as the ratio (in percentage terms) of female managers to the total number of managers not covered by the collectively agreed system or its international equivalent at the end of the performance period, i.e. on 30 September 2027. The target value is 27.0%, the threshold value is 25.0% and the cap is 29.0%.



The strategy category is operationalised in the 2023/2024 tranche through strategic investment projects in Germany, Switzerland, Serbia and Hungary, which will make a key contribution to the successful development of SCHOTT Pharma Group in the long run. The Supervisory Board has set the revenue generated from these projects in the financial year 2026/2027 as the performance target. A target value of EUR 380m has been defined in this regard. The corresponding threshold value is EUR 340m and the cap is EUR 420m. The strategy category is included in the calculation of the overall target achievement level with a weighting of 10%.



Other remuneration

IPO Incentive Programme

Agreements were entered into with both members of the Management Board that provide for bonus payments in the event of a successful IPO. The agreements comprise two elements: an IPO bonus, which incentivises a successful IPO execution, and a retention bonus, which creates incentives to remain with the Company after the IPO. These agreements commenced on 1 March 2022 and will terminate at the end of the month that is twelve months after the first exchange trading day, i.e. on 30 September 2024.

Bonus payments are based on a defined plan amount of EUR 200,000 for Andreas Reisse and EUR 100,000 for Dr. Almuth Steinkühler.

IPO bonus

Under the IPO bonus, the members of the Management Board may receive a bonus amounting to up to three plan amounts (i.e. a maximum of EUR 600,000 for Andreas Reisse and EUR 300,000 for Dr. Almuth Steinkühler). A bonus payment equivalent to a plan amount was agreed for execution of the IPO, irrespective of its success. Depending on the success of the IPO, the IPO bonus may increase by up to two further plan amounts.

The enterprise value of SCHOTT Pharma KGaA was chosen as the reference for determining the success of the IPO, with a multiplier used to determine the number of plan amounts resulting from enterprise value achieved. This multiplier defines the ratio of enterprise value to an agreed EBITDA figure of EUR 200m.

The target value for a successful IPO was set at an enterprise value of EUR 4bn, translating into a multiplier of 20x. In this case, the IPO bonus would increase by a further plan amount for IPO success, on top of the plan amount for IPO execution, bringing the bonus to a total of two plan amounts. A multiplier of 10x was set as the threshold value for IPO success, with a cap at a multiplier of 30x, with multiplier values of more than 10 and less than 30 being rounded commercially, to one decimal place.

The enterprise value at the time of the IPO was EUR 4.2bn, yielding a multiplier of 21 and 1.1 plan amounts respectively. Together with the plan amount for IPO execution, the total IPO bonus thus amounts to 2.1 plan amounts, equivalent to a bonus amount of EUR 420,000 for Andreas Reisse and EUR 210,000 for Dr. Almuth Steinkühler.

The agreements provide for 50% of the IPO bonus to be paid out with the payroll date following the IPO, i.e. October 2023. The remaining 50% will be disbursed with the payroll twelve months after the IPO, i.e. September 2024. Disbursement is subject, however, to both individuals being duly appointed as members of the Management Board of SCHOTT Pharma Management AG on the last day of the respective payment months, and that their respective service contracts are still in force.

Taking these conditions into account, EUR 210,000 were paid to Andreas Reisse and EUR 105,000 to Dr. Almuth Steinkühler in October 2023. For the purposes of the Remuneration Report for the financial year 2022/2023, these payments were considered as remuneration owed for the reporting period.

Given that the Management Board members were duly appointed members of the Management Board of SCHOTT Pharma Management AG on 30 September 2024 and their respective service contracts were still in force, the remaining 50% of the IPO bonus were paid out in September 2024 as agreed. Andreas Reisse received a payment of EUR 210,000, with Dr. Almuth Steinkühler receiving EUR 105,000. These payments are considered as remuneration granted for the reporting period.

Retention bonus

As the second element of the agreement, the retention bonus is focused on retaining the Management Board members for the Company. It will be disbursed with the payroll twelve months after the IPO, i.e. September 2024. The retention bonus provides for one additional payment equivalent to the plan amount set out above. Likewise, disbursement is subject to both individuals being duly appointed as members of the Management Board of SCHOTT Pharma Management AG on the last day of the respective payment month, and that their respective service contracts are still in force.

Given that the Management Board members were duly appointed members of the Management Board of SCHOTT Pharma Management AG on 30 September 2024 and their respective service contracts were still in force, the retention bonus was paid out in September 2024 as agreed. Andreas Reisse received a payment of EUR 200,000, with Dr. Almuth Steinkühler receiving EUR 100,000. These payments are considered as remuneration granted for the reporting period.

Third-party remuneration

Both Management Board members received a bonus from SCHOTT AG, Mainz, Germany, the largest indirect shareholder of SCHOTT Pharma KGaA, during the reporting period. SCHOTT Pharma Group's EBITDA target for the purposes of the STI for the financial year 2022/2023 did not result in a payout. However, both Management Board members demonstrated strong commitment and made a key contribution to SCHOTT Pharma's development, ultimately leading to a successful IPO on 28 September 2023. In recognition of their efforts, SCHOTT AG granted Andreas Reisse a bonus of EUR 40,000 and Dr. Almuth Steinkühler a bonus of EUR 15,000 in March 2024.

In accordance with section 87a(2) sentence 2 AktG, the payments represent a deviation from the remuneration system for Management Board members. The circumstances and the need for the one-off deviation were disclosed to and approved by the Supervisory Board of SCHOTT Pharma Management AG on 12 March 2024.

Total remuneration

The following tables provide an overview of remuneration granted and owed to the members of the Management Board in the reporting year. They also show the maximum remuneration pursuant to section 87a AktG.

Total Remuneration 2023/2024

Andreas Reisse
Chief Executive Officer (CEO) since 8/2022

	2023/2024			2022/2023	
	in EUR	in %		in EUR	in %
Fixed remuneration					
Fixed annual salary	396,507	34.7		355,839	48.8
Fringe benefits	14,918	1.3		12,295	1.7
Pension benefits	106,632	9.3		0	0.0
Total	**518,057**	**45.4**		**368,134**	**50.5**
Variable remuneration					
STI (variable remuneration)	174,096	15.2		149,422	20.5
Other remuneration					
IPO Incentive Programme	410,000	35.9		210,000	28.8
Third-party remuneration	40,000	3.5		0	0.0
Inflation adjustment	0	0.0		1,500	0.2
			Maximum remuneration		
Remuneration granted and owed	**1,142,153**	**100.0**	**2,000,000**	**729,056**	**100.0**
Pension expenses	0			109,555	
Total Remuneration	**1,142,153**			**838,611**	

Dr. Almuth Steinkühler
Member of the Management Board (CFO) since 8/2022

	2023/2024			2022/2023	
	in EUR	in %		in EUR	in %
Fixed remuneration					
Fixed annual salary	254,007	37.5		207,400	50.5
Fringe benefits	23,220	3.4		22,415	5.5
Pension benefits	71,007	10.5		9,000	2.2
Total	**348,234**	**51.4**		**238,815**	**58.1**
Variable remuneration					
STI (variable remuneration)	108,810	16.1		65,380	15.9
Other remuneration					
IPO Incentive Programme	205,000	30.3		105,000	25.6
Third-party remuneration	15,000	2.2		0	0.0
Inflation adjustment	0	0.0		1,500	0.4
			Maximum remuneration		
Remuneration granted and owed	**677,044**	**100.0**	**1,500,000**	**410,695**	**100.0**
Pension expenses	0				
Total Remuneration	**677,044**			**410,695**	

Supervisory Board remuneration

The Annual General Meeting of SCHOTT Pharma KGaA held on 14 March 2024 approved the remuneration system for the members of the Supervisory Board of SCHOTT Pharma Management AG, the general partner of SCHOTT Pharma KGaA, and the remuneration system for the members of the Supervisory Board of SCHOTT Pharma KGaA with a majority of 99.77%.

Considering the responsibilities of members of both boards, due care was taken when determining the remuneration system to ensure that remuneration adequately reflects the demands placed upon Supervisory Board members, both in terms of requirements and the time spent, and that it is deemed appropriate relative to prevailing market terms.

In line with this objective, Supervisory Board members receive fixed remuneration, plus additional remuneration for membership of a Supervisory Board committee.

In addition, all Supervisory Board members are reimbursed for expenses incurred in connection with exercising their mandate, as well as any value-added tax that may be payable on their fees.

Fixed remuneration amounts to EUR 40,000 per financial year for each member of the Supervisory Board; the Chair of the Supervisory Board receives twice this amount, the Deputy Chair one and a half times.

Each member of the Audit Committee of SCHOTT Pharma KGaA's Supervisory Board receives additional committee remuneration of EUR 10,000 for each financial year. The Chair of the Audit Committee of SCHOTT Pharma KGaA's Supervisory Board receives a further EUR 10,000 per financial year.

All amounts apply to a full financial year; where a member has not served for the full financial year, the amounts are reduced pro rata temporis (in full months).

Payment of committee remuneration is subject to the respective committee having fulfilled its duties at a meeting during the respective reporting period.

As of 30 September 2024, the members of the Supervisory Board of SCHOTT Pharma Management AG are Dr. Frank Heinricht (Chairman), Kai Olbricht (Deputy Chairman), Peter Goldschmidt and Dr. Wolfgang Wienand. Dr. Frank Heinricht, Peter Goldschmidt and Dr. Wolfgang Wienand served as members throughout the entire reporting period. Dr. Jens Schulte resigned from the Supervisory Board with effect from 30 April 2024, and Kai Olbricht joined the Supervisory Board on 1 May 2024.

As of 30 September 2024, the members of the Supervisory Board of SCHOTT Pharma KGaA are Peter Goldschmidt (Chairman), Dr. Wolfgang Wienand (Deputy Chairman), Ann-Kristin Erkens, Eva Kienle, Christine Wening (employee representative) and Mario Just (employee representative). All of these individuals served as members of the Supervisory Board throughout the entire reporting period. Peter Goldschmidt and Dr. Wolfgang Wienand are also members of the Supervisory Board of SCHOTT Pharma Management AG.

Overview of remuneration for Supervisory Board members in the financial year 2023/2024:

(in EUR)		Financial year	Period of appointment	Fixed remuneration	Remuneration for committee membership	Total remuneration
SCHOTT Pharma Management AG						
Dr. Frank Heinricht[1]	Chairman	**2023/2024**	**entire year**	**–**	**–**	**–**
		2022/2023	entire year	–	–	–
Dr. Jens Schulte[1]	Deputy Chairman	**2023/2024**	**until April 2024**	**–**	**–**	**–**
		2022/2023	entire year	–	–	–
Kai Olbricht[1]	Deputy Chairman	**2023/2024**	**since May 2024**	**–**	**–**	**–**
		2022/2023	–	–	–	–
Peter Goldschmidt		**2023/2024**	**entire year**	**40,000**	**–**	**40,000**
		2022/2023	since April 2023	16,667	–	16,667
Dr. Wolfgang Wienand		**2023/2024**	**entire year**	**40,000**	**–**	**40,000**
		2022/2023	since April 2023	16,667	–	16,667
SCHOTT Pharma AG & Co. KGaA						
Peter Goldschmidt	Chairman	**2023/2024**	**entire year**	**80,000**	**–**	**80,000**
		2022/2023	since April 2023	33,333	–	33,333
Dr. Wolfgang Wienand	Deputy Chairman	**2023/2024**	**entire year**	**60,000**	**–**	**60,000**
		2022/2023	since April 2023	25,000	–	25,000
Eva Kienle		**2023/2024**	**entire year**	**40,000**	**20,000**	**60,000**
		2022/2023	since April 2023	16,667	3,333	20,000
Ann-Kristin Erkens		**2023/2024**	**entire year**	**40,000**	**10,000**	**50,000**
		2022/2023	since April 2023	16,667	1,667	18,334
Christine Wening		**2023/2024**	**entire year**	**40,000**	**10,000**	**50,000**
		2022/2023	since April 2023	16,667	1,667	18,334
Mario Just		**2023/2024**	**entire year**	**40,000**	**–**	**40,000**
		2022/2023	since April 2023	16,667	–	16,667

[1] Dr. Frank Heinricht and Dr. Jens Schulte, members of the Management Board of SCHOTT AG, and SCHOTT AG senior executive Kai Olbricht did not receive any remuneration for their work on the Supervisory Board of SCHOTT Pharma Management AG.

Change in remuneration for the Management Board, compared to remuneration for employees and the Supervisory Board

Pursuant to section 162(1) sentence 2 no. 2 AktG, the table below provides an overview of the annual change in the remuneration granted and owed to members of the Management Board and the Supervisory Boards, as well as the development of average remuneration paid to employees and the earnings development of the Company and SCHOTT Pharma Group.

Employee remuneration is based on SCHOTT Pharma KGaA's total workforce comprising all employees in Germany below the Management Board. Total workforce includes all employees regardless of whether they are covered by the collectively agreed system as well as senior executives ("leitende Angestellte"); it does not include apprentices. For employees who did not work for SCHOTT Pharma KGaA in Germany throughout the financial year, remuneration is extrapolated to twelve months. Remuneration is determined based on full-time equivalents.

The limitation to only include staff employed in Germany is due to different salary levels worldwide; it also reflects the fact that the two members of the Management Board have their place of work in Germany and are resident there.

Besides the base salary, average remuneration of the total workforce includes fringe benefits, add-on payments, bonuses and variable remuneration, which may fluctuate due to their very nature, depending on actual target achievement.

Earnings development is presented based on revenue and EBITDA of SCHOTT Pharma Group as well as profit for the period (in accordance with the HGB) of SCHOTT Pharma KGaA – key performance indicators for SCHOTT Pharma KGaA and SCHOTT Pharma Group. Furthermore, revenue and EBITDA form part of financial targets to determine variable remuneration for members of the Management Board and numerous employees within the overall workforce. These indicators therefore have a material impact on the level of remuneration. The earnings development of SCHOTT Pharma Group for the financial year 2023/2024 is shown below:

Change in earnings performance, compared to remuneration for the Management Board, employees and the Supervisory Board

	2023/2024		2022/2023	
		Change in %		Change in %
Earnings performance (in EURm)				
SCHOTT Pharma Group revenue	957.1	6.5	898.6	9.4
SCHOTT Pharma Group EBITDA	257.6	7.7	239.0	8.8
SCHOTT Pharma KGaA profit for the period (HGB)	39.9	–8.4	43.5	71.3
Average employee remuneration (in EUR)				
Total workforce in Germany (excluding the Management Board)	71,322	4.6	68,194	7.3
Current members of the Management Board (in EUR)				
Andreas Reisse	1,142,153	56.7	729,056	10.1
Dr. Almuth Steinkühler[1]	677,044	64.9	410,695	104.6
Current members of the Supervisory Board (in EUR)				
Dr. Frank Heinricht[2]	–	–	–	–
Dr. Jens Schulte[2]	–	–	–	–
Kai Olbricht[2]	–	–	–	–
Peter Goldschmidt[3]	120,000	140.0	50,000	–
Dr. Wolfgang Wienand[3]	100,000	140.0	41,667	–
Eva Kienle[3]	60,000	200.0	20,000	–
Ann-Kristin Erkens[3]	50,000	172.7	18,334	–
Christine Wening[3]	50,000	172.7	18,334	–
Mario Just[3]	40,000	140.0	16,667	–

[1] Joined SCHOTT Group on 1 Feb 2022.
[2] Dr. Frank Heinricht and Dr. Jens Schulte, members of the Management Board of SCHOTT AG, and SCHOTT AG senior executive Kai Olbricht did not receive any remuneration for their work on the Supervisory Board of SCHOTT Pharma Management AG.
[3] Joined the Supervisory Board as of April 2023; therefore, remuneration for the financial year 2022/2023 was granted on a pro-rata basis.

Liability remuneration for SCHOTT Pharma Management AG/reimbursement of expenses for the financial year 2023/2024

In its capacity as general partner, SCHOTT Pharma Management AG received annual remuneration of EUR 2,000 (= 4% of the share capital), which is independent of profits and losses, for assuming management responsibilities and personal liability.

SCHOTT Pharma Management AG is also entitled to receive compensation from SCHOTT Pharma KGaA for all expenses associated with the management of the Company's business, including the remuneration paid to members of its executive bodies.

Mainz, Germany, 10 December 2024

SCHOTT Pharma AG & Co. KGaA

For the Supervisory Board	For the Management Board	
Peter Goldschmidt	Andreas Reisse	Dr. Almuth Steinkühler

Independent auditor's report

To SCHOTT Pharma AG & Co. KGaA

We have audited the attached remuneration report of SCHOTT Pharma AG & Co. KGaA, Mainz, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from October 1, 2023 to September 30, 2024 and the related disclosures.

Responsibilities of the executive directors and the Supervisory Board

The executive directors and Supervisory Board of SCHOTT Pharma AG & Co. KGaA are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from October 1, 2023 to September 30, 2024 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec.162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec.162 (1) and (2) AktG are made in the remuneration report in all material respects.

Eschborn/Frankfurt am Main, December 10, 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Baur	Behr
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Glossary

adaptiQ®

adaptiQ® pharmaceutical glass vials are sterilised, eliminating the need for washing, depyrogenation and other complex steps in the filling process. In addition, their standardised packaging increases flexibility by allowing filling machines to switch quickly and easily between cartridges, vials and syringes.

Aluminium crimp seal

Aluminium cap for securely closing cartridges or vials. Once the seal is opened, the vial/cartridge cannot be closed again.

Biologics

Biologics (also referred to as biologicals or biopharmaceuticals) are drugs produced from living organisms or their cells. They span a wide range of products such as vaccines, blood products, monoclonal antibodies and recombinant proteins. Unlike conventional, chemically produce drugs, biologics often have a more complex structure and manufacturing process. Biologics can act on specific molecules or cells, resulting in a more precise treatment. This, in turn, opens up new possibilities for treating diseases that had previously been very difficult or even impossible to treat, for example certain types of cancer, infectious diseases, and autoimmune or chronic diseases such as rheumatoid arthritis and multiple sclerosis. In most cases, biologics can only be administered to patients parenterally (i.e. bypassing the gastrointestinal tract) or in injectable form.

Biosimilars, biosimilar drug

A biosimilar is a generic version of a biologic with an expired patent. It is highly similar to the original product in terms of quality, safety and efficacy.

Borosilicate glass

Invented by SCHOTT company founder Otto Schott in 1887, borosilicate glass is used for a wide variety of pharmaceutical containment solutions such as syringes, cartridges, vials and ampoules. Mainly produced from silicon oxide and boron trioxide, its high chemical durability and thermal resistance make it the material of choice for storing and administering drugs safely. It can be completely recycled by melting it down.

Cartridges

Glass cylinders that are a hybrid between a vial and syringe. They are inserted into injection devices (for example autoinjectors, injection pens, wearable injection devices) to dispense simple or complex drugs in accurate doses. They are a proven and safe form of drug delivery. The main applications are cartridges used to facilitate self-administration of insulin or GLP-1 for diabetes patients or containing dental anaesthetics.

cartriQ®

cartriQ® is a sterilised, prefillable glass cartridge designed, for example, for small- to large-volume subcutaneous injections (i.e. injections under the skin). It demonstrates improved compatibility with biologics, driven by superior mechanical and chemical performance, and has a standardised secondary packaging that maximises fill-and-finish flexibility. Part of the high-value segment, the cartriQ® range is suitable for autoinjectors and on-body delivery systems, providing a reliable solution for sophisticated drug formulations.

Core

Proven standardised containment solutions made of hot-formed tubular glass for safely storing drugs; SCHOTT Pharma is the market leader in this product category across all major geographies and ensures high delivery quality and reliability through regional production.

Cryogenic

Cryogenic cooling means rapidly and effectively cooling materials down to ultra-low temperatures using liquefied gases. Drugs and biological samples are often stored at ultra-low temperatures, for example to preserve their effectiveness and stability or to extend their shelf life.

DCS, Drug Containment Solutions

One of SCHOTT Pharma's two segments, together with DDS (Drug Delivery Systems). Core-category products make up the bulk of the DCS portfolio.

DDS, Drug Delivery Systems

One of SCHOTT Pharma's two segments, together with DCS (Drug Containment Solutions). The high-margin DDS products have exceptional product functionality and belong to the HVS portfolio.

EMEA

Europe, Middle East and Africa.

Employee Commitment Index

Index measuring employee satisfaction, determined annually using Pulse Check and by conducting an employee survey every two years.

EVERIC® pure

Brand name for SCHOTT Pharma vials, developed specially for demanding or sensitive substances, including water for injection or complex biologics. The high-quality inner surface of the vials is designed to minimise potential interactions between the drug and the vial.

FDA

US Food and Drug Administration. The FDA is responsible for approving, controlling and monitoring drugs, vaccines and medical devices in the US.

Fill-and-finish process

In the pharmaceutical industry, the fill-and-finish process involves filling the finished drug into its final containment form for administration – such as an ampoule, vial or prefillable syringe – and closing, labelling and packaging the product afterwards. The fill-and-finish process is crucial for ensuring the quality and safety of the final product and must be conducted under strict sterile conditions to prevent contamination. This step is particularly important for biologics and vaccines since these products are extremely sensitive and require specific handling.

GLP-1

GLP-1 (also referred to as GLP-1 receptor antagonist (RA) or incretin mimetic) is a hormone that is produced in the human intestine and plays a major role in sugar metabolism. GLP-1 drugs mimic the mechanism of the GLP-1 intestine hormone by increasing pancreatic insulin release while inhibiting glucagon secretion. This results in reduced blood glucose levels and slower gastric emptying. As this makes patients feel less hungry, GLP-1 RA drugs can help with weight loss as well as controlling blood sugar. They are used for treating type 2 diabetes and, more recently, overweight and obesity.

High-tech polymer

Specific category of polymers suitable for various healthcare applications; they are characterised by high chemical stability, strong barrier properties and design flexibility, making them a valuable alternative to glass packaging. One example of a high-tech polymer is COC (cyclic olefin copolymer) which is used by SCHOTT Pharma for its PFS. Polymer syringes are increasingly being used where glass syringes do not meet the relevant requirements, for example for deep-cold medications or highly viscous drugs, or whenever the material needs to be break-resistant.

HVS, high-value solutions

Based on proprietary know-how, high-value solutions products have exceptional functionality and include washed and sterilised prefillable syringes, specialty products, vials and cartridges in ready-to-use configurations that can be filled by SCHOTT Pharma customers with minimal preparation. Our aim is for the revenue contribution of our high-margin HVS products to grow from 55% (2023/2024) to more than 60% in the medium term.

Injection pen

An injection pen is a medical device prefilled with a drug dose that is used for administering drugs via the injection route. SCHOTT Pharma supplies glass cartridges for these pens. Typical applications include insulin treatment of diabetes or GLP-1 administration. Injection pens are also used for treating other chronic diseases requiring injections at regular intervals, including growth hormone deficiencies or certain autoimmune diseases.

mRNA-based therapy

An mRNA-based therapy uses messenger RNA (mRNA) that trains the immune system to combat a certain disease. The immune system identifies the viral protein encoded by the mRNA as foreign and initiates the production of antibodies and T cells. This prepares the immune system to combat the virus if the body is exposed to it in the future. This promising treatment approach is being studied for a variety of conditions, including cancer, cardiovascular diseases and infectious diseases.

mRNA-based vaccine

mRNA-based vaccines are administered by injection and contain synthetic mRNA that codes for a specific viral protein. Human cells take up this mRNA to produce the viral protein.

PFS

Abbreviation for prefillable syringe(s). Prefillable syringes fulfil two functions: they act as a container for stable, long-term storage of complex and sensitive drugs, but also provide the injection system for administering the medication. Using prefillable syringes eliminates the need for many preparatory steps that would otherwise be carried out when using vials in combination with disposable syringes. This solution improves user comfort considerably while reducing the risk of incorrect use or contamination. Prefillable syringes are also suitable for home use by patients. They are available in glass or plastic.

SCHOTT FIOLAX®

SCHOTT AG's brand name for a borosilicate glass tube that is particularly suitable for producing pharmaceutical drug containers such as syringes, cartridges, vials and ampoules. SCHOTT FIOLAX® was developed in 1911 by SCHOTT's founder, Otto Schott. Its high chemical resistance, impermeability, tightness and mechanical strength make it suitable for storing sensitive pharmaceuticals, generics and state-of-the-art biotech products, particularly for parenteral administration.

SCHOTT TopLyo®

Brand name for pharmaceutical vials with a chemically uniform, hydrophobic inner coating that prevents fogging during lyophilisation. This is an important benefit as fogging would result in an increase in rejects.

SCHOTT TOPPAC® freeze

Brand name referring to prefillable polymer syringes that are particularly suitable for drugs that must be stored at temperatures as low as –100 °C. They are made of a high-tech polymer.

SCHOTT Type I plus®

Brand name referring to pharmaceutical glass vials suitable for storing sensitive drug formulations in the low to medium pH range. They are made of high-quality SCHOTT FIOLAX® borosilicate glass and have an ion barrier coating that can reduce adsorption and minimise the leaching of glass elements into the pharmaceutical drug product.

Multi-Year Overview

Results of operations		2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Revenue[1]	in EUR m	957	899	821	649	584
Revenue growth at constant currencies	in %	12	8	21	15	n/a[2]
High-value solutions (HVS) revenue share	in %	55	48	39	33	30
EBITDA[1]	in EUR m	258	239	220	164	132
EBITDA margin	in %	26.9	26.6	26.8	25.3	22.6
EBIT[1]	in EUR m	193	192	164	128	98
Profit for the period[1]	in EUR m	150	152	126	101	78
Earnings per share[1]	in EUR	0.99	1.01	0.83	0.67	0.51
Dividend per share	in EUR	0.16[3]	0.15	0.13	n/a[2]	n/a[2]
ROCE	in %	20	23	24	25	22

Financial position		2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Cash flows from operating activities (A)[1]	in EUR m	225	182	182	132	104
Cash flows from investing activities (B)[1]	in EUR m	–146	–171	–142	–96	–81
Free cash flow (A+B)	in EUR m	79	10	40	36	23

Net assets		30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
Working capital	in EUR m	175	186	174	142	125
Working capital in % of revenue	in %	18.3	20.7	21.2	22.0	21.3
Equity ratio[1]	in %	54.9	56.2	59.3	56.7	53.0
Capital employed	in EUR m	980	912	804	570	472
Net debt[1]	in EUR m	119	148	3	53	63

Employees		30 Sep 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021	30 Sep 2020
Headcount (as of the reporting date)		4,690	4,646	4,848	n/a[2]	n/a[2]

[1] In advance of the listing of SCHOTT Pharma AG & Co. KGaA on the Frankfurt Stock Exchange, combined financial statements were prepared for SCHOTT Pharma's business activities in the financial years as of 30 September 2022, 2021 and 2020. The comparative figures presented for the financial years 2021/2022, 2020/2021 and 2019/2020 correspond to the information in the combined financial statements.
[2] Not applicable.
[3] Dividend proposed for the financial year 2023/2024.

Financial calendar

4 February 2025	Annual General Meeting
13 February 2025	Quarterly Statement as of 31 December 2024
15 May 2025	Half-year Financial Report as of 31 March 2025
12 August 2025	Quarterly Statement as of 30 June 2025
10 December 2025	Annual Report 2024/2025

Disclaimer/forward-looking statements

This Annual Report contains numerous forward-looking statements which are based on the Company's assumptions, expectations and intentions. Such statements are indicated by words like "expect", "assume", "intend" or similar wording and are based both on the information currently available to management and on the prevailing environment. These may change at any time. The Company assumes no liability for the ultimate correctness and accuracy of any expectations or assumptions expressed in this report. The Company also undertakes no obligation to update any of its forward-looking statements to bring them in line with actual developments after this Annual Report has been published.

Publication

This Annual Report was published on 12 December 2024. The document is also available in German. In the event of any discrepancies, the German version shall be authoritative and prevail over the English translation.

In the interest of sustainability, the Company's annual reports, interim reports and annual financial statements are not available in printed form. All annual and interim reports are available online for download in PDF format.

Rounding, language and formatting

Due to rounding, individual figures in this document and in other documents may not correspond exactly to the totals stated, and percentages shown may not exactly reflect the absolute values to which they relate.

It is also possible that, for technical reasons, the formatting of the accounting records contained in this document deviates from that of records published in accordance with statutory provisions.

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