

Financial Report | 2024

Key financial indicators for the Group

	2024	2023*	Change (%)
Financial performance (€ million)			
Revenue excluding precious metals	2,711	2,862	- 5.3
Total revenue	29,397	25,649	+ 14.6
Earnings before interest, tax, depreciation, amortization, and impairment (EBITDA)	600	797	- 24.7
Earnings before interest and tax (EBIT)	320	572	- 44.1
Profit before taxes (EBT)	314	547	- 42.6
Profit after taxes	237	411	- 42.3
Financial position (€ million)			
Total assets	7,906	7,466	+ 5.4
Shareholders' equity	4,703	4,494	+ 4.7
Equity-to-assets ratio (%)	59	60	
Cash flow (€ million)			
Net cash provided by operating activities	563	634	- 11.2
Cash payments for investments in non-current assets	335	360	- 6.9
Depreciation, amortization, and impairment of non-current assets (excluding right-of-use assets)	261	203	+ 28.6
Employees			
Employees at year-end	15,181	15,170	+ 0.1
In Germany	4,731	4,750	- 0.4
Outside Germany	10,450	10,420	+ 0.3

* Prior-year figures restated, see Note (2b) to the consolidated financial statements

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VISION

Our Vision

In a world characterized by rapid technological developments, climate change and geopolitical tensions, companies face complex challenges.

To strengthen the resilience of the Heraeus Group in this volatile environment and to continue the success story of sustainable growth, we have formulated our identity and priorities in the **Heraeus Vision**.

A central aspect is the sustainable positioning of our company, not only to reduce our ecological footprint, but also to ensure our economic stability in the long term. In addition, we are emphasizing more on digitalization and innovation to remain competitive in an increasingly interconnected and digital market environment.

The **Heraeus identity** describes the essence of our company and what makes us special. It is a strong foundation and a clear anchor that we can rely on.

As **Heraeus Priorities**, we have formulated central topics for the Heraeus Group that serve as a “common denominator” for success in all Operating Companies. These include striving for market leadership by focusing even more strongly on customer orientation, innovation and excellence.

The **Heraeus Claim** is another component of the Heraeus vision:

MATERIALS. INNOVATIONS. FOR GENERATIONS.

It reflects our diversified portfolio and our activities and makes our long-term orientation visible.

In addition, we have developed **Heraeus Principles**. These are about how we want to work and interact with each other and what we expect of ourselves and others.

These shared goals and values will enable the Heraeus Group to maintain its resilience and adaptability in an ever-evolving global landscape.

VISION

Our Identity

Building on Centuries of Heritage

We are a family-owned, global technology company. With responsible leadership and technology we enable sustainable transformation towards a healthy planet and society.

We are forward looking, curious, creative and eager to learn. With our expertise and our resources we have been making meaningful contributions over generations and we are committed to do so in the future.

Only successful businesses sustain long term. What makes us strong is our entrepreneurial drive, our independence, financial stability and our integrity.

VISION

Our Priorities

Clear Focus for a Shared Future

We create value through the continued success of our operating companies, each with unique missions and opportunities. We strive for market leadership. Customer focus, innovation, excellence, digitalization and scalability are key levers.

We strengthen growth and resilience of the Heraeus Group's diversified and global portfolio through entrepreneurial investments, partnerships and deep understanding of technologies and our markets.

We are powered by our people. Integrity, leadership, talent development and performance culture are key to our success. We foster a diverse, equitable, and inclusive workplace where employees feel empowered to thrive.

We are committed to sustainability and responsibility. We are convinced that embracing sustainability and responsibility not only supports our business growth, but also guarantees long-term success and a positive impact. We are also achieving this by strengthening our compliance organisation and culture.

Letter from the Board of Managing Directors

Dear shareholders,

Much like the year before, 2024 was characterized by significant macroeconomic and geopolitical uncertainty. While inflation normalized again over the course of the year, the war in Ukraine and the conflict in the Middle East continued. Protectionism and territorial tensions are on the rise around the world. The US presidential elections further exacerbated these uncertainties. At the same time, we are facing a broad range of structural challenges in Europe. We are meeting these by maintaining a high degree of adaptability and concentrating on factors that are within our control: customer focus, innovation, and excellence.

Against this backdrop, the market environment in the industries of relevance to us remained challenging. In the precious metal sector, falling prices for precious metals had a significant impact on contributions to earnings. By contrast, our healthcare business performed very well overall. Despite a weaker market environment in the semiconductor and electronics sectors, we achieved a good result at group level that was slightly lower than in previous years but nonetheless solid.

The Group's total revenue amounted to €29.4 billion in 2024. Revenue excluding precious metals diminished by 5 percent year on year to €2.7 billion. Profit after taxes came to €236.5 million. Earnings for 2024 were adversely affected by non-recurring expenses of €45.8 million and earnings for 2023 were restated to retrospectively reflect nonrecurring expenses of €48.1 million, in connection with irregularities in the recycling process at Heraeus Precious Metals that were identified following a report via our internal whistleblowing system. On initiative of Heraeus, an external law firm has been commissioned to investigate the case and appropriate remedial action has been and continues to be taken. At the time the accounts were prepared, the first part of the investigation had been largely completed. The second part of the investigation remained ongoing at the time the consolidated financial statements were prepared. The likely impact on the financial position and financial performance has been analyzed on the basis of the provisional assessment of the case as provided by the external law firm. Our customers' trust and confidence in our business is the foundation of our success. We do not tolerate any violations of our compliance and production policies.

Innovation is at the heart of the Heraeus vision. In 2024, we therefore continued with our systematic approach of investing in research and development and in the expansion of our international footprint. For example, the Heraeus Medevio site in the Czech Republic was expanded and two new plants were opened in China – one for Heraeus Electro-Nite in Tangshan and one for Heraeus Electronics in Changshu. These strategic investments helped us to further strengthen our position in the market and drive forward our global growth.

Celebrations for the 50th anniversary of our activities in China were a particular highlight in 2024. Over half a century, Heraeus' presence in China has evolved from one refinery in Hong Kong to a network of sites in twelve Chinese cities. This illustrates how successfully our business has expanded at an international level.

The Heraeus Group continued on its generally positive trajectory from recent years. It achieved the targets set out in the Heraeus vision for 2025 and thus created a solid foundation for future growth.

We are also proactively tackling the shortage of skilled workers. In 2024, we launched a new employer branding campaign to position the company as an attractive and forward-looking employer. The goal of the campaign is to increase the company's visibility in national and international markets and to attract new talent.

In the reporting year, we continued to systematically expand our sustainability activities, with a particular focus on the use of renewable energies in our production operations. By doing so, we are actively contributing to the protection of our planet for future generations to enjoy.

Under the banner of our new vision, we are committed to continuing on this journey over the coming years. Key aspects such as customer focus, innovation, and excellence have been refined and new priorities have been added that we regard as crucial for our future success. For the first time in the history of the company, the vision also includes a tagline that perfectly sums up our business and our long-term thinking:

Materials. Innovations. For Generations.

External conditions remain volatile in 2025. Growing protectionism and persistent geopolitical tensions continue to have a dominant influence on the environment. At Heraeus, we will therefore continue to boost our resilience and position ourselves in a way that enables us to respond to the constantly changing conditions in a flexible manner – two core aspects of the new Heraeus vision.

We are confident that the Heraeus Group will continue to set standards thanks to its clear focus on sustainable innovation and technological excellence. Integrity, enthusiasm, and courage are cornerstones of our success. At the same time, we continue with our efforts to lower our costs and optimize our processes in order to enable our business to seize opportunities in our markets as and when they arise. We are also placing increased emphasis on strengthening our governance and compliance structures and on fostering a culture where integrity, honesty, and fairness define how we treat each other and work together.

Our heartfelt thanks go to all employees of the Heraeus Group for their hard work and dedication in what was a challenging but also successful year. And we would also like to thank our customers and business partners for the always constructive collaboration and their unwavering support.

The Board of Managing Directors of Heraeus Holding GmbH



Dr. Frank Stietz
Chairman



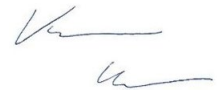
Rolf Wetzel



Dr. Steffen Metzger



Heiko Specht



Dr. Klemens Brunner

Management and supervisory bodies of Heraeus Holding GmbH

Board of Managing Directors of Heraeus Holding GmbH

Dr. Frank Stietz Chairman (CEO since May 23, 2025)

Jan Rinnert Chairman (until May 22, 2025)

Rolf Wetzel

Dr. Steffen Metzger (since August 15, 2025)

Heiko Specht (since August 15, 2025)

Dr. Klemens Brunner (since August 15, 2025)

Supervisory Board of Heraeus Holding GmbH

Franz Haniel Chairman

Florian Pieroth Vice Chairman

Dr. Simone Bagel-Trah

Dr. Markus Binder

Dr. Hans-Tjabert Conring

Dr. Martina Gieg

Birgit Heraeus-Roggendorf

Dr. Hubert Lienhard

Annette Lukas

Uwe Raschke (until December 31, 2024)

Peter Schuld

Dr. Mohsen Sohi (from February 1, 2025)

Christian Stübing

Report of the Supervisory Board

**Dear shareholders,
dear readers,**

From an operations perspective, the Heraeus Group delivered satisfactory results again in 2024 and thus steadfastly navigated another year shaped by multiple geopolitical crises and uncertainties. The clear positioning of the Heraeus Group and its long-term strategy were crucial elements that contributed to this solid performance in a challenging market environment. These difficult conditions will remain a relevant factor in 2025 as well.

At the Heraeus Precious Metals operating company irregularities in the recycling process were identified via the internal whistleblowing system. The Board of Managing Directors has instructed an external law firm to conduct an independent investigation of the issue. Appropriate remedial action has been and continues to be taken. The incidents resulted in non-recurring expenses that impact on earnings for 2024 and, retrospectively, on earnings for 2023. At the time the accounts were prepared, the first part of the investigation had been largely completed. The second part of the investigation remained ongoing at the time the consolidated financial statements were prepared. Based on the findings that the investigation has produced so far, the Supervisory Board agrees with the assessment of the Board of Managing Directors regarding the level of risk provisioning and believes that the provisions that have been recognized are reasonable and sufficient.

The Board of Managing Directors made determined progress in taking the Heraeus Group forward in alignment with its long-term strategic goals. In this context, the focus was on strengthening the portfolios of the individual operating companies (OpCos), especially with regard to innovation, people and culture, digitalization, and artificial intelligence. Moreover, the individual OpCos drove forward their respective strategies.

Dialogue with the Board of Managing Directors

In 2024, the Supervisory Board diligently performed the monitoring and advisory duties incumbent upon it by law, the articles of association, and its rules of procedure, and maintained a close dialogue with the Board of Managing Directors. The Board of Managing Directors also updated the Supervisory Board about significant business transactions.

In the Supervisory Board meetings, the Board of Managing Directors reported on current business performance and the further development and prospects of the individual business units, and provided a summary report of the performance of the Group as a whole. The Supervisory Board and the Board of Managing Directors discussed all fundamental matters of corporate policy, business

performance, organization, and strategy in depth at these meetings, giving particular attention to the Group's risk situation and risk management systems, and Group Internal Audit. The Board of Managing Directors also briefed the Supervisory Board on the Group's performance over the course of the year by means of quarterly reports. Acquisition and transaction projects within the Heraeus Group were another important topic of discussion.

Business transactions requiring Supervisory Board approval in accordance with the law and the articles of association were presented, scrutinized, and discussed in detail at the meetings and information events. The Supervisory Board voted on the reports and on the proposed resolutions of the Board of Managing Directors, in so far as this was required by law and the articles of association, after having comprehensively reviewed and discussed them. Any questions raised were answered in detail by the Board of Managing Directors.

In addition to the meetings mentioned above, the Chairman of the Supervisory Board also maintained close contact with the Board of Managing Directors. He was informed of significant business transactions and current events of importance for assessing the situation and performance of the Heraeus Group and its management. He also advised the Board of Managing Directors in its strategic decisions, in particular with regard to acquisition and transaction projects within the Heraeus Group.

Throughout the reporting period, the Supervisory Board comprehensively fulfilled its duty to monitor the Board of Managing Directors. In light of the incidents relating to the recycling process at Heraeus Precious Metals, it is important to us to highlight that Heraeus does not tolerate any violations of applicable rules and legislation. The identified misconduct is irreconcilable with all of the corporate values for which Heraeus stands. Rigorous measures are being taken to investigate, stop, and sanction it.

Supervisory Board meetings, information events, and written resolutions

Three meetings of the Supervisory Board took place in 2024, along with four information events. Two written resolutions were circulated for approval outside the meetings. The Board of Managing Directors also kept the Supervisory Board regularly and comprehensively informed of all current issues.

In a letter dated January 3, 2024, the Board of Managing Directors notified the Supervisory Board of the completion of the sale of 100 percent of the shares in Heraeus Noblelight GmbH to Excelitas Technologies Corporation.

At its meeting on April 24, 2024, the Supervisory Board was briefed on the 2023 financial year, on the performance of the business, and on current M&A projects. It also received a report on risk management. Further central topics included innovations and the further development of the portfolio in the context of the new vision for the Heraeus Group. The Chairman of the Audit Committee also reported in detail on the committee's work and discussed, in the presence of the auditors, the single-entity financial statements of Heraeus Holding GmbH and the consolidated financial statements of Heraeus Holding GmbH for the year ended December 31, 2023, in each case including the management report. As no objections were raised to these financial statements, the Supervisory Board approved them, along with the resolution on the appropriation of profit proposed by the Board of Managing Directors, after careful review and thorough deliberation. Moreover, the agenda for the next shareholders' meeting was signed off.

At its meeting on June 8, 2024, the Supervisory Board discussed the agenda of the subsequent shareholders' meeting. The Board of Managing Directors also provided a detailed report on key financials and progress with current M&A projects.

In a letter dated June 28, 2024, the Board of Managing Directors notified the Supervisory Board of the completion of the purchase of 100 percent of the shares in McCol Metals (Canada) Ltd.

By way of a written resolution over the period from July 25, 2024 to July 31, 2024, the Supervisory Board approved a special distribution following the 2024 Heraeus Share Days.

In a letter dated September 17, 2024, the Board of Managing Directors notified the Supervisory Board of the unanimous approval of the special distribution by the shareholders' meeting on September 13, 2024.

In a letter dated September 30, 2024, the Board of Managing Directors notified the Supervisory Board of the fact that Mr. Uwe Raschke would be stepping down from his role as a member of the Supervisory Board with effect from 24:00 on December 31, 2024.

The Board of Managing Directors presented the Supervisory Board with the current risk report on November 27, 2024.

At the meeting on December 12, 2024, the Board of Managing Directors reported on the ongoing business situation, strategic topics, and progress with several M&A projects. The meeting also received a presentation on the Heraeus Group's financial planning for 2024 to 2025, including the borrowing framework. The planning was reviewed in depth and approved. In addition, the Supervisory Board was informed at this meeting that an incident in the

recycling process had been reported via the whistleblowing system and that an external law firm would be instructed to investigate it.

Another agenda item was the 2024 human resources report, which focused on the global launch of the new employer brand ('Employer of Choice') as well as on talent management, attracting skilled workers, training, culture & diversity, and digitalization & artificial intelligence. In addition, an overview of the employee surveys conducted in 2024 was provided.

The report on the review in accordance with the European Market Infrastructure Regulation (EMIR) was provided to the Supervisory Board together with the invitation to this meeting.

Meetings and resolutions of the committees

The Supervisory Board's Audit Committee convened for three meetings and one workshop in 2024.

At its meeting on March 20, 2024, the Board of Managing Directors presented the single-entity and consolidated financial statements that it had prepared for 2023. The Audit Committee discussed these statements, including the auditor's key audit points, at the meeting. In addition, the Board of Managing Directors reported on risk management and presented an overview of current M&A projects. The auditors from KPMG AG Wirtschaftsprüfungsgesellschaft responsible for the audit participated in this meeting.

On September 18, 2024, a workshop on security and recycling in relation to precious metals was held in Hanau, which included a tour of the production facility. Representatives from KPMG AG Wirtschaftsprüfungsgesellschaft participated in this workshop.

At its meeting on September 18, 2024, the Audit Committee primarily dealt with the Group's 2024 half-year report and with current business performance, and discussed the key areas of focus for the audit of the 2024 annual financial statements. It also received reports on the current status of M&A projects.

The meeting on December 12, 2024 mainly focused on the reports concerning alleged irregularities in the recycling process at the Heraeus Precious Metals site in Hanau, as well as on the ongoing business situation, the responsibility management system, the risk management system, and Group Internal Audit. At this meeting, the Board of Managing Directors of Heraeus Holding GmbH announced that an independent investigation of the reports would be conducted by an external law firm. The Chairman of the Audit Committee emphatically welcomed this decision. The law firm was instructed after the meeting.

Other agenda items covered the key audit points for the 2024 consolidated financial statements as proposed by the auditors.

At the Supervisory Board meetings that followed each of these meetings, the Chairman of the Audit Committee reported comprehensively on the committee's activities.

Meetings of the Presidial Committee of the Supervisory Board

Meetings of the Presidial Committee were not necessary during the reporting period.

Mediation Committee meetings

Meetings of the Mediation Committee were not necessary during the reporting period.

Single-entity financial statements of Heraeus Holding GmbH and consolidated financial statements of the Heraeus Group

The single-entity financial statements of Heraeus Holding GmbH as well as the consolidated financial statements and combined management report of the Heraeus Group for 2024 were audited by KPMG Wirtschaftsprüfungsgesellschaft, Berlin, and given an unqualified audit opinion.

The Supervisory Board issued the engagement for these audits at its meeting on April 24, 2024. The shareholders approved the audit engagement at the shareholders' meeting on June 8, 2024.

In addition, the Supervisory Board's Audit Committee discussed the single-entity financial statements of Heraeus Holding GmbH and the consolidated financial statements for 2024, together with the related audits, at its meeting on September 9, 2025. The Audit Committee accepted the findings of the audits with no objections. The auditor from KPMG AG Wirtschaftsprüfungsgesellschaft also participated in this meeting.

The single-entity financial statements of Heraeus Holding GmbH and the consolidated financial statements and combined management report of the Heraeus Group for 2024, along with the auditors' reports, were made available to all members of the Supervisory Board in advance of the full Supervisory Board meeting on September 9, 2025.

At the meeting, the auditor participated in the Supervisory Board's discussion of the documents to be reviewed. He reported on the most important findings of his audit and was available to answer questions.

The Supervisory Board comprehensively reviewed the single-entity financial statements of Heraeus Holding GmbH, together with the consolidated financial statements and combined management report of the Heraeus Group, prepared for the 2024 financial year, including the associated audit reports. The Supervisory Board's concluding findings of its own review were that there were no objections to be raised. Accordingly, the Supervisory Board approved the single-entity financial statements of Heraeus Holding

GmbH, along with the consolidated financial statements of Heraeus Holding GmbH and the combined management report.

The Supervisory Board reviewed and approved the Board of Managing Directors' proposal for the appropriation of profits.

Corporate governance

With the exception of the irregularities identified in the recycling process at Heraeus Precious Metals, internal policies were complied with at all times during the reporting period.

Personnel matters relating to the Supervisory Board of Heraeus Holding GmbH

Mr. Uwe Raschke resigned from his position as a member of the Supervisory Board with effect from December 31, 2024.

Dr. Mohsen Sohi was appointed as the member of the Supervisory Board representing the shareholders with effect from February 1, 2025.

Changes to the Board of Managing Directors of Heraeus Holding GmbH

Jan Rinnert decided to relinquish his duties as Managing Director of Heraeus Holding GmbH with effect from May 23, 2025 upon expiry of his contractual term.

Dr. Frank Stietz was appointed as Chairman of the Board of Managing Directors of Heraeus Holding GmbH with effect from May 23, 2025.

With effect from August 15, 2025, the heads of the Business Areas – Dr. Steffen Metzger (Precious Metals Business Area), Heiko Specht (Healthcare Business Area), and Dr. Klemens Brunner (Semiconductor & Electronics / Industrials Business Area) – were added to the Board of Managing Directors. This marks an important step forward in aligning the management of our business even more closely with our core markets and technologies.

Thanks

The Supervisory Board would like to thank all members of senior management, the works councils, and all employees of the Heraeus Group for their dedication and constructive support in taking the Heraeus Group forward. In addition, the Supervisory Board also wishes to express its thanks to all employees who have constructively supported the investigation of the irregularities identified in the recycling process.

Hanau, September 9, 2025
The Supervisory Board

Combined management report. 2024 was characterized by significant macroeconomic and geopolitical uncertainty. As forecast, Heraeus was unable to match its results from 2023. This was due to factors such as the challenging market environment and falling prices for precious metals. The systematic implementation of operational optimizations and successful cost reduction measures provided support in the reporting year. The financial position remains stable and is characterized by a high equity ratio and a robust funding structure as well as a strong cash balance for further capital expenditure on infrastructure and production capacities.

Fundamentals of the Group

Business model

Heraeus is a family-owned global technology group headquartered in Hanau, Germany. The company can trace its roots back to a pharmacy opened by the family in 1660. Based on its range of products, the Group is one of the leading providers in each of its global sales markets. These include the markets for electronics, semiconductors, telecommunications, automotive products, chemicals, medical equipment, pharmaceuticals, and steel.

Heraeus groups its wide-ranging operations into the business platforms Metals & Recycling, Healthcare, Semiconductor & Electronics, and Industrials. The Metals & Recycling business platform is for activities connected with metals, particularly precious metals, and with the circular economy. In the Healthcare business platform, Heraeus supplies its customers with materials and technologies for use in medical equipment, orthopedics, and infection management. The Semiconductor & Electronics business platform offers technologies, materials, integrated material solutions for packaging technology, electrochemical solutions, semiconductor manufacturing facilities, and optical fibers for telecommunications. The Industrials business platform provides its customers with materials and technologies for applications in industrial production. This includes measurement equipment for molten metal processes and products for the photovoltaics industry.

Heraeus Holding is responsible for the corporate strategy of the Group, which controls the business platforms. Preserving the long-term independence of the Group has priority in all corporate decisions. The key financial performance indicators relevant to the management of the business are revenue excluding precious metals, profit before taxes (earnings before tax, EBT), earnings before interest and tax (EBIT), earnings before interest, tax, depreciation and amortization (EBITDA), and profit after taxes.

Going forward, the four existing business platforms will become four Business Areas, each headed up by a dedicated Managing Director.

With over 130 companies and more than 15,100 employees, Heraeus maintains a presence in the key economic regions of the world in order to capitalize on growth opportunities around the globe.

Research and development

Technological expertise and innovation capabilities are the key drivers of success for Heraeus. The Group currently holds over 1,000 patent families, with property rights in various countries, and employs more than 880 people worldwide in research and development (R&D). Its R&D expenditure in 2024 amounted to €156.1 million.

Numerous interdisciplinary and international R&D projects were initiated and progressed last year. The following sections provide a detailed description of the key activities in the individual business platforms.

Economic report

Macroeconomic and sector-specific conditions

Much like the year before, 2024 was characterized by significant macroeconomic and geopolitical uncertainty. While inflation normalized again over the course of the year, the war in Ukraine and the conflict in the Middle East continued. Moreover, the market environment in the industries of relevance to Heraeus remained challenging. Following a steep rise in interest rates over the previous two years, the central banks began to usher in a policy turnaround with interest-rate cuts starting from mid-2024, while inflation gradually slowed down. Globally, growth remained stable year on year both in the advanced economies and in the emerging markets and developing countries. The latter grew more strongly, but more dynamic growth was inhibited by certain challenges, most notably issues in China's real estate sector and weak demand. The latest figures published by the International Monetary Fund (IMF) predict that the global economy will have expanded by 3.3 percent in 2024 compared with the previous year.

Growth rates varied across the individual regions and countries. Whereas the growth of the US economy held steady at 2.8 percent (2023: 2.9 percent), the eurozone added just 0.9 percent (2023: 0.5 percent). Germany lagged behind other countries again, with its economy contracting by 0.2 percent (2023: contraction of 0.3 percent). The economies of emerging markets and developing countries recorded growth of 4.3 percent (2023: 4.7 percent). Economic growth in China slowed slightly to 5.0 percent (2023: 5.4 percent), mainly due to persistent weakness in the real estate sector and low consumer confidence.

Some of the sales markets served by Heraeus also experienced challenging conditions in 2024.

In the precious metal sector, prices for platinum group metals trended down and were less volatile than in previous years. By contrast, gold and silver prices climbed to new all-time highs over the course of 2024.

The semiconductor market showed initial signs of a recovery in the reporting year after going through a pronounced slump in 2023. Current estimates suggest that the unit volume in the chip market increased by 1.4 percent while revenue grew much more robustly. However, the market for semiconductor manufacturing facilities – a key market for Heraeus – and the market for consumer electronics saw only moderate growth.

Growth in global demand for optical fiber technology for telecommunications presented a mixed picture across different regions and countries. In China, demand continued

to decline due to the high proportion of households already being connected to fiber-optic networks. This drop in domestic demand led Chinese suppliers to export more, which increased the downward pressure on global prices. By contrast, other regions saw demand edging up again. The sluggish pace of the recovery at the macroeconomic level, paired with high inflation and interest rates, also created challenging conditions for investment in telecommunications infrastructure.

Revenue excluding precious metals
€ million

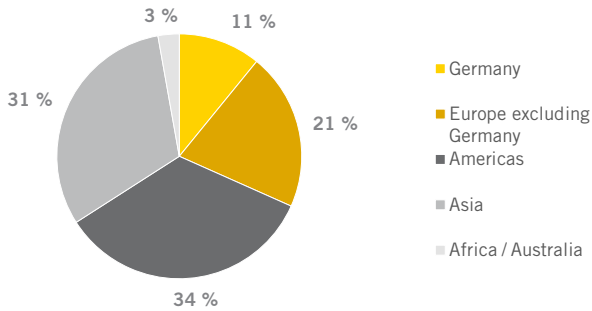


The photonics market (optics industry focusing on research, medical equipment, and laser technology) did not register any year-on-year growth at aggregate level in 2024. The medical market did see modest growth, but the industrial market stagnated and the market for semiconductor applications weakened further compared with 2023.

Steel production declined in 2024. The year was beset by many different challenges, which resulted in a difficult market environment. Geopolitical uncertainty, tightening monetary policy, substantial increases in costs, and stark regional differences in demand were key factors shaping the prevailing conditions. The downward trend in China, a crucial region, was driven by the impact of a crisis in the country's real estate sector and by excess capacity in the Chinese market.

Demand for medical solutions increased again in 2024. Inventories had been coming down in 2023 and at the start of 2024, allowing demand to recover over the course of the reporting year. Nonetheless, the market faced issues such as rising production costs and regulatory obstacles.

Revenue excluding precious metals by region 2024

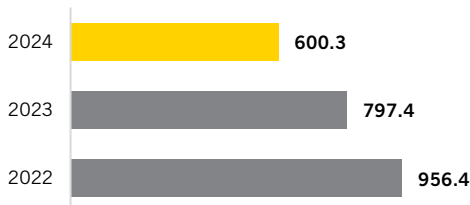


Comparison between actual and forecast business performance

Revenue excluding precious metals was projected to grow slightly in 2024. However, at €2,711.3 million, it fell short of this forecast due to a weaker than expected operating performance.

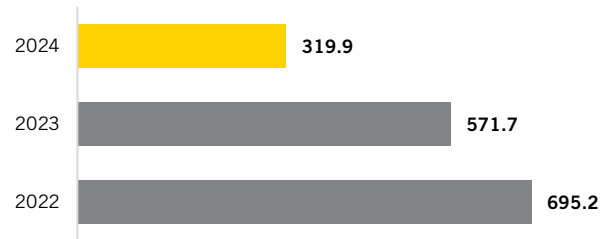
When looking at total revenue, it must be borne in mind that this figure is heavily influenced by the volatility of precious metal prices and is therefore not included in the outlook.

Earnings before interest, tax, depreciation, amortization, and impairment (EBITDA)
€ million



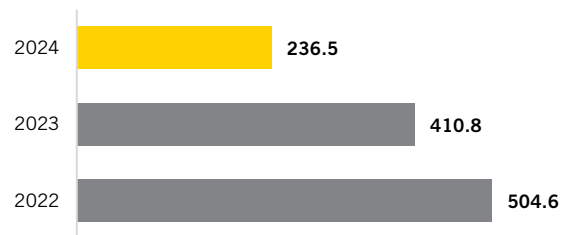
Profit before taxes (earnings before tax, EBT), earnings before interest and tax (EBIT), earnings before interest, tax, depreciation and amortization (EBITDA), and profit after taxes were all predicted to fall strongly in 2024.

Earnings before interest and tax (EBIT)
€ million



At €236.5 million, the profit after taxes generated in 2024 was lower than predicted, mainly due to the impairment of goodwill at Norwood Medical. The key performance indicators of EBT, EBIT, and EBITDA also came in below the relevant forecast figures.

Profit after taxes
€ million



Consolidated income statement

€ million	2024	2023*	Change
Revenue	29,396.9	25,649.2	+ 3,747.7
Cost of materials incl. change in inventories	- 27,236.1	- 23,334.4	- 3,901.7
Personnel expenses	- 1,110.2	- 1,129.2	+ 19.0
Other operating income	73.5	161.1	- 87.6
Other operating expenses	- 548.1	- 576.0	+ 27.9
Impairment gains (+) / losses (-) on trade receivables	- 1.8	- 1.5	- 0.3
Income from investments accounted for using the equity method	26.1	28.2	- 2.1
Earnings before interest, tax, depreciation, amortization, and impairment (EBITDA)	600.3	797.4	- 197.1
Amortization, depreciation, and impairment	- 280.4	- 225.7	- 54.7
Earnings before interest and tax (EBIT)	319.9	571.7	- 251.8
Net finance costs	- 6.3	- 24.4	+ 18.1
Profit before taxes (EBT)	313.6	547.3	- 233.7
Income taxes	- 77.1	- 136.5	+ 59.4
Profit after taxes	236.5	410.8	- 174.3

* Prior-year figures restated, see Note (2b) to the consolidated financial statements

Business performance, financial position, and financial performance

Total revenue rose by 14.6 percent, from €25,649.2 million to €29,396.9 million. Revenue excluding precious metals came to €2,711.3 million and was thus down year on year by 5.3 percent, or 4.4 percent adjusted for currency effects. This decline compared with 2023 was mainly due the sale of certain parts of the business in 2023.

The Americas was the strongest region in terms of revenue excluding precious metals, accounting for 34.3 percent of the total. Revenue in this region diminished by 4.0 percent year on year while revenue excluding precious metals in Europe declined by 5.5 percent compared with 2023.

Detailed breakdowns of revenue performance in the individual business platforms are provided in the subsequent sections.

The Group's earnings before interest and tax (EBIT) amounted to €319.9 million in 2024, a decrease of €251.8 million on the prior-year figure of €571.7 million.

This year-on-year deterioration is attributable to factors such as the challenging market environment, falling prices for precious metals, and the absence of positive non-recurring items that had boosted the performance in 2023. Moreover, earnings in 2024 were adversely impacted by the recognition of an impairment loss of €50.1 million on the goodwill of Norwood Medical. In addition, irregularities identified in the recycling process at Heraeus Precious Metals – particularly at the site in Hanau – to the detriment of various customers had a significant negative effect on financial performance. For further information, please refer to the paragraph 'Irregularities in the recycling process at Heraeus Precious Metals' below.

Personnel expenses reduced by €19.0 million to €1,110.2 million in the reporting year.

Consolidated balance sheet

€ million	Dec. 31, 2024	Dec. 31, 2023*	Change
Non-current assets	3,462.5	3,326.6	+ 135.9
Current assets	4,443.7	4,139.0	+ 304.7
Total assets	7,906.2	7,465.6	+ 440.6
Shareholders' equity	4,703.1	4,493.6	+ 209.5
Non-current liabilities	1,205.5	1,253.7	- 48.2
Current liabilities	1,997.6	1,718.3	+ 279.3
Total shareholders' equity and liabilities	7,906.2	7,465.6	+ 440.6

* Prior-year figures restated, see Note (2b) to the consolidated financial statements

This included positive currency effects of €4.2 million (2023: positive currency effects of €18.7 million) and positive effects of €67.8 million from the sale of the sensors business and the specialty light sources business. Adjusted for these non-recurring items, personnel expenses were around 4.4 percent higher than in the previous year.

Depreciation, amortization, and impairment amounted to €280.4 million, an increase of €54.7 million compared with the previous year. This figure included impairment losses of €58.3 million (2023: €14.0 million), which mainly related to the impairment of the goodwill attributable to Norwood Medical and impaired technical equipment that could no longer be used as planned.

Other operating income fell by €87.6 million year on year to €73.5 million. In 2023, it included income totaling €111.6 million from the sale of the sensors and specialty light sources businesses. Foreign currency gains made a positive contribution, increasing by €7.9 million year on year. Impairment gains (+)/losses (-) on trade receivables came to €- 1.8 million in the reporting year (2023: €- 1.5 million).

Other operating expenses diminished by €27.9 million year on year to €548.1 million in 2024, mainly due to lower non-recurring expenses in connection with the reported irregularities than in 2023.

The contribution from associates to earnings before interest and tax fell by €2.1 million to €26.1 million (2023: €28.2 million).

Net finance costs improved by €18.1 million year on year to €- 6.3 million. This was primarily attributable to the rise in net interest income (up by €20.6 million).

Profit before taxes came to €313.6 million, a year-on-year decrease of €233.7 million. The tax rate decreased from 24.9 percent in 2023 to 24.6 percent in the reporting year.

Profit after taxes amounted to €236.5 million in 2024 (2023: €410.8 million).

The Heraeus Group's financial position was further consolidated in 2024. Heraeus continues to have a healthy balance sheet, hold a substantial cash balance, and benefit from a secure medium and long-term funding base. At the end of 2024, the Heraeus Group's total assets amounted to €7,906.2 million, a year-on-year increase of €440.6 million. The Group's equity ratio, at 59.5 percent, was slightly below the previous year's level (2023: 60.2 percent).

Non-current assets increased by €135.9 million year on year to €3,462.5 million. Goodwill increased by €28.1 million as a result of acquisitions and by a further €23.8 million as a result of currency translation gains. Conversely, an impairment loss of €50.1 million was recognized on the goodwill of Norwood Medical. The company invested €335.3 million in property, plant, and equipment and intangible assets excluding right-of-use assets. Currency translation gains added €93.3 million. On the other hand, amortization, depreciation, and impairment came to €260.7 million. Deferred tax assets fell by €38.6 million to €172.1 million.

Current assets went up by a total of €304.7 million year on year to €4,443.7 million. This mainly reflects the overall increase of €64.7 million in cash and cash equivalents for reporting date-related reasons, and increases in inventories excluding precious metals and trade receivables of €49.6 million and €66.6 million respectively.

Consolidated cash flow statement

€ million	2024	2023	Change
Net cash provided by operating activities	563.1	633.5	- 70.4
Net cash used for investing activities	- 256.0	- 375.9	+ 119.9
Net cash used for financing activities	- 241.6	- 78.7	- 162.9
Net change in cash and cash equivalents	65.5	178.9	- 113.4

Assets held for sale went up by €52.6 million, mainly due to the sale of the business involving silver conductive pastes for solar cells. The €38.0 million fall in time deposits and the decline of €96.5 million in precious metal inventories had a countervailing effect.

Non-current liabilities went down by €48.2 million compared with the prior-year balance sheet date to €1,205.5 million, mainly as a result of a €71.0 million reduction in deferred tax liabilities. Pensions and similar obligations remained nearly unchanged year on year, recording a marginal decrease of €1.6 million. By contrast, non-current financial debt rose by €5.3 million to €695.1 million, largely due to long-term finance arrangements in China. The €16.1 million increase in other financial liabilities mainly related to long-term purchase price liabilities in connection with the acquisition of Canadian recycling company McCol Metals.

Current liabilities went up by €279.3 million to €1,997.6 million. The bulk of this rise was attributable to a reporting date-related increase of €236.4 million in trade payables and an increase of €145.8 million in current provisions, mainly in connection with provisions for the irregularities in the recycling process. Conversely, other current liabilities diminished by €63.2 million, mainly as a result of a fall in liabilities from precious metal trading contracts. Current financial debt diminished by €25.1 million to €140.8 million.

The Group funds itself centrally via the Corporate Treasury function. Liquidity is secured on the basis of multi-year financial planning in which the Group's operational activities are the principal source of liquidity.

The Group's sources of medium and long-term funding are a corporate bond issued in June 2022 with a term through to 2027 and two directly placed bonds with terms through to 2032 and 2034. To fund its short-term financial requirements, the Group has access to a commercial-paper program, a long-term, committed syndicated loan facility, and bilateral loan facilities. Neither the commercial paper program nor the syndicated loan facility had been utilized at the end of 2024. The Trading units also use precious metal leasing for short-term funding. At the end of 2024, the total market value of the precious metals on loan from third parties amounted to €2,316.0 million (2023: €1,947.0 million).

The net cash provided by operating activities amounted to €563.1 million in 2024 (2023: €633.5 million). The main contributory factors were profit after taxes of €236.5 million and the non-cash balance from amortization, depreciation, and impairment and reversal of impairment in the amount of €280.1 million. After adjusting for acquisitions, sales of divisions, and non-cash currency effects, increases of €155.3 million in inventories and of €62.7 million in trade receivables detracted from net cash provided by operating activities. On the other hand, increases of €229.3 million in trade payables and of €114.5 million in provisions and defined benefit obligations added to net cash provided by operating activities. Negative effects of €59.9 million from changes in other net assets mainly comprised changes from precious metal swaps (negative effect of €72.4 million) and changes from liabilities from precious metal trading contracts (negative effect of €54.2 million) on the one hand, and payments as part of a settlement agreement resolving a legal dispute (positive effect of €46.4 million) on the other hand. Other non-cash transactions and other non-operating income/expenses essentially comprised corrections of impairment charges, fair value measurements, and currency effects amounting to €42.2 million and the pro rata net loss for the year of the equity-accounted investments totaling €26.1 million.

The net cash used for investing activities of €256.0 million mainly comprised payments for investments in non-current assets (€335.3 million), payments used to purchase time deposits (€60.0 million), and payments for acquisitions after deduction of acquired liquid assets (€31.3 million). Countervailing cash flows largely consisted of receipts from disposals of business units (€23.5 million), interest received (€63.3 million), and receipts from maturing time deposits (€98.0 million).

The net cash used for financing activities of €241.6 million mainly comprised distributions totaling €150.8 million and interest payments totaling €50.0 million. The proceeds from the issuing of interest-bearing liabilities resulted in a cash inflow of €85.2 million, whereas payments relating to the redemption of interest-bearing liabilities led to a cash outflow of €124.2 million.

Consequently, there was an increase in cash and cash equivalents of €65.5 million.

The Group's liquidity reserves (cash and cash equivalents and time deposits) rose by a total of €26.7 million to €1,262.7 million. This means that the Group's financial position remains robust, which will enable it to continue to actively develop its businesses and position itself in the market.

Overall, the Group's operating performance in 2024 was satisfactory. The financial position remains stable and is characterized by a high equity ratio and a robust funding structure as well as a strong cash balance for further capital expenditure on infrastructure and production capacities.

Irregularities in the recycling process at Heraeus Precious Metals

At the Heraeus Precious Metals operating company irregularities in the recycling process were identified via the internal whistleblowing system. At the instigation of Heraeus, an external law firm was commissioned in December 2024 to conduct a comprehensive independent investigation of the topic.

The investigation comprises two parts. At the time the accounts were prepared, the first part of the investigation had been largely completed and a draft report on this part of the investigation had been available. Irregularities were identified at the Hanau site that were to the detriment of certain customers. These customers were informed swiftly and conversations regarding compensation were initiated. A significant agreement with one customer was reached before the accounts were prepared. Conversations with other customers were still ongoing at the time of preparation of the accounts.

In response to the findings from part one of the investigation extensive changes at personnel and organization level were already implemented. These also serve to amplify a positive 'tone from the top'; i.e. from the Supervisory Board and the Board of Managing Directors of Heraeus Holding GmbH. In addition to stopping the irregularities, the company's response also included personnel measures at Heraeus Precious Metals and in relevant corporate functions. Furthermore, the compliance organization and the direct reporting line to the CEO of Heraeus Holding GmbH were comprehensively strengthened. A broad-based corporate culture initiative was launched, involving extensive communication measures from the Board of Managing Directors of Heraeus Holding GmbH and from the shareholders with the aim of clearly and consistently conveying the leadership's commitment to integrity and compliance at Heraeus and the non-negotiable nature of the Group's shared values.

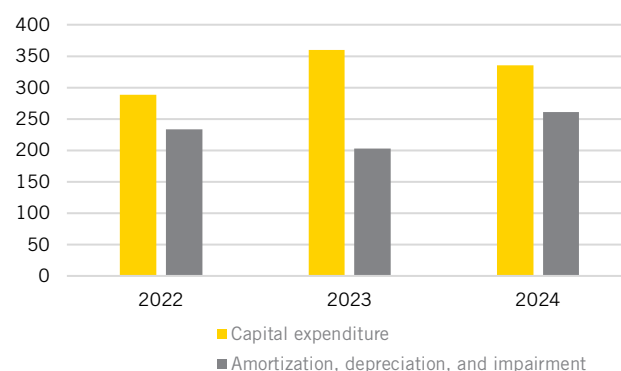
The Supervisory Board expanded the scope of the investigation to areas adjacent to the first part of the investigation, this part of the investigation was still ongoing at the time these consolidated financial statements were

prepared by the Board of Managing Directors. However, a provisional assessment also covering these aspects of the case had been delivered by the external law firm at this stage. This provided the Board of Managing Directors with an appropriate basis for its analysis of the situation and the likely impact on the financial position and financial performance. The investigation extends to the question of whether irregularities in the handling of precious metals also occurred in areas adjacent to those within the scope of part one of the investigation. In this context, positive inventory discrepancies (surplus inventories) were recorded for certain materials as part of a recycling stock take. The Board of Managing Directors is currently operating on the assumption that a significant proportion, if not all, of these inventory discrepancies is attributable to customers. The material in question was recognized at its retrospective acquisition cost, as determined for the recognition of provisions.

To account for the risk arising from both parts of the investigation, the Board of Managing Directors has recognized a provision for 2024 and retrospectively for previous years. This provision amounted to €457.7 million as of December 31, 2024 (December 31, 2023: €335.3 million). In addition, precious metal inventories worth €150 million were recognized (of which €64.6 million relate to the 2023 financial year). As no tax deductions could be claimed in relation to this matter in 2024 or in preceding years, corresponding deferred tax assets of €94.7 million (including €83.3 million for previous years) were recognized.

Pre-tax expenses of €45.8 million, including the cost of investigating the irregularities, were recognized in the 2024 income statement. The profit before taxes for 2023 was reduced by €48.1 million as a result of the incident.

Cash capital expenditure and amortization, depreciation, and impairment of non-current assets
€ million



Capital expenditure and divestments

In 2024, Heraeus recognized additions to property, plant, and equipment and intangible assets of €335.3 million (2023: €359.6 million). In addition, there were purchase

commitments of €81.6 million at the year-end that can be met using the available cash and cash equivalents.

Further progress was made last year with the initiatives to modernize and expand the operational sites. Alongside the ongoing projects to expand the Hanau and Kleinostheim sites, further expansion work was carried out at the sites in other parts of Europe and in the US and Asia.

With effect from June 21, 2024, Heraeus acquired 100 percent of the shares in Canadian recycling company McCol Metals. This transaction strengthened the Metals & Recycling business platform. The acquisition creates an opportunity for this business platform to further expand its pioneering expertise in recycling, to improve recovery and recycling solutions for the precious metal iridium, and to

promote sustainability in the global market for precious metals. McCol Metals has developed a cutting-edge process for recovering and recycling iridium from expended mixed metal oxide electrodes.

The Semiconductor & Electronics business platform expanded its activities in the field of thick film technology through the acquisition of the PriElex product line from Kayaku Advanced Materials.

In December 2024, Heraeus signed an agreement for the sale of its business involving silver conductive pastes for solar cells to Haitan Water Group Co., Ltd. The sale was completed in April 2025.

Metals & Recycling business platform

The Metals & Recycling business platform focuses on the development of sustainable technologies and materials based on metals, particularly precious metals, and on the circular economy. As a precious metal specialist, Heraeus has extensive expertise in the manufacturing of industrial products containing precious metals for various applications. It provides services throughout the precious metal cycle, from procurement, through processing, to recycling. Coating and refining processes along with colors and products for the pharmaceutical industry that contain precious metals round off Heraeus' broad expertise in the precious metal cycle. The Metals & Recycling business platform also encompasses innovative technologies for amorphous product solutions, PET recycling, and recycling of rare-earth magnets.

Business performance

Revenue excluding precious metals in the Metals & Recycling business platform went down significantly in 2024. Compared with the previous year, this key figure fell by 7.0 percent to €417.2 million.

The sustained downward trend in prices of platinum group metals had a marked influence on the earnings contributions generated by the Metals & Recycling business platform. Demand levels varied across the platform's disparate sales markets. While demand in the hydrogen market picked up slightly, it weakened in the electronics and automotive markets. In addition, demand for luxury goods was affected by the steadily climbing gold price.

For further information regarding the irregularities identified in the recycling process, which predominantly relate to the site in Hanau, please refer to the section 'Business performance, financial position, and financial performance' in this report.

Revenue excluding precious metals | Metals & Recycling business platform
€ million



Research and development

In 2024, the precious metal solutions business conducted research into the further development of hydrogen applications, catalyst products, and new processes for recycling complex materials. It also focused on developing new compounds for applications in the areas of fine chemicals and pharmaceuticals, and solutions for the production of bio-based chemicals. In addition to these fields of research and development, which will be pursued in the future as well, the authentication and traceability of precious metals is a key research area in this business.

The Metals & Recycling business platform also conducts research into amorphous metal alloys and components and their production methods. One part of the business mainly devotes its research and development activities to the production and marketing of recycled magnetic materials. Heraeus also holds a stake in a company that focuses on a technology for chemically recycling PET bottles.

Healthcare business platform

Heraeus carries out research on solutions and develops products that contribute to medical progress. The growth in global society and aging demographic structure are driving increasing demand for cutting-edge materials and technologies in the medical sector. Heraeus has a long tradition of involvement in this market. Indeed, the company began as a pharmacy, and part of Heraeus' current business entails manufacturing biomaterials for orthopedic products. It is also a supplier to the medical industry, including for products used in therapeutic fields such as cardiac rhythm management, diabetes, and electrophysiology. An additional unit focuses on the manufacture of medical products for minimally invasive, robotics-assisted, and orthopedic surgery. The Healthcare business platform also encompasses specialty glass products for an array of medical applications and wound care technologies.

Business performance

The Healthcare business platform recorded modest year-on-year growth in 2024. Compared with the previous year, revenue excluding precious metals rose by 2.4 percent to €901.2 million.

The biomaterials business generated substantial revenue growth, especially in Asia and in the European market. Steady progress with the market penetration of existing products in the US provided positive impetus for the business performance. In addition, the launch of new products in the US added to the expertise and market potential in the field of infection management.

The medical components and solutions business continued to be adversely affected by customers drawing down inventories that they had built up in previous years. However, the downward trend in existing business was offset by new product launches, keeping revenue at a stable level overall.

Revenue excluding precious metals | Healthcare business platform
€ million



Research and development

The focus of research and development in the biomaterials business shifted more toward product development.

In the medical components and solutions business, research into neuromodulation cables and solutions, interventional delivery and therapeutic systems, and coating solutions was continued.

In the specialty glass business serving the medical products industry, development activities are directly related to current customer demand for bespoke glass compositions.

Semiconductor & Electronics business platform

Digitalization and interconnectedness are proceeding apace around the globe and have become a key element of today's society. The sophisticated materials that Heraeus develops for the automotive industry, power electronics, and advanced packaging help customers to make electronic components smaller, longer lasting, and more efficient. In-depth materials expertise and a broad technology portfolio enable Heraeus to provide customized and integrated solutions. Heraeus is also a technology leader in the production and processing of high-purity quartz glass. This is used to make components for the production of ever smaller semiconductor chips and serves as a raw material for the production of optical fiber cables for the telecommunications industry. The Semiconductor & Electronics business platform also offers solutions for innovative coating technologies.

Business performance

In the Semiconductor & Electronics business platform, revenue excluding precious metals advanced by a substantial 7.0 percent to €792.1 million in 2024. This was mainly driven by the recovery in key sales markets after a downturn in the previous year.

The slight growth achieved in the business involving packaging technology for the electronics industry in 2024 was weaker than anticipated. This can be linked to a slowdown in the transition to electric vehicles outside China.

The business involving materials for semiconductor manufacturing facilities grew dynamically. Key drivers included quartz glass for EUV lithography and the new ceramics production line.

Demand from end customers for optical fibers for telecommunications trended sideways in 2024 compared with the previous year. The US began to see signs of a recovery in the second half of the reporting year while demand in China fell to its lowest level in recent years in the first half of 2024 and subsequently remained stagnant.

Revenue from the electrochemicals business grew robustly, driven mainly by the acceleration in the adoption of electric vehicles.

Revenue excluding precious metals | Semiconductor & Electronics business platform
€ million



Research and development

Heraeus is continuously looking for new solutions and products in the packaging technology business. Last year, research and development in this business focused on fine pitch solder pastes, LED solder pastes, metal ceramic substrates, sinter materials, thermal interface materials (TIM), heating elements made from non-precious metals, and the material system solution Die Top System (DTS®).

Especially in the business involving materials for semiconductor manufacturing facilities, requirements regarding the properties of materials and their performance in semiconductor processes keep mounting. The development projects are addressing this trend toward ever greater precision and purity and customizable material properties.

The focus of the optical fibers for telecommunications business in 2024 remained on new and innovative products and the expansion of the technology portfolio so as to be equipped for the requirements of future generations of fibers.

In the electrochemicals business, Heraeus continued its research and development projects focusing on the introduction of new materials, especially for capacitor and display applications and photoresist production.

Industrials business platform

Heraeus has long been a partner of choice for industry thanks to the Group's in-depth expertise in high-temperature processes. Heraeus is a recognized specialist in measurements for molten steel, iron, and aluminum, continuously developing its portfolio of products that ranges from high-performance sensors to complete measuring systems. The minority interest in a start-up offering AI-based software solutions for the steel industry was added to the Industrials business platform at the beginning of 2023.

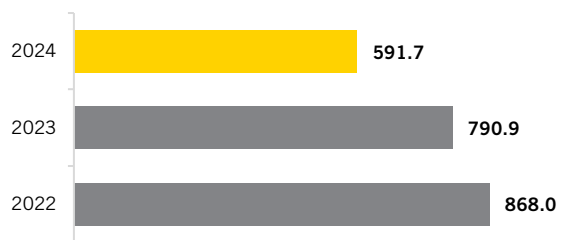
Business performance

Revenue excluding precious metals for the Industrials business platform fell by a substantial 25.2 percent to €591.7 million in 2024. This decline is attributable to the sale of the sensors and specialty light sources businesses in 2023. After adjusting for the effect from these disposals, the platform's revenue grew slightly.

In the steel business, a global decline in steel production in 2024 led to weaker demand for sensors and instruments that improve steel production processes. Demand did vary quite substantially on a regional basis, however. Production dropped in China, the world's biggest steel producer, and in large parts of Asia, but increased in India, Europe and the Middle East. Further price adjustments in selected regions, aimed at mitigating the impact of rising costs, and strict cost control meant that the business was able to generate a steady level of revenue and improve its profitability.

For the business involving silver conductive pastes for solar cells, 2024 proved to be another challenging year. In December 2024, Heraeus signed an agreement for the sale of its business involving silver conductive pastes for solar cells to Haitan Water Group Co., Ltd. The sale was completed in April 2025.

Revenue excluding precious metals | Industrials business platform € million



Research and development

The business involving measurement equipment for high-temperature processes continued to research and develop new products aimed at helping to enhance or improve the safety and efficiency of raw material transformation processes and to reduce carbon emissions. With a view to differentiating itself strategically from competitors, the company is also researching more complex solutions that can offer greater added value for customers.

The business involving software solutions for the steel industry focused its research and development activities on integrated solutions for process management and planning systems.

People at Heraeus

Number of employees worldwide



Overview: number of employees

As of December 31, 2024, Heraeus had 15,181 employees worldwide (2023: 15,170).

Jobs were created primarily in the operating companies in connection with projects geared toward growth and expansion and in connection with new global product launches. By contrast, headcount was reduced in areas such as the business involving optical fibers for telecommunications in response to temporary weakness in this market.

New employer brand: “Materials. Innovations. For Generations.”

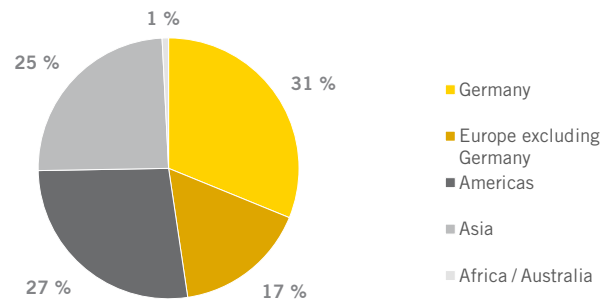
In a fiercely competitive labor market, it is becoming increasingly important for the long-term success of the Heraeus Group to attract and retain skilled staff and emerging talent. Engaging employer branding, including eye-catching campaigns and advertisements, is key to positioning the company as an attractive employer.

In 2024, a shared global employer brand was developed for the Heraeus Group that will provide a consistent framework for the operating companies’ regional branding initiatives going forward, while also highlighting the diversity of the Group. The slogan “Materials. Innovations. For Generations.” sums up what makes Heraeus special and sets it apart from the competition*, including as an employer.

The new employer brand creates a distinctive profile and uses striking design language and clear messaging to bring together people and technology.* The brand centers on three characteristics that define the Heraeus Group as an employer and make it unique.* These values form the basis for a campaign aiming to attract new skilled workers, integrate them into the company’s teams, and retain them for the long term:

- Forward-looking: We look ahead and want to play a part in shaping progress for future generations.
- Open-minded: We believe that open-minded, curious people who want to learn are critical for our success.
- Purpose-driven: We dedicate ourselves to work that provides a sense of purpose and makes a difference for the better.

Employees by region in 2024



The power of diverse teams

“We promote a diverse and inclusive work environment in which our employees feel appreciated and have the opportunity to grow and contribute.” – the new Heraeus vision also highlights diverse perspectives, equality of opportunity, and a culture of participation as decisive factors for the success of the Heraeus Group.

* This section is not included in the auditor’s content review.

For several years, an inclusive corporate culture has been put at the center of the company's HR policy. This involved the development of a shared understanding of the term 'diversity' and the definition of a consistent framework for the Group companies.* In 2024, the focus was on sharing educational content in relation to a culture of appreciation, inclusive language, and mental health.

Further initiatives were implemented at the level of the operating companies. These included annual employee surveys being conducted across all units with the aim of identifying progress with engagement and diversity and deriving appropriate actions. In addition, the establishment of diversity ambassador programs was driven forward. Moreover, a review of internal processes was launched to ensure that the company takes account of a diverse range of perspectives when making decisions. And last but not least, the company aims to implement processes to optimize the recruitment of international talent.

Outlook

Heraeus expects its sales markets to record stable growth in 2025, although geopolitical and macroeconomic factors will give rise to significant uncertainty.

The latest forecast published by the International Monetary Fund (IMF) predicts that global economic growth, which was estimated at 3.3 percent for 2024, will be 3.0 percent in 2025. Geopolitical factors and changes in global tariff policies will continue to influence economic growth in 2025 in addition to general macroeconomic factors such as changes in the level of inflation and interest rates. The IMF foresees a continued slowdown of growth in the US and China for 2025 compared with 2024. Growth of 4.8 percent is expected for China (2024: 5.0 percent). For the US, the IMF projects growth of 1.9 percent for 2025 (2024: 2.8 percent). The world's biggest economy is thus predicted to again fare better than the eurozone, which is expected to see growth of 1.0 percent (2024: 0.9 percent). The IMF believes that Germany's economy will trend sideways (2024: contraction of 0.2 percent). The economies of emerging markets and developing countries are forecast to grow by 4.1 percent on average (2024: 4.3 percent).

The current growth forecasts continue to be subject to considerable uncertainty. A potential intensification of protectionist measures may not only exacerbate global trade tensions and disrupt global supply chains but could also depress the medium-term outlook for growth. In addition, China's shrinking real estate sector is a cause for concern and could continue to have a negative effect on the global economic environment.

Heraeus forecasts a modest decline in revenue excluding precious metals for 2025.

For the Metals & Recycling business platform, Heraeus anticipates a slight drop in revenue in 2025 following a marked fall in 2024. Enhanced recycling opportunities, higher demand for precious metal ingots, and potential for growth in the product businesses are the key factors that should help to slow this downward trend. However, lower prices for platinum group metals could adversely affect revenue and profitability. Negative consequences of the identified irregularities in the recycling process at Heraeus Precious Metals, including the potential loss of individual customers, cannot be ruled out but are not anticipated as part of the forecast for 2025.

Heraeus forecasts continued modest revenue growth for the Healthcare business platform in 2025. In 2024, the platform's revenue had also increased slightly. It is expected that the market will continue to grow and that existing business will recover following the normalization of customers' inventories in 2024. Heraeus intends to further

strengthen its market position and reap rewards from new product launches.

For the Semiconductor & Electronics business platform, Heraeus is projecting a small increase in revenue. However, due to the slow recovery of the semiconductor market and weak demand in chip segments not benefiting from the AI trend, the market outlook is subject to uncertainty. Rising demand for electric vehicles and new energy sources will likely play a major role. The business involving optical fibers for telecommunications should see increased demand from the US whereas no meaningful recovery is expected in the Asian market.

In the Industrials business platform, future business performance is primarily determined by global steel production. The World Steel Association (WSA) forecasts a slight rise of 1.2 percent in demand for steel in 2025. Heraeus believes that growth in the steel market will bolster demand for solutions for measurements and sampling of molten metals. However, steel production may be adversely affected by the prevailing geopolitical challenges and by the weakness in the Chinese real estate sector. In light of the persistent uncertainties in the tariff policy environment, the WSA has decided to suspend updates to its forecast for 2025 for the time being. Heraeus expects the Industrials business platform to record a marked decline in revenue in 2025, partly as a result of the sale of its business involving silver conductive pastes for solar cells.

Heraeus anticipates a moderate fall in EBITDA and a slight rise in EBIT for 2025. EBT and profit after taxes are both expected to be down substantially in 2025 compared with the previous year.

Opportunity and risk report

Integrated risk management system

Heraeus operates a Group-wide system of risk management that is used to systematically document and assess risks. The aim is to identify risks at an early stage and to initiate corrective action as appropriate. The material opportunities and risks identified are explained below.

Identified Group-wide material opportunities and risks

The opportunities and risks outlined below are categorized as low, medium, or high based on their potential impact before risk mitigation measures. Due to possible misinterpretation, no further quantifying information is provided. The risks described relate to the period covered by the outlook. There has been no significant change to the risks compared with the prior year.

Strategic opportunities and risks

Through its portfolio of businesses, Heraeus operates in virtually all global markets. Most of these markets are subject to rapid technological change. Heraeus seeks to stand out from its competitors and offer its customers added value in these markets on the basis of its innovative capabilities. The company maintains close ongoing relationships with academics and researchers in order to build and maintain these innovative capabilities, both now and in the future. These relationships also enable Heraeus to identify and make the most of future strategic opportunities.

The R&D activities within the various business platforms lay the foundations for the identification of medium to long-term growth potential. Heraeus is increasingly focusing on innovative forms of research collaboration, such as partnerships and corporate venturing, that complement its organic activities so that it can benefit from new developments at an early stage.

Potentially incorrect assessments of customer demand and resulting errors in the product and technology roadmap are a source of strategic risk for Heraeus. This includes, in particular, risks arising from market trends or (most importantly) disruptive technologies being identified too late or not at all. The Board of Managing Directors of Heraeus Holding and the relevant bodies within the business platforms watch the market closely and regularly monitor the business performance from a strategic perspective in order to limit these risks.

Strategic risks for Heraeus are regarded as low overall.

Market opportunities and risks

Although the global economy continued to recover from the challenges triggered by Russia's invasion of Ukraine and the resulting energy crisis and spikes in interest rates and inflation, the economic environment in 2024 was still characterized by certain risks.

Heraeus saw its revenue and profit decline overall in 2024, mainly due to the sale of the sensors and specialty light sources businesses in 2023. Demand in the markets of relevance to the Metals business platform weakened. Falling prices for platinum group metals also had a negative impact. The biomaterials and medical components businesses again benefited from global market growth and the Semiconductor & Electronics business platform achieved encouraging revenue growth thanks to the recovery in key sales markets.

Heraeus closely monitors economic trends in individual countries and regions in order to be able to react to any negative developments as early as possible. Developments in Europe, China, and the US are of particular interest to Heraeus. The company benefits in this regard from its global market presence, which helps it to mitigate the impact of regional crises. Economic risk and its effects on business performance constitute a medium risk for the Group due to the influence of high inflation and significant geopolitical risks.

Heraeus counters threats to its market positions and competitive advantages through its broadly diversified product and customer structures, which help to limit its exposure to individual market risks. In addition, the constant refinement of Heraeus products helps to consolidate the Group's long-term competitive edge. Heraeus also minimizes any risks of this nature by building close relationships with customers, steadily adding new big-ticket accounts, and finding and validating additional suppliers for key products. Markets are monitored in detail in each of the business platforms and alternative products are developed to counter the potential loss of market shares.

The Metals & Recycling business platform stands to gain from the new investment that is being driven by efforts to improve sustainability. This presents Heraeus, as a supplier that adheres to high standards, with opportunities in various end markets. Moreover, negative consequences of the identified irregularities in the recycling process at Heraeus Precious Metals, including the potential loss of individual customers, cannot be ruled out. This risk is being addressed with a rigorous, independent, and transparent investigation and the further development of the internal compliance system. The latter includes the revision of existing

procedural instructions and control mechanisms and improved training for employees.

Additional sales opportunities may arise in the fast-growing hydrogen market. However, there is a possibility that the business platform will be negatively affected by a fall in precious metal prices and the declining volatility in precious metal markets.

Opportunities for the Healthcare business platform arise from increased demand when new products are launched. Risks are arising from significant concentrations in relation to certain customers and the dependencies that go along with this. In addition, Heraeus expects that the new Medical Device Regulation (MDR) introduced by the EU in May 2021 will trigger a further consolidation of providers in this market, which would hold both opportunities and risks. The Healthcare business platform is very well prepared for the requirements associated with the MDR and thus well positioned to seize any upcoming opportunities.

Increased demand for innovative fibers is a key source of opportunities for the Semiconductor & Electronics business platform. A more rapid and widespread switch to electric vehicles and growing demand for semiconductors would also boost demand for the business platform's products. By contrast, stagnating demand in an intensely competitive environment, a slowdown in the transition to electric vehicles, and economic downturns in the markets could lead to falling demand.

Opportunities for the Industrials business platform will arise in connection with constant improvements in steel sorting and the resulting greater need for solutions to manage the transformation process in steel production. However, there is always the possibility that slow growth in steel production may limit demand for products from Heraeus.

Market risks for Heraeus are regarded as medium overall.

Operational opportunities and risks

Avoiding production risks is a key task for Heraeus as a technology company with a broad product portfolio and a large number of sites. Weaknesses in the production process could lead to deliveries being canceled or delayed, which in turn is associated with the additional risk of contractual penalties. To minimize the impact of disruption to production processes, Heraeus has introduced a business continuity management policy and conducts routine maintenance and servicing of its equipment. Critical production processes are also safeguarded by building a degree of redundancy into the system and holding sufficient back-up inventories.

Several risks result from the global procurement process. Fluctuations in the quality of deliveries can lead to substantial risks for Heraeus. Particularly in the medical

solutions market, the delivery of base materials and preliminary products, reliably and free of all defects, is very important. Delayed deliveries or disruptions to supply from a supplier could also lead to production bottlenecks or even production downtime. Heraeus mitigates this risk by constantly finding and validating alternative suppliers for key products. Contractual provisions committing suppliers to maintain certain quality and delivery standards and to keep back-up inventories also help to contain risks. This is supported by the global Heraeus purchasing policy, which sets out standardized processes for the procurement of materials, goods, and services from third parties.

In addition to the above, deficiencies in manufacturing processes and resulting defects in product quality represent a risk for Heraeus. Product quality defects could cause reputational damage, cost-intensive rework, product recalls, and, in the worst-case scenario, product liability cases. The most significant risks in this regard are product liability cases involving medical devices and product recalls at automotive suppliers. These risks are mitigated by quality controls and by making continual improvements to the quality management systems. In addition, all businesses are supported by excellence initiatives aimed at achieving maximum product quality.

The growing interconnectedness of the world has increased the threat posed by cyberattacks and the potential misuse of IT systems. Downtime of key IT systems, the disclosure or loss of integrity of confidential data from research and business operations, and the manipulation of IT systems in process management are particularly relevant risks for Heraeus. Heraeus combats these risks using the latest protection software, network and data encryption, and clear authorization processes specified by the Information Security Management System (ISMS), which is based on the ISO 27001 international standard.

Overall, Heraeus classifies the level of exposure to operational risks as medium.

Operational opportunities are currently available in the form of further efficiency improvements in production processes and an associated reduction of unit costs.

Financial opportunities and risks

As a company with international operations, Heraeus is exposed to a range of financial risks such as interest-rate risk, currency risk, credit risk, and liquidity risk.

Processes are in place within Corporate Treasury to identify, quantify, analyze, manage, and monitor these risks, backed up by relevant policies and internal monitoring and control systems.

Interest-rate risk is the risk of changes in interest rates adversely impacting the financial position or financial

performance of the Heraeus Group. The Group's main sources of long-term funding are currently one standard bond and two privately placed registered bonds. Interest-rate derivatives can be used to support interest-rate management. The derivatives that are used can be standard market instruments, such as interest-rate swaps and options for placing upper and lower limits on interest rates (caps, floors, and collars).

Because of its international focus, the Heraeus Group is exposed to currency risk, which arises from movements in the exchange rates of various foreign currencies. Currency risk on transactions is mitigated by means of globally diversified procurement, production, and sales activities. Hedges may only be entered into with selected counterparties and only within specified limits. Currency translation risks are not hedged.

Credit risk arising from financial assets consists of the risk that counterparties will default. The credit risk relating to derivatives is their replacement cost (market value). The risk of specific counterparties defaulting is constantly monitored using credit spreads and by grouping counterparties into different categories according to their credit quality. Valuation allowances are recognized to reflect the risk of defaults. Financial transactions are only concluded with counterparties of good credit standing. A standardized global system of receivables management based on a limit system is one of the ways in which Heraeus mitigates credit risk. This is the responsibility of the operating units and is monitored and managed by a central credit management unit. Heraeus can make use of various liquidity safeguarding measures to enable it to respond to short-term as well as unexpected liquidity risk. A sufficient level of cash and cash equivalents as well as agreed lines of credit are among the means it has at its disposal for this purpose.

Liquidity risk describes the risk that a company might be unable to meet its financial obligations in full. Liquidity risk largely results from short-term trade payables, liabilities from derivatives, and other financial liabilities. As a result of its investment-grade rating, confirmed by two independent rating agencies, the Heraeus Group is guaranteed sufficient liquidity. Its rating ensures that it can access both the short-term commercial-paper market and the long-term capital market. It also holds sufficient cash and cash equivalents and has unutilized loan facilities with various banks. Risk concentrations are minimized by limiting the amounts invested at individual, selected investment-grade banks. The risk of liquidity shortages is monitored by Corporate Treasury. Effective cash management and the ability to access sufficient liquidity even in times of crisis minimize the risk of the Heraeus Group being unable to meet its financial obligations.

The potential impact of financial risks is regarded as low overall.

Legal opportunities and risks

Environmental protection and health and safety at work remain key priorities for the company. Regular campaigns and intensive communications by the global Environment, Health and Safety (EHS) organization help to raise awareness of occupational health and safety throughout the company. Increasingly strict environmental requirements mean there are occasional risks to the unrestricted continued operation of production facilities. In addition, growing discrepancies between the legal frameworks governing chemicals in different countries are creating increased demand for advisory services. Overall, the endangerment of employees or third parties and potential breaches of environmental regulations or of chemicals legislation represent a low source of risk for Heraeus.

It is impossible to completely rule out the possibility of non-compliance with financial and accounting regulations due to the global business activities and the different legal environments in which the company operates. This can also result in customs and tax risks. Heraeus reduces these risks by strictly adhering to central governance policies and continually training staff in the relevant functions. It also operates a central compliance management system in order to further reduce the likelihood of legal infractions or violations of the law.

Heraeus mitigates the risk of fines resulting from potential data protection violations by providing ongoing comprehensive training to make all employees aware of these issues and highlight potential problems. This training is complemented by Group guidelines and policies and the establishment of relevant corporate functions. The use of a largely uniform enterprise resource planning (ERP) system also helps to lower risk by fully integrating and harmonizing relevant business processes. Heraeus considers the overall level of risk to be low.

The growing complexity and number of industrial property rights that need to be observed has increased the risk of possible patent infringements. Heraeus reduces these risks by continually monitoring third-party rights and conducting project-specific searches for patents. The results of this monitoring are subject to regular review, with the search profiles changed as appropriate. Despite the measures put in place, infringements of industrial or intellectual property rights can still occur. Risks from patent infringements are regarded as being low at the current time.

Legal frameworks can also give rise to identifiable opportunities. Heraeus offers a range of products that help customers to meet the requirements of heightened regulations, for example with regard to the transition to electricity produced using renewable sources.

External opportunities and risks

Numerous risks are beyond the control of Heraeus. These primarily include force majeure events that might cause damage to German and international locations and risks resulting from country-specific sociocultural and political developments. The possibility of such risks arising as a result of Russia's invasion of Ukraine cannot be ruled out. Heraeus reduces these risks by implementing a rigorous system of business continuity management and through global diversification of its production sites. The risk of damage to the company's sites is mitigated by taking out insurance. External risks may also arise as a result of restrictions to production, supply chain disruption, or supply shortages.

Reputational risk, which can lead to financial losses and also influence other risk categories, is another potential source of negative effects. Based on the measures put in place and the current situation, Heraeus classifies aggregate external risk as low.

Precious metal trading opportunities and risks

Precious metal trading risks encompass only the risks that arise in connection with business processes involving the trading of precious metals. Heraeus considers the overall level of risk in this area to be high.

The trading companies in Hanau, New York, Hong Kong, and Shanghai and the production unit and trading company Argor Heraeus in Mendrisio conduct precious metal transactions in order to hedge precious metal risks for the producing Group entities. They also enter into precious metal trades with external partners. Positions can only be accumulated and held on a daily basis within tightly defined and continuously monitored risk limits. All transactions are recorded and monitored on an ongoing basis in an electronic trading system. The trading sites in Hanau, New York, Hong Kong, and Shanghai use a standardized IT system, which increases transparency and reduces the trading process risks. The Mendrisio site currently uses a separate IT system but will switch to the standardized IT system used at the other trading sites in 2026.

Risks arise from potential changes in the market prices of precious metals, which could lead to higher finance costs, a sharp fall in metal volumes, and reluctance among customers to purchase metals or have them supplied. Commonly used hedging instruments are employed to hedge price risks. These mainly comprise OTC hedges but also include futures contracts. In accordance with the principle of separation of functions, the ongoing monitoring of compliance with prescribed risk limits and thresholds is carried out by employees who do not report to the trading units.

The trading units of Heraeus Precious Metals bear primary responsibility for managing liquidity in relation to precious metals. Sufficient availability of precious metals is ensured by reclaiming precious metals in the recycling process and by taking out rolling precious metal leases from major international banking and trading partners. Long-standing business relationships with a broad portfolio of banking and trading partners help Heraeus to ensure flexible and needs-based access to precious metal supplies and significantly strengthen the operational stability and ability to act of those parts of the business working with precious metals. At the same time, a reduction in limits for leases from banking and trading partners constitutes a risk. The company manages this risk by appropriately monitoring maturities and potential outflows of precious metals. In addition, the Heraeus Group can also use its monetary liquidity as a source of funding for precious metal liquidity.

Based on the processes, systems, and measures put in place, Heraeus classifies the overall probability of occurrence of risks in relation to precious metal trading as medium.

The continuing high level of price volatility in the precious metals markets and a possible increase in demand both from investors in precious metals and from industrial customers are potential sources of opportunity in the precious metal trading business.

Overall risk evaluation

With systems in place for the measurement and limitation of risk, Heraeus is also able to meet the need for early risk detection. Based on an analysis of currently identifiable risks, there are no threats to the continued existence of the Heraeus Group as a going concern.

Heraeus Holding GmbH (HGB)

Fundamentals and economic position

Heraeus Holding GmbH is the management holding company responsible for delivering consistent management in commercial and financial matters across the Heraeus Group. The company's annual financial statements are prepared in accordance with the requirements of the German Commercial Code (HGB). The economic position of Heraeus Holding GmbH is largely determined by the business performance of the Heraeus Group. Macroeconomic information provided in the report on the economic position apply equally to Heraeus Holding GmbH.

The planning and management is based on the trend in net profit for the year, which is the most important financial key performance indicator (KPI). This KPI is analyzed, planned, and monitored. The net assets, financial position, and results of operations of Heraeus Holding GmbH are shaped by its function as a holding company. Its purpose is to hold investments, meaning that net investment income is the dominant item influencing the financial performance of Heraeus Holding GmbH.

Business performance, financial position, and financial performance

As a management holding company, Heraeus Holding GmbH is responsible for managing the different business platforms that, in turn, run their individual operations independently.

Net income decreased by a substantial €65.0 million to €114.3 million. This decline was mostly attributable to a rise of €33.1 million in impairment of financial assets. In addition, other operating income diminished by €114.6 million and net investment income by €6.5 million. Reductions of €84.8 million in other operating expenses and €3.8 million in personnel expenses had a countervailing effect. Net interest income improved by €3.5 million year on year. Income taxes edged up by €0.6 million to a tax expense of €25.9 million.

The bulk of the impairment of financial assets (€31.7 million) related to Heraeus Quarzglas Verwaltungsgesellschaft mbH, Hanau.

The fall of €114.6 million in other operating income predominantly related to currency effects and should be considered alongside the change of €84.8 million in other operating expenses, which was also mainly attributable to reduced currency effects.

The year-on-year decrease in net investment income to €236.1 million mainly resulted from a decline in income from equity investments. In 2024, the income from equity investments of €236.1 million mainly comprised withdrawals of €180.3 million from Heraeus Precious Metals GmbH & Co. KG, Hanau, and the profit of €118.9 million transferred from Heraeus Beteiligungsverwaltungsgesellschaft mbH, Hanau. In addition, Heraeus Holding GmbH assumed losses of €91.7 million.

The decrease in personnel expenses of €3.8 million to €14.9 million was mainly due to lower expenses for wages and salaries and the change in the provision for retirement pensions.

Net interest income again remained stable in 2024 with an increase of €3.5 million, which was attributable to higher reported interest from banks of €6.9 million.

Income taxes in 2024 amounted to an expense of €25.9 million (2023: €25.3 million). This included tax income relating to prior periods of €2.5 million (2023: €6.3 million). A major driver of the change in tax expense in 2024 were the net profits or losses generated by the partnerships and companies subject to tax-sharing agreements, which were attributed to Heraeus Holding GmbH for tax purposes.

Net income for 2024 came to €114.3 million (2023: €179.3 million).

The Board of Managing Directors takes the view that the key financial performance indicators paint a solid picture of the company's financial position overall. At the end of 2024, the total assets of Heraeus Holding GmbH amounted to €5,150.3 million, a year-on-year increase of €139.1 million. The bulk of this rise was attributable to higher loans to affiliated companies.

In total, 76.6 percent of the non-current assets of €3,630.2 million (2023: €3,342.1 million), which consisted of financial assets (€3,630.2 million), was funded by shareholders' equity. Liquid assets made up 16.28 percent of total assets in the reporting year, a slightly higher proportion than in 2023 (16.05 percent). Shareholders' equity decreased by €31.2 million to €2,781.6 million (2023: €2,812.8 million), with a dividend payment of €143.7 million. The equity ratio stood at 54.0 percent as of the balance sheet date (2023: 56.1 percent). The management takes the view that the net

assets, financial position, and results of operations for 2024 can be described as good.

The Heraeus Group is funded centrally through Heraeus Holding GmbH, which ensures the liquidity of the Group companies mainly through the provision of funds as part of financial transactions within the Group. Liquidity is secured on the basis of multi-year financial planning. The Group companies' operational activities and the resulting cash received are the principal source of liquidity of the Heraeus Group. Through the cash management systems, excess liquidity of certain individual companies is used to cover the funding needs of others. The centralized pooling of liquidity within the Group helps to reduce the volume of external borrowing required. Cash from the operating activities of Group companies received through the cash management systems covered the investments of subsidiaries in property, plant, and equipment, and intangible assets in their entirety. In addition to monetary liquidity, the company maintains liquidity in precious metals. Primary responsibility for this lies with the trading units of Heraeus Precious Metals. As the underlying business activities are characterized by short capital commitment periods, operational planning takes place on a rolling short-term basis rather than over a multi-year horizon. Sufficient availability of precious metals is ensured by reclaiming precious metals in the recycling process and by taking out rolling precious metal leases from major international banking and trading partners. This ensures flexible and needs-based access to precious metal supplies and significantly strengthens the operational stability and ability to act of those parts of the business working with precious metals.

The long-term and medium-term funding of Heraeus Holding GmbH and the Heraeus Group mainly relies on a high level of capital adequacy, supplemented by one issued corporate bond, two privately placed debt instruments, and one long-term loan from Germany's KfW development bank in the amount of €3.5 million (2023: €6.2 million). The loan has a term of five years, a fixed interest rate of 0.95 percent, and matures on March 30, 2026.

In previous years (2012 and 2013), Heraeus Finance GmbH, Hanau, had issued two registered bonds, each with an issuance volume of €50.0 million and terms to maturity of 20 years and 21 years respectively, in order to secure the long-term funding of the Heraeus Group. With effect from December 16, 2019 Heraeus Holding GmbH became the successor of Heraeus Finance GmbH in relation to these debt instruments through the conclusion of debt assumption agreements dated December 13, 2019. Both registered bonds have a coupon of 3.75 percent p.a. The proceeds from the placements of the registered bonds were passed on to the subsidiaries to fund their operating activities.

In addition, Heraeus Finance GmbH used the favorable capital market environment in June 2022 to place a bond with an issuance volume of €500.0 million in order to secure long-term funding for the Heraeus Group. This bond

is being guaranteed by Heraeus Holding GmbH and has a term to maturity of five years. The bond has a coupon of 2.625 percent p.a. and has been listed on the Luxembourg Exchange for trading in the unregulated MTF market. The proceeds from the placement were assumed by Heraeus Holding GmbH by means of a long-term loan with a matching maturity period and were passed on to the subsidiaries to fund their operating activities.

To cover its short-term funding requirements, the Group has access to a commercial-paper program and a long-term, committed syndicated loan facility. Neither of these financial instruments had been utilized at the end of 2024.

The Heraeus Group is using an inhouse bank model to handle foreign currency hedging transactions. Under this model, the central treasury department of the Heraeus Group provides banking services globally for the Group's subsidiaries. In order to effectively hedge against currency risks, the Heraeus Group has centralized the currency risk management for the subsidiaries within the parent company, Heraeus Holding GmbH. The parent company aggregates all transaction risks across the entire Group and can then hedge any remaining position externally.

Profit-and-loss transfer agreements are in place with Heraeus Consulting & IT Solutions GmbH, Hanau, Heraeus Beteiligungsverwaltungsgesellschaft mbH, Hanau, Heraeus Quarzglas Verwaltungsgesellschaft mbH, Hanau, and Heraeus UV Solutions GmbH, Hanau. In addition, control and profit-and-loss transfer agreements are in place with Heraeus Amloy Technologies GmbH, Hanau, Heraeus Electronics Verwaltungs GmbH, Hanau, Heraeus Epurio GmbH, Hanau, Heraeus Finance GmbH, Hanau, Heraeus Business Solutions GmbH, Hanau, Heraeus Health & Education Services GmbH, Hanau, and Heraeus Medevio Verwaltungs GmbH, Hanau. For 2024, Heraeus Holding GmbH committed to offsetting a potential net loss for the year generated by Heraeus Electro-Nite GmbH & Co. KG.

Against the backdrop of its solid financial position and profitable equity investments, the economic position of Heraeus Holding GmbH is deemed to be positive overall. In line with the outlook for the reporting year published in 2023, the income from equity investments raised by Heraeus Holding GmbH was more than sufficient to offset operating expenses.

Outlook

The annual net profit or loss of Heraeus Holding GmbH as a holding company is shaped essentially by distributions and profit transfers it receives from its subsidiaries. As the Heraeus Group expects its individual business platforms to continue on a positive performance trajectory over the long term, Heraeus Holding GmbH should continue to receive steady net investment income in 2025. It is forecast that income from equity investments will once again exceed

operating expenses in 2025. The company's net profit for the year is projected to grow robustly.

With the balance sheet in solid shape, dividend distributions will continue to be determined in alignment with the projected future earnings performance. Based on the current outlook for profits, there are no plans to change the long-term distribution policy.

Opportunity and risk report

Due to the profit contributions from subsidiaries, the business performance of Heraeus Holding GmbH largely corresponds to the business performance of the Heraeus Group as a whole. The information provided in the Heraeus Group's opportunity and risk report therefore applies equally for Heraeus Holding GmbH.

Other disclosures*

Combined corporate governance declaration for 2024 pursuant to section 289f (4) HGB in conjunction with section 315d HGB

The corporate governance declaration pursuant to section 289f (4) HGB in conjunction with section 315d HGB forms part of the combined management report of Heraeus Holding GmbH.

Definition of targets for the proportion of women on the Board of Managing Directors, on the Supervisory Board, and at the two most senior management levels below the Board of Managing Directors

On May 1, 2015, the German Act on Equal Participation of Women and Men in Leadership Positions (FührposGleichberG) came into force. It requires companies to regularly set themselves targets for the proportion of women on their supervisory board, their management or executive board, and the two most senior levels of management below the management board. When setting these targets, companies must also commit to deadlines by which they intend to achieve the given targets. At the end of the defined implementation period, companies must report on the degree to which they have achieved their targets.

Looking back: achievement of targets set in 2017

All targets set in 2017 were met or exceeded as of their implementation deadline of June 30, 2022:

Management level	Target ratio of women	Achieved
Supervisory Board	25%	33.3% (4 of 12)
Board of Managing Directors	0%	0% (0 of 4)
Top management level below Board	10%	33.3% (2 of 6)
Second management level below Board	30%	Not applicable*

*As of the deadline of June 30, 2022, the organizational structure no longer featured a second management level below the Board of Managing Directors. On December 31, 2021, the proportion of women at this level stood at 32.14 percent (9 of 28).

Looking ahead: new targets adopted as of July 1, 2022

For Heraeus Holding GmbH, the target ratios for women in leadership positions were set as specified below. The Supervisory Board set the target ratios for the Supervisory Board and the Board of Managing Directors, while the Board of Managing Directors set the target ratios for the next lower level of management. The implementation period for these targets ends on June 30, 2027.

Targets set by the Supervisory Board:

Management level	Target ratio of women
Supervisory Board	25%
Board of Managing Directors	0%

The Supervisory Board strives to promote diversity across the Heraeus Group. With regard to the appointment of managing directors, the Supervisory Board is keeping the target ratio at 0 percent for the time being. This decision has been taken in order to ensure that managing directors can be newly appointed or reappointed flexibly and that the most qualified and well-suited candidate is selected in the best interest of the company. The Supervisory Board takes the view that defined targets must be pursued in earnest and that it is in the company's best interest to retain managing directors for the long term. With currently three members, the Board of Managing Directors of Heraeus Holding GmbH is relatively small. The Supervisory Board believes that changing the composition of the board purely for the purpose of raising the proportion of women would not be sensible. Increasing the size of the Board of Managing Directors in order to achieve a certain quota for women is currently not being

* This section is not included in the auditor's content review.

considered as an option either. There are no plans to increase the number of members of the Board of Managing Directors in the foreseeable future. However, the current target ratio of 0 percent does not in any way preclude the possibility of the Supervisory Board appointing a woman to the Board of Managing Directors in the next three years.

Many of the most important strategic management decisions are taken by the Group Management Committee, which comprises the members of the Board of Managing Directors and the heads of several central functions. Since June 1, 2022, there has been one woman among the eight members of the Group Management Committee.

Targets set by the Board of Managing Directors:

Management level	Target ratio of women
Top management level below Board ¹	25%
Second management level below Board	Not applicable ²

¹ By direct reporting line

² The management structure of Heraeus Holding GmbH does not include a second level of management below the Board of Managing Directors at present and there are no plans to introduce such a level in the foreseeable future.

The Board of Managing Directors of Heraeus Holding GmbH examined the requirements for the different levels and bodies and adopted the necessary resolutions in a timely manner. As the structure of Heraeus Holding GmbH does not feature a second level of management below the Board of Managing Directors and there are no plans to change this for the time being, no target was adopted for this level.

Consolidated financial statements. Total assets increased to €7.9 billion as of the end of 2024. Total revenue grew year on year to reach €29.4 billion. By contrast, revenue excluding precious metals fell to €2.7 billion. This decline was mainly due the sale of certain parts of the business in 2023 and negative currency effects. Profit after taxes declined to €237 million. Earnings before interest and tax (EBIT) decreased to €320 million. As of December 31, 2024, Heraeus had 15,181 employees worldwide – a slight increase compared with the end of 2023.

Consolidated balance sheet

of Heraeus Holding GmbH, Hanau, for the year ended December 31, 2024

€ million	Note	Dec. 31, 2024	Dec. 31, 2023*	Jan. 1, 2023*
Goodwill	(10)	484.6	482.8	527.4
Other intangible assets	(10)	443.3	454.3	519.4
Property, plant, and equipment	(11)	1,963.2	1,786.7	1,608.7
Investments accounted for using the equity method	(12)	300.8	290.0	256.2
Other financial assets	(13)	94.2	89.0	89.0
Deferred tax assets	(33)	172.1	210.7	185.4
Other assets	(14)	4.3	13.1	9.7
Non-current assets		3,462.5	3,326.6	3,195.8
Precious metals	(15)	1,119.9	1,023.4	1,170.3
Inventories – excluding precious metals	(15)	754.2	704.6	662.7
Trade receivables	(16)	803.2	736.6	759.8
Time deposits	(17)	90.0	128.0	-
Cash and cash equivalents	(17)	1,172.7	1,108.0	934.5
Other financial assets	(13)	252.3	223.9	173.9
Income tax assets		43.4	29.5	26.8
Other assets	(14)	155.4	185.0	219.2
Assets held for sale	(9)	52.6	-	77.8
Current assets		4,443.7	4,139.0	4,025.0
Assets		7,906.2	7,465.6	7,220.8

* Prior-year figures restated, see (2b)

€ million	Note	Dec. 31, 2024	Dec. 31, 2023*	Jan. 1, 2023*
Subscribed capital		210.0	210.0	210.0
Capital reserve		127.8	127.8	127.8
Retained earnings		4,132.4	4,029.1	3,768.8
Other reserves		219.7	113.2	248.6
Treasury shares		- 8.5	- 6.7	- 7.7
Equity attributable to the shareholders of Heraeus Holding GmbH	(18)	4,681.4	4,473.4	4,347.5
Non-controlling interests	(19)	21.7	20.2	39.7
Shareholders' equity		4,703.1	4,493.6	4,387.2
Pensions and similar obligations	(21)	345.9	347.5	325.8
Provisions	(22)	40.3	43.3	45.1
Financial debt	(23)	695.1	689.8	674.0
Other financial liabilities	(24)	23.6	7.5	14.2
Deferred tax liabilities	(33)	84.4	155.4	138.1
Other liabilities	(25)	16.2	10.2	13.8
Non-current liabilities		1,205.5	1,253.7	1,211.0
Provisions	(22)	630.2	484.4	399.2
Financial debt	(23)	140.8	165.9	65.4
Trade payables	(26)	629.9	393.5	493.4
Other financial liabilities	(24)	310.5	317.0	260.5
Income tax liabilities		31.2	50.8	41.6
Other liabilities	(25)	243.5	306.7	340.0
Liabilities directly associated with assets held for sale	(9)	11.5	-	22.5
Current liabilities		1,997.6	1,718.3	1,622.6
Shareholders' equity and liabilities		7,906.2	7,465.6	7,220.8

* Prior-year figures restated, see (2b)

Consolidated income statement

of Heraeus Holding GmbH, Hanau, for the period January 1 to December 31, 2024

€ million	Note	2024	2023*
Revenue	(27)	29,396.9	25,649.2
Change in inventories		23.7	55.7
Cost of materials		- 27,259.8	- 23,390.1
Personnel expenses	(28)	- 1,110.2	- 1,129.2
Amortization, depreciation, and impairment	(29)	- 280.4	- 225.7
Other operating income	(30)	73.5	161.1
Other operating expenses	(31)	- 548.1	- 576.0
Impairment gains (+) / losses (-) on trade receivables	(16)	- 1.8	- 1.5
Income from investments accounted for using the equity method	(12)	26.1	28.2
Earnings before interest and tax (EBIT)		319.9	571.7
Finance income	(32)	61.5	40.8
Finance costs	(32)	- 67.8	- 65.2
Net finance costs		- 6.3	- 24.4
Profit before taxes		313.6	547.3
Income taxes	(33)	- 77.1	- 136.5
Profit after taxes		236.5	410.8
<i>thereof attributable to the shareholders of Heraeus Holding GmbH</i>		<i>229.0</i>	<i>402.6</i>
<i>thereof attributable to non-controlling interests</i>	(19)	<i>7.5</i>	<i>8.2</i>

* Prior-year figures restated, see (2b)

Consolidated statement of comprehensive income

of Heraeus Holding GmbH, Hanau, for the period January 1 to December 31, 2024

€ million	Note	2024			2023*		
		Amount before taxes	Tax expense / income	Amount after taxes	Amount before taxes	Tax expense / income	Amount after taxes
Profit		313.6	- 77.1	236.5	547.3	- 136.5	410.8
Items that will not be reclassified to profit or loss							
Remeasurement of net liability arising from defined benefit pension plans	(21)	- 3.1	5.5	2.4	- 51.9	9.7	- 42.2
Items that have been or can be reclassified to profit or loss							
Currency translation adjustment		116.7	-	116.7	- 93.2	-	- 93.2
Currency translation adjustment reclassified to profit or loss		0.5	-	0.5	- 26.5	-	- 26.5
Share of other comprehensive income of investments accounted for using the equity method		- 2.5	-	- 2.5	- 14.6	-	- 14.6
Effective portion of changes in fair value of cash flow hedges	(39a)	-	-	-	2.2	- 0.6	1.6
Cash flow hedges reclassified to profit or loss	(39a)	- 9.1	2.5	- 6.6	- 6.7	2.0	- 4.7
Equity instruments measured at fair value		- 0.1	-	- 0.1	- 0.3	-	- 0.3
Other comprehensive income		102.4	8.0	110.4	- 191.0	11.1	- 179.9
Total comprehensive income		416.0	- 69.1	346.9	356.3	- 125.4	230.9
<i>thereof attributable to the shareholders of Heraeus Holding GmbH</i>				338.7			224.3
<i>thereof attributable to non-controlling interests</i>				8.2			6.6

* Prior-year figures restated, see (2b)

Consolidated cash flow statement

of Heraeus Holding GmbH, Hanau, for the period January 1 to December 31, 2024

€ million	Note	2024	2023*
Profit after taxes		236.5	410.8
Amortization, depreciation, impairment, and reversal of impairment of non-current assets	(10) (11)	280.1	225.7
Net finance costs	(32)	6.3	24.4
Income taxes	(33)	77.1	136.5
Distributions received from associates and joint ventures		13.5	21.5
Change in inventories		- 155.3	36.3
Change in trade receivables		- 62.7	- 17.1
Change in trade payables		229.3	- 85.0
Change in provisions and in pensions and similar obligations		114.5	65.4
Change in other net assets		- 59.9	98.2
Other non-cash transactions and other non-operating expenses and income		16.4	- 159.9
Gains on disposal of property, plant, and equipment		4.9	3.5
Income taxes paid		- 137.6	- 126.8
Net cash provided by operating activities	(34)	563.1	633.5
Proceeds from the disposal of non-current assets		0.7	0.5
Payments for investments in non-current assets		- 335.3	- 359.6
Proceeds from the disposal of business units		23.5	189.4
Payments for acquisitions minus acquired liquid funds		- 31.3	- 32.4
Payments for the acquisition of entities accounted for using the equity method		- 0.5	- 34.7
Proceeds from the disposal of other investments		-	3.8
Payments for the acquisition of other investments		- 1.5	- 14.4
Payments for the acquisition of other financial assets		- 12.9	- 36.6
Other cash proceeds		-	0.4
Other cash payments		-	- 0.2
Interest received		63.3	35.9
Receipts from maturing time deposits		98.0	-
Payments for the acquisition of time deposits		- 60.0	- 128.0
Net cash used for investing activities	(35)	- 256.0	- 375.9
Proceeds from disposal of treasury shares		-	1.0
Payments for purchases of treasury shares		- 1.8	-
Distributions, including distributions to non-controlling interests		- 150.8	- 112.0
Payments for the acquisition of non-controlling interests		-	- 20.7
Interest paid		- 50.0	- 49.2
Proceeds from the issuing of interest-bearing liabilities		85.2	132.3
Payments relating to the redemption of interest-bearing liabilities		- 124.2	- 30.1
Net cash used for financing activities	(36)	- 241.6	- 78.7

* Prior-year figures restated, see (2b) and (34)

€ million	Note	2024	2023*
Net change in cash and cash equivalents		65.5	178.9
Effect of exchange rate differences on cash and cash equivalents		–	– 7.8
Cash and cash equivalents at the beginning of the period		1,108.0	936.9
Cash and cash equivalents at the end of the period	(37)	1,173.5	1,108.0
<i>thereof cash and cash equivalents held for sale</i>		<i>0.8</i>	–

* Prior-year figures restated, see (2b) and (34)

Consolidated statement of changes in shareholders' equity

of Heraeus Holding GmbH, Hanau, for the period January 1 to December 31, 2024

€ million	Note	Subscribed capital	Capital reserve	Retained earnings		Other reserves			Treasury shares	Equity attributable to the shareholders of Heraeus Holding GmbH	Non-controlling interests (19)	Shareholders' equity
				Other retained earnings	Remeasurement of pension plans	Currency translation	Cash flow hedges	Fair value measurement of equity instruments				
Shareholders' equity as of Jan. 1, 2023		210.0	127.8	3,969.3	- 46.5	226.2	22.4	-	- 7.7	4,501.5	39.7	4,541.2
Adjustment to recognition	(2b)	-	-	- 154.0	-	-	-	-	-	- 154.0	-	- 154.0
Shareholders' equity as of Jan. 1, 2023* restated		210.0	127.8	3,815.3	- 46.5	226.2	22.4	-	- 7.7	4,347.5	39.7	4,387.2
Profit after taxes, 2023*		-	-	402.6	-	-	-	-	-	402.6	8.2	410.8
Remeasurement of pension plans	(21)	-	-	-	- 42.2	-	-	-	-	- 42.2	-	- 42.2
Currency translation		-	-	-	-	- 118.1	-	-	-	- 118.1	- 1.6	- 119.7
Share of income from investments accounted for using the equity method		-	-	-	-	- 14.6	-	-	-	- 14.6	-	- 14.6
Cash flow hedges	(39a)	-	-	-	-	-	- 3.1	-	-	- 3.1	-	- 3.1
Fair value measurement of equity instruments		-	-	-	-	-	-	- 0.3	-	- 0.3	-	- 0.3
Other comprehensive income for 2023		-	-	-	- 42.2	- 132.7	- 3.1	- 0.3	-	- 178.3	- 1.6	- 179.9
Total comprehensive income for 2023*		-	-	402.6	- 42.2	- 132.7	- 3.1	- 0.3	-	224.3	6.6	230.9
Distributions	(36)	-	-	- 99.6	-	-	-	-	-	- 99.6	- 12.4	- 112.0
Acquisition of non-controlling interests		-	-	- 0.5	-	0.7	-	-	-	0.2	- 13.7	- 13.5
Disposal of treasury shares		-	-	-	-	-	-	-	1.0	1.0	-	1.0
Disposals		-	-	- 8.3	8.3	-	-	-	-	-	-	-
Shareholders' equity as of Dec. 31, 2023*		210.0	127.8	4,109.5	- 80.4	94.2	19.3	- 0.3	- 6.7	4,473.4	20.2	4,493.6
Shareholders' equity as of Jan. 1, 2024*		210.0	127.8	4,109.5	- 80.4	94.2	19.3	- 0.3	- 6.7	4,473.4	20.2	4,493.6
Profit after taxes, 2024		-	-	229.0	-	-	-	-	-	229.0	7.5	236.5
Remeasurement of pension plans	(21)	-	-	-	2.4	-	-	-	-	2.4	-	2.4
Currency translation		-	-	-	-	116.5	-	-	-	116.5	0.7	117.2
Share of income from investments accounted for using the equity method		-	-	-	-	- 2.5	-	-	-	- 2.5	-	- 2.5
Cash flow hedges	(39a)	-	-	-	-	-	- 6.6	-	-	- 6.6	-	- 6.6
Fair value measurement of equity instruments		-	-	-	-	-	-	- 0.1	-	- 0.1	-	- 0.1
Other comprehensive income for 2024		-	-	-	2.4	114.0	- 6.6	- 0.1	-	109.7	0.7	110.4
Total comprehensive income for 2024		-	-	229.0	2.4	114.0	- 6.6	- 0.1	-	338.7	8.2	346.9
Distributions	(36)	-	-	- 143.7	-	-	-	-	-	- 143.7	- 7.1	- 150.8
Purchase of treasury shares		-	-	-	-	-	-	-	- 1.8	- 1.8	-	- 1.8
Other changes		-	-	15.6	-	- 0.8	-	-	-	14.8	0.4	15.2
Shareholders' equity as of Dec. 31, 2024		210.0	127.8	4,210.4	- 78.0	207.4	12.7	- 0.4	- 8.5	4,681.4	21.7	4,703.1

* Prior-year figures restated, see (2b)

Notes to the consolidated financial statements

of Heraeus Holding GmbH, Hanau, for the year ended December 31, 2024

Significant accounting policies

(1) General disclosures

Heraeus Holding GmbH is the Group's parent company and its headquarters are at Heraeusstrasse 12–14, 63450 Hanau, Germany. The company is registered in the commercial register of the Hanau local court under the number HRB 3364. Heraeus Holding GmbH is a family-owned global technology company that, on the basis of its range of products, is one of the leading providers in each of its global sales markets. These include the markets for electronics, medical equipment, semiconductors, telecommunications, chemicals, pharmaceuticals, steel, photovoltaics, and automotive products.

Applying section 315e of the German Commercial Code (HGB), the consolidated financial statements of Heraeus Holding GmbH have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). All of the IFRSs, International Accounting Standards (IAS), and interpretations of the IFRS Interpretations Committee (IFRS IC) that were required to be applied in the 2024 financial year were followed. In addition to the IFRS requirements, all statutory disclosure and explanation requirements in the HGB were met.

The financial year of Heraeus Holding GmbH began on January 1, 2024 and ended on December 31, 2024. The corresponding prior-year period was January 1, 2023 to December 31, 2023. The consolidated financial statements have been prepared in euros. Unless otherwise stated, all amounts are shown in millions of euros (€ million).

To improve the clarity of presentation and the transparency of the consolidated financial statements, some items on the consolidated balance sheet and in the consolidated income statement have been aggregated and are reported separately in the notes to the consolidated financial statements. The consolidated income statement has been prepared using the nature-of-expense method. The assets and liabilities on the consolidated balance sheet are broken down into current and non-current items. Assets and liabilities are considered to be current if they fall due or are intended to be sold within one year or within the entity's normal operating cycle. This period begins with the procurement of the resources needed for the production process and ends with the receipt of cash or cash equivalents in return for the sale of the products created or services provided in this process. Trade receivables, trade payables, and inventories are reported as current items. Deferred tax assets, deferred tax liabilities, and pensions and similar obligations are reported as non-current items.

The consolidated financial statements are generally prepared using the cost method, with the exception of derivative financial instruments, investments, and certain other financial assets and liabilities, which are measured at fair value.

On August 29, 2025, the consolidated financial statements of Heraeus Holding GmbH for the financial year from January 1, 2024 to December 31, 2024 were released for publication by the Board of Managing Directors.

(2) Amendments and adjustments to accounting policies

(a) Initial application of new standards and interpretations

Amendments to standards that are of relevance to Heraeus and were applied for the first time in the reporting year are explained below.

Amendments to IFRS 16 – 'Lease Liability in a Sale and Leaseback'

This amendment relates to the recognition of lease liabilities from sale-and-leaseback transactions and stipulates that, following a sale, the seller-lessee does not recognize in profit or loss any amount that relates to the retained right-of-use asset. The newly added passages describe various possible methods, especially for variable lease payments, using examples for illustration.

There was no impact on the consolidated financial statements of Heraeus Holding GmbH.

Amendments to IAS 7 and IFRS 7 – 'Supplier Finance Arrangements'

The amendments relate to disclosure rules in connection with supplier finance arrangements – also referred to as supply chain finance, trade payables finance, or reverse factoring arrangements.

The new rules, which supplement the requirements that already feature in other standards, expressly require a company to disclose:

- the terms and conditions of supplier finance arrangements;
- the amount of the liabilities that are part of the arrangements, the amount for which the suppliers have already received payment from the finance providers, and where the liabilities are reported on the balance sheet;
- ranges of payment due dates; and
- information on liquidity risk.

There was no impact on the consolidated financial statements of Heraeus Holding GmbH.

(b) Correction of errors pursuant to IAS 8.41

(i) Irregularities in the recycling process at Heraeus Precious Metals

At the Heraeus Precious Metals operating company irregularities in the recycling process were identified via the internal whistleblowing system. At the instigation of Heraeus, an external law firm was commissioned in December 2024 to conduct a comprehensive independent investigation of the topic.

The investigation comprises two parts. At the time the accounts were being prepared, the first part of the investigation had been largely completed and a draft report on this part of the investigation had been available. Irregularities were identified at the Hanau site that were to the detriment of certain customers. These customers were informed swiftly and conversations regarding compensation were initiated. A significant agreement with one customer was reached before the accounts were prepared. Conversations with other customers were still ongoing at the time of preparation of the accounts.

In response to the findings from part one of the investigation extensive changes at personnel and organization level were already implemented. These also serve to amplify a positive 'tone from the top'; i.e. from the Supervisory Board and the Board of Managing Directors of Heraeus Holding GmbH. In addition to stopping the irregularities, the company's response also included personnel measures at Heraeus Precious Metals and in relevant corporate functions. Furthermore, the compliance organization and the direct reporting line to the CEO of Heraeus Holding GmbH were comprehensively strengthened. A broad-based corporate culture initiative was launched, involving extensive communication measures from the Board of Managing Directors of Heraeus Holding GmbH and from the shareholders with the aim of clearly and consistently conveying the leadership's commitment to integrity and compliance at Heraeus and the non-negotiable nature of the Group's shared values.

The Supervisory Board expanded the scope of the investigation to areas adjacent to the first part of the investigation, this part of the investigation was still ongoing at the time these consolidated financial statements were prepared by the Board of Managing Directors. However, a provisional assessment also covering these aspects of the case had been delivered by the external law firm at this stage. This provided the Board of Managing Directors with an appropriate basis for its analysis of the situation and the likely impact on the financial position and financial performance. The investigation extends to the question of whether irregularities in the handling of precious metals also occurred in areas adjacent to those within the scope of part one of the investigation. In this context, positive inventory discrepancies (surplus inventories) were recorded for certain materials as part of a recycling stock take. The Board of Managing Directors is currently operating on the assumption that a significant proportion, if not all, of these inventory discrepancies is attributable to customers. The material in question was recognized at its retrospective acquisition cost, as determined for the recognition of provisions.

To account for the risk arising from both parts of the investigation, the Board of Managing Directors has recognized a provision for 2024 and retrospectively for previous years. This provision amounted to €457.7 million as of December 31, 2024 (December 31, 2023: €335.3 million). In addition, precious metal inventories worth €150 million were recognized (of which €64.6 million relate to the 2023 financial year). As no tax deductions could be claimed in relation to this matter in 2024 or in preceding years, corresponding deferred tax assets of €94.7 million (including €83.3 million for previous years) were recognized.

In light of these findings, the following corrections have been made to prior-year figures on the consolidated balance sheet, in the consolidated income statement, and in the consolidated cash flow statement:

Consolidated balance sheet:

€ million	Dec. 31, 2023	Restatement	Dec. 31, 2023 restated	Jan. 1, 2023	Restatement	Jan. 1, 2023 restated
Deferred tax assets	127.4	83.3	210.7	116.8	68.6	185.4
Precious metals	958.8	64.6	1,023.4	1,170.3	–	1,170.3
Retained earnings	4,216.5	– 187.4	4,029.1	3,922.8	– 154.0	3,768.8
Current provisions	149.1	335.3	484.4	176.6	222.6	399.2

Consolidated income statement and consolidated statement of comprehensive income:

€ million	2023	Restatement	2023 restated
Cost of materials	– 23,380.5	– 9.6	– 23,390.1
Other operating expenses	– 537.5	– 38.5	– 576.0
Earnings before interest and tax (EBIT)	619.8	– 48.1	571.7
Profit before taxes	595.4	– 48.1	547.3
Income taxes	– 151.2	14.7	– 136.5
Profit after taxes	444.2	– 33.4	410.8
<i>thereof attributable to the shareholders of Heraeus Holding GmbH</i>	<i>436.0</i>	<i>– 33.4</i>	<i>402.6</i>
Total comprehensive income	264.3	– 33.4	230.9
<i>thereof attributable to the shareholders of Heraeus Holding GmbH</i>	<i>257.7</i>	<i>– 33.4</i>	<i>224.3</i>

Consolidated cash flow statement:

€ million	2023	Restatement	2023 restated
Profit after taxes	444.2	– 33.4	410.8
Income taxes	151.2	– 14.7	136.5
Change in inventories	100.9	– 64.6	36.3
Change in provisions and in pensions and similar obligations	– 47.3	112.7	65.4
Net cash provided by operating activities	633.5	–	633.5

(ii) Contingent liabilities

Please refer to the details provided in Note (43) on other information concerning the presentation of contingent liabilities. It is stated there that contingent liabilities of €96.6 million had already been recognized as of December 31, 2023 for the uncertainty described regarding the effectiveness of profit-and-loss transfer agreements. This information was not disclosed in the previous year. To date, this has had no impact on financial position and financial performance.

(3) Financial reporting standards not applied early

Heraeus does not plan to apply the following new or amended standards and interpretations before the mandatory application date. Their application is only mandatory in subsequent annual periods. Other new standards, interpretations, and amendments have also been issued, but they are not expected to impact on the consolidated financial statements of Heraeus.

(a) Already endorsed by the EU**Amendments to IAS 21 – ‘Lack of exchangeability’**

The amendment provides guidance on determining the exchange rate when a currency is permanently not exchangeable. IAS 21 had previously not included any provisions addressing this scenario. The following additions are being made to IAS 21:

- Criteria for assessing whether a currency is exchangeable for another currency
- Guidance on determining the exchange rate when a currency is not exchangeable
- Relevant additional disclosure requirements

The amendments come into force for reporting periods commencing on or after January 1, 2025. Early application of the amendments is permitted.

Heraeus currently anticipates that there will be no material impact on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – ‘Contracts referencing nature-dependent electricity’

Contracts referencing nature-dependent electricity are often structured as power purchase agreements (PPAs). The electricity supply under such contracts may fluctuate due to unpredictable circumstances such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company’s performance. To allow companies to better reflect these contracts in the financial statements, the following amendments have been made:

- Clarifying the application of the ‘own-use’ exemption to these contracts
- Amending the provisions on hedge accounting to permit the use of contracts for electricity from nature-dependent renewable energy sources as a hedging instrument, if certain requirements are met
- Adding new disclosure requirements regarding the impact of these contracts on a company’s financial performance and future cash flows

The amendments come into force for reporting periods commencing on or after January 1, 2026. Early application of the amendments is permitted.

Heraeus is in the process of reviewing how these amendments will affect its consolidated financial statements.

(b) Not yet endorsed by the EU**IFRS 18 – ‘Presentation and Disclosure in Financial Statements’**

IFRS 18 will replace ‘IAS 1 Presentation of Financial Statements’ and will become applicable for reporting years beginning on or after January 1, 2027, subject to incorporation into EU law. The new standard introduces the following material new requirements:

- Companies are required to classify all items of income and expenses in the income statement into one of the five categories of operating, investing, financing, income taxes and discontinued operations. They are also required to present subtotals for two newly defined line items, ‘operating profit or loss’ and ‘profit or loss before financing and income taxes’. There will be no change to the presentation of net profit for the period.
- Certain company-specific measures (so-called management-defined performance measures, MPMs) are presented in a separate disclosure in the notes to the financial statements.
- Better guidance is being provided on the aggregation of information within the financial statements.

Moreover, companies are required to use the new operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities.

Heraeus is currently assessing the possible impact of the new standard, especially regarding the structure of the consolidated income statement, the cash flow statement, and the additional disclosure requirements relating to MPMs. It is also reviewing the implications of the new standard for the way in which information is aggregated in financial statements, including items currently being referred to as ‘other’.

(4) Principles of consolidation

The financial statements of the consolidated entities have been prepared as of the balance sheet date of the consolidated financial statements in accordance with uniform accounting policies that comply with IFRS.

As part of acquisition accounting, the carrying amounts of equity investments in subsidiaries are offset against the portion of equity held in these subsidiaries. In the case of business combinations, the identified assets and liabilities acquired are recognized at fair value. Certain items, such as deferred taxes and employee benefits, are measured in accordance with the standards pertinent to them. Any excess of the purchase price over the fair value of net assets acquired after allocation of the purchase price is recognized as goodwill. A negative excess is recognized in the income statement in the period in which the acquisition takes place. Non-controlling interests are measured as of their acquisition date and recognized in proportion with the share of the identified net assets of the acquiree that they hold.

Income and expenses arising from intercompany transactions are eliminated in full. Profits and losses from intercompany sales and services are eliminated. Receivables and liabilities within the Group are offset against each other. The income tax implications of consolidation transactions that are recognized in the income statement are taken into account and deferred taxes are recognized.

(5) Currency translation

Separate financial statements prepared in foreign currencies by subsidiaries abroad are translated into euros as the reporting currency. Because subsidiaries conduct their business independently from a financial, commercial, and organizational perspective, their functional currency is generally the same as their local currency. For ten foreign subsidiaries (2023: ten), the functional currency is the US dollar or euro rather than their local currency.

In the consolidated financial statements, income and expenses arising from financial statements prepared in foreign currencies are translated at the average exchange rate for the year, assets and liabilities are translated at the closing rate, and shareholders' equity is translated at historical rates. Any remaining exchange differences are reported in other comprehensive income.

Exchange differences arising from the consolidation of receivables and liabilities are recognized in profit or loss and reported in other operating income or other operating expenses in the consolidated income statement. Foreign-currency receivables and liabilities reported in local subsidiaries' separate financial statements are translated at the closing rate. Unrealized gains and losses on the balance sheet date are recognized in profit or loss.

Exchange rate gains and losses from the translation of operating receivables and liabilities in foreign currency and net gains or losses from the fair value measurement of derivatives used as operating hedges for underlying transactions in foreign currency are reported in other operating income or other operating expenses. Net exchange rate gains or losses in connection with funding are reported in net finance costs.

The table below shows changes in the exchange rates against the euro used to translate major currencies:

	€1 =	Closing rate		Average rate	
		Dec. 31, 2024	Dec. 31, 2023	2024	2023
China	CNY	7.5833	7.8509	7.7875	7.6600
United Kingdom	GBP	0.8292	0.8691	0.8466	0.8698
Hong Kong	HKD	8.0686	8.6314	8.4454	8.4650
Japan	JPY	163.06	156.33	163.85	151.99
South Korea	KRW	1,532.15	1,433.66	1,475.40	1,412.88
Switzerland	CHF	0.9412	0.9260	0.9526	0.9718
USA	USD	1.0389	1.1050	1.0824	1.0813

(6) Accounting policies

(a) Goodwill

Capitalized goodwill is tested for impairment on an annual basis or whenever there are indications of impairment. Impairment testing is generally based on the fair value less costs of disposal.

(b) Other intangible assets

Intangible assets that have been purchased are carried at cost and amortized using the straight-line method over their useful life, provided they have a finite useful life. The main intangible assets relate to customer relationships, technologies, and

brands stemming from acquisitions. They are predominantly amortized over a period of between seven and 15 years, while a useful life of three to five years is used for software.

When accounting for internally generated intangible assets, a distinction is made between research costs and development costs. Research costs are recognized as expenses in the consolidated income statement as incurred, while development costs for future products or technologies are capitalized, provided they meet all of the relevant criteria on a cumulative basis. If they do not meet the criteria for capitalization, costs are recognized in profit or loss for the year in which they are incurred.

(c) Property, plant, and equipment

Property, plant, and equipment is measured at cost less cumulative depreciation and impairment. Cost comprises the purchase consideration and any directly attributable purchase-related costs incurred to bring an asset into the working condition required for its intended use.

Grants, allowances, and similar government assistance are deducted from cost.

Property, plant, and equipment is depreciated over its useful economic life using the straight-line method. Depreciation is generally based on the following useful lives:

Asset item	Useful life (years)
Buildings	15–50
Leasehold improvements	5–25
Plant and machinery	10–25
Office furniture and equipment	4–25

(d) Leases

As a lessee, the Group recognizes assets for the rights to use the leased assets and liabilities for obligations entered into to make payments. The right-of-use assets are recognized at cost initially and then depreciated on a straight-line basis over the term of the lease. The cost of the right-of-use asset is the present value of all future lease payments plus any lease payments made at or before the lease commencement date, the direct costs for performance of the lease, and the estimated costs for dismantling, removing, or restoring the leased asset. Right-of-use assets are recognized under property, plant, and equipment. Lease liabilities are initially recognized at the present value of the outstanding lease payments and subsequently accounted for using the effective interest method. The discount rate applied is generally the lessee's incremental borrowing rate of interest. Lease liabilities are recognized under non-current or current financial debt depending on their residual term.

The recognition exemption is applied for leases where the underlying asset has a low value. The payments under these leases are instead recognized as an expense on a straight-line basis.

(e) Joint ventures and associates

Investments in joint ventures and associates are measured at acquisition cost at the time of initial recognition and then subsequently at the relevant proportion of equity using the equity method. If these entities have different balance sheet dates, interim financial statements are used for them.

(f) Precious metals

For measurement purposes, precious metal inventories are divided into the following categories:

The unhedged precious metal inventory, consisting of precious metals tied up in processing and production processes and precious metals held for strategic reasons, is measured at the lower of weighted average cost and net realizable value. If the reasons for recognizing a write-down cease to exist, it is reversed up to a maximum of original cost.

The inventory held on demand is the stock of precious metals needed to fulfill customer orders. Precious metals for the inventory held on demand are measured at the contractual purchase price agreed for the customer (attributable cost of purchase).

The trading inventory consists of precious metals that are held by the trading companies in the Group. These are measured using the first-in, first-out method. Obligations to cover forward purchases are recognized at the market prices as of the balance sheet date. They are shown under other liabilities.

The inhouse recycling inventory consists of recycling materials containing precious metals that are already in the possession of Heraeus but have not yet been processed. The precious metal purchase prices for these materials have not yet been fixed, so the estimated quantities are measured at the precious metal prices valid as of the balance sheet date. A related liability for outstanding invoices is recognized under trade payables. The final value of the recycling materials is determined after the precious metal purchase prices have been fixed.

(g) Inventories – excluding precious metals

Materials and supplies, commodities, work in progress, and finished goods are measured at the lower of cost and net realizable value. The cost of materials and supplies is generally determined on the basis of weighted average costs; the cost of work in progress and finished goods is, in some cases, also based on standard costs if these are close to the market value. Write-downs of inventories are recognized if the net realizable value is lower than the recognized cost.

(h) Financial instruments

Measurement and classification

Financial instruments include non-derivative financial instruments such as trade receivables, trade payables, financial debt, and other financial assets and liabilities. In addition, derivative financial instruments are used to hedge currency, price, and interest-rate risk.

The following categories of financial asset are relevant to Heraeus in the context of debt instruments:

- Measured at amortized cost
- Measured at fair value through profit or loss

Classification is based on the business model used to manage debt instruments and on the characteristics of the contractual cash flows.

Debt instruments are measured at amortized cost if they are held as part of a business model aimed at collecting contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that are not measured at amortized cost are measured within the Group at fair value through profit or loss.

For equity instruments that are not held for trading purposes and are otherwise measured at fair value through profit or loss, there is an option to recognize the fair value changes in other comprehensive income. In this case, amounts recognized in other comprehensive income cannot be reclassified to profit or loss at a later date. This option is considered on a case-by-case basis for each instrument; the decision on exercising the option is irrevocable.

Financial liabilities are classified into the following categories:

- Measured at amortized cost
- Measured at fair value through profit or loss

Purchases and sales of financial instruments are recognized at their settlement date, while derivatives are recognized at their trade date. Initial measurement is at fair value.

Impairment

Impairment losses are recognized in the amount of the expected credit loss for debt instruments that are measured at amortized cost. At each balance sheet date, they are adjusted to reflect the change in credit risk of the financial instrument in question since initial recognition and are based on the expected credit loss over the subsequent twelve months. If there has been a significant increase in default risk, the credit loss from expected default events during the remaining period to maturity is recognized.

At each balance sheet date, an assessment is carried out to ascertain whether there has been a significant increase in credit risk. The individual credit risk is assessed using quantitative and qualitative information, such as data on credit default swaps, past experience, and assumptions about the future. The latter include industry-specific and country-specific expectations regarding future credit risk.

Indications of a significant increase in credit risk include, among others, the following information and expectations:

- A significant change in the external or internal credit rating of the financial instrument
- Unfavorable changes to the business situation, financial parameters, or economic conditions that have a significant influence on the credit standing of the customer in question
- Evidence that a customer is in significant financial difficulties
- Non-compliance with payment terms

As in 2023, no material need to recognize impairment losses on credit balances with banks or other debt instruments was identified in 2024.

By contrast, expected credit losses on trade receivables are calculated using a simplified model based on a provision matrix.

Derivative financial instruments

Derivatives are measured at fair value.

Commodity futures to which the own-use exemption pursuant to IFRS 9 does not apply are separated from the own-use portfolio and recognized at fair value as held for trading. Changes in fair value are recognized in profit or loss.

In individual cases, hedge accounting is applied to the hedging of predicted future cash flows in foreign currencies, to the hedging of interest payments, and to the hedging of precious metal price risks (cash flow hedges).

At the inception of hedge accounting, the hedging relationship between the underlying transaction and the hedging instrument is documented, including the risk-management objectives and the corporate strategy behind entering into hedges. A record is also kept of whether the designated hedging instrument is highly effective, in terms of the risk that is being hedged, in compensating for changes in the fair value of the underlying transaction or in the cash flows arising from the underlying transaction. This is carried out when hedges are taken out as well as during their term.

The effective part of changes in the fair value of hedging instruments is recognized in other comprehensive income, taking deferred taxes into account. Only at the time that the corresponding gains or losses on the underlying transaction are realized are the cumulative adjustments to equity recognized in profit or loss.

Trade receivables

Trade receivables are measured at amortized cost. They are generally due within one year, so discounting is not necessary.

A simplified method is used to measure the expected credit loss on trade receivables. Under this method, the impairment loss is calculated using a provision matrix with defined time periods and taking country-specific and industry-specific characteristics into account. The default of credit-impaired trade receivables is examined separately on a case-by-case basis.

Indications that trade receivables may be credit-impaired include, but are not limited to the following:

- The customer is in significant financial difficulty.
- The contract is breached due to payment becoming past due.
- The customer is faced with the threat of insolvency.

Impairment losses are recognized in profit or loss. If it becomes apparent in subsequent periods that the reasons for recognizing an impairment loss no longer apply, the impairment loss is reversed up to a maximum of the original cost.

Carrying amounts of receivables are adjusted via an allowance account. Receivables that are uncollectible are derecognized by writing them off in full.

The impairment loss, the income from the reversal, and other changes recognized in profit or loss resulting from the adjustment of measurement parameters are presented on a net basis in a separate line in the consolidated income statement.

Time deposits

Time deposits are deposits with a fixed term of between three and twelve months. They are recognized at amortized cost.

Cash and cash equivalents

Cash and cash equivalents are reported at amortized cost. Cash on hand in foreign currency is translated at the closing rate. The money market funds included are not subject to significant fluctuations in value and can be converted to cash within one day.

Financial debt

Financial debt relates to one standard bond, registered bonds, liabilities to banks, and lease liabilities. It is recognized at amortized cost using the effective interest method.

Other financial assets and other financial liabilities

Other financial assets and liabilities are predominantly measured at amortized cost. There is a small volume of equity instruments that, depending on whether the option has been exercised, are measured at fair value through profit or loss or at fair value through other comprehensive income. There are also derivatives that are measured at fair value.

In order to manage precious metal liquidity, Heraeus concludes precious metal swaps with its counterparties. Amounts paid or received in relation to these transactions are reported under Other financial assets or Other financial liabilities.

(i) Pensions and similar obligations

Defined benefit obligations are recognized and measured separately for each defined benefit plan using the projected unit credit method, which takes into account expected increases in salaries and pensions in the future in addition to the pensions and vested pension rights known at the balance sheet date. The actuarial assumptions regarding discount rates, increases in salaries and pensions, staff turnover, and rises in healthcare costs on which the calculation of the defined benefit obligation is based are determined for each country taking into account the economic conditions in each case. The interest rates used to discount defined benefit obligations are based on market yields on high-quality bonds denominated in the same currency and for the same duration as the defined benefit obligations.

If defined benefit obligations are funded by assets held by a legally independent entity that may only be used to meet the pension obligations incurred, and are beyond the reach of any creditors, the assets are deducted from the defined benefit obligations, which are recognized as a net liability. The funds held by the Heraeus Group's German companies and some of its companies abroad qualify as plan assets and are therefore offset against the present value of the defined benefit obligations.

The actuarial gains and losses that arise from changes in the assumptions underlying the calculations, and from variations between those assumptions and actual developments, are recognized in the Group's other comprehensive income in the period that they arise, taking account of deferred taxes. They are shown in a separate reserve within retained earnings. If the defined benefit obligations are sold or redeemed, they are reclassified to other retained earnings.

The expenses for defined contribution plans attributable to each year are recognized directly in personnel expenses in that year.

(j) Provisions

Provisions are recognized when the Group has a current legal or constructive obligation to a third party as the result of a past event, an outflow of resources is probable, and the amount of the obligation can be reliably estimated. Provisions are recognized in the amount of the most likely settlement amount, or if there is a large number of possible scenarios, in the amount of the expected value of the possible settlement amounts. Estimates are reviewed and adjusted periodically.

If the time value of money is material, provisions that will not result in an outflow of resources until after the following year are recognized at the present value of the expenditure estimated to be needed to meet the obligation.

(k) Deferred taxes

Deferred taxes are calculated on the basis of temporary differences between the carrying amounts of assets and liabilities in the IFRS financial statements and the Group's tax accounts, realizable loss carryforwards, and consolidation transactions. They are calculated using the tax rates anticipated in the various countries at the time these items are recognized, based on the legal provisions in force or approved at the balance sheet date.

Deferred taxes based on items recognized in other comprehensive income or in equity are themselves also recognized in other comprehensive income or in equity.

Deferred tax assets are offset against deferred tax liabilities if levied by the same taxation authority and if there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax assets are recognized if it is likely that future taxable profits will be available against which it will be possible to offset deductible temporary differences, unutilized tax losses, and unutilized tax credits.

(l) Revenue and other income

Revenue is reported in the amount of the consideration that Heraeus expects to receive and recognize when the customer obtains control over the agreed goods and services and can benefit from them. Control may pass at a point in time or over a period of time. The performance obligations arising under contracts with customers of Heraeus are predominantly fulfilled at a point in time.

Revenue is recognized over a period of time only in a small number of cases and typically over a period of less than one year. As a rule, the period between fulfillment of the performance obligation and payment is not material. The contracts do not typically include a financing component.

The total proceeds from services included in revenue are insignificant. Interest income is recognized pro rata in accordance with the effective interest method; this includes interest for the leasing of precious metals.

Contract assets and contract liabilities may arise and are shown under other assets and other liabilities respectively.

Revenue recognition in the business platforms can be summarized as follows:

Metals & Recycling:

In trading transactions, control routinely passes with effect from the due date. In recycling transactions, the charges are recognized as revenue at the time of reimbursement of the customer for the precious metal. In product deliveries, the revenue is usually recognized after shipping except where the passing of control takes place at a later point in time.

Healthcare, Semiconductor & Electronics, and Industrials:

Revenue is usually recognized after the product is shipped, except where the passing of control takes place at a later point in time.

(m) Cost of materials

Cost of materials includes the costs of raw materials and supplies, goods, and precious metals.

(n) Impairment of intangible assets and property, plant, and equipment

Intangible assets and property, plant, and equipment are tested for impairment if there are indications of impairment. If the carrying amount is above the recoverable amount, impairment losses are recognized. The recoverable amount is the higher of fair value less costs of disposal and value in use.

If the reasons for recognizing impairment losses cease to apply, impairment losses are reversed. The reversal recognized in profit or loss is limited to the lower of the recoverable amount and the depreciated/amortized carrying amount that would have arisen had no impairment loss been recognized in the past. Goodwill is excluded from the reversal of impairment losses.

Impairment losses and reversals thereof are reviewed at the level of the cash-generating unit unless the recoverable amount can be determined for the individual asset.

(o) Precious metal leases

For the purpose of sourcing precious metals, Heraeus enters into transactions such as precious metal leases as lessee and sometimes as lessor. In a leasing transaction, the lessor transfers to the lessee a contractually determined quantity of a precious metal for a fixed period of time and receives interest in return for transferring the precious metal. The Heraeus Group generally enters into precious metal leases with a maximum term of twelve months. In the case of precious metal leases, it is the lessor that retains legal ownership and price risk as well as the material risks and opportunities. Precious metal leases in which Heraeus is the lessee are therefore not recognized on the balance sheet.

(7) Use of key accounting estimates

Preparation of the consolidated financial statements in accordance with IFRS requires accounting estimates to be used and judgments made that have an impact on the amounts reported for, and the recognition of, assets, liabilities, income, and expenses.

The material assumptions and parameters for the accounting estimates that have been made are based on the information and data available at the time and are reviewed on an ongoing basis. Changes to accounting estimates are made prospectively.

Estimation uncertainties and judgments mainly relate to the following:

Business combinations (see (9)): Determination of the fair value of the identifiable assets acquired and liabilities assumed

Intangible assets (see (10)): Impairment test – material assumptions on which the calculation of the recoverable amount is based

Trade receivables (see (16)): Calculation of the expected default – default rates for the different time periods

Pensions and similar obligations (see (21)): Measurement of defined benefit obligations – material actuarial assumptions

Provisions (see (22)): Recognition and measurement of provisions – material assumptions about the probability and extent of the outflow of resources

Deferred tax assets/liabilities (see (33)): Availability of future taxable profits against which deferred tax assets can be utilized

Financial instruments (see (40b)): Financial instruments that are measured at fair value – input factors and methods

Contingent liabilities (see (43)): Assessment of the effectiveness under civil law of profit-and-loss transfer agreements, which may affect tax provisioning.

(8) Scope of consolidation

In addition to Heraeus Holding GmbH, the consolidated financial statements include subsidiaries over which Heraeus Holding GmbH exercises control. Joint ventures and associates are also included using the equity method.

The financial year of the consolidated subsidiaries is the calendar year.

The following table shows the breakdown of consolidated entities:

Consolidated subsidiaries

	2024			2023		
	Total	In Germany	Outside Germany	Total	In Germany	Outside Germany
Balance as of Jan. 1	130	39	91	128	33	95
Additions	2	–	2	12	8	4
Disposals	– 1	–	– 1	– 8	– 2	– 6
Mergers	– 1	– 1	–	– 2	–	– 2
Balance as of Dec. 31	130	38	92	130	39	91

Joint ventures and associates included in the consolidated financial statements using the equity method

	2024			2023		
	Total	In Germany	Outside Germany	Total	In Germany	Outside Germany
Balance as of Jan. 1	11	3	8	9	1	8
Additions	–	–	–	2	2	–
Balance as of Dec. 31	11	3	8	11	3	8

(9) Corporate transactions

(a) Business combinations in 2024

The following acquisition was the only material transaction in the reporting year:

	Type of acquisition	Voting rights acquired (%)	Date of acquisition
Heraeus Precious Metals			
McCol Metals, Canada	Share deal	100.0	Jun. 21, 2024

The total consideration transferred came to €40.9 million (of which €26.4 million in cash).

With effect from June 21, 2024, Heraeus Precious Metals acquired 100 percent of the shares in Canadian recycling company McCol Metals in St. John's, Newfoundland. The innovative recycling technology of McCol Metals aligns with Heraeus' ambition to recycle and reuse as many precious metals as possible. McCol Metals has developed a cutting-edge process for recovering and recycling iridium from expended mixed metal oxide electrodes.

The following amounts were recognized for the assets and liabilities of the acquired company as of the acquisition date:

€ million

Non-current assets	10.4
Other intangible assets	7.7
Property, plant, and equipment	2.6
Other assets	0.1
Current assets	7.0
Precious metals	5.8
Inventories – excluding precious metals	0.9
Trade receivables	0.1
Cash and cash equivalents	0.1
Other assets	0.1
Assets acquired	17.4
Non-current liabilities	4.1
Deferred tax liabilities	4.1
Current liabilities	0.2
Trade payables	0.2
Liabilities acquired	4.3
Net assets acquired	13.1

After purchase price allocation, goodwill amounted to €27.8 million, which is not tax-deductible. This figure mainly represents synergies arising from the expansion of the product and service profile and is based on the technological expertise in relation to precious metal recycling.

From the acquisition date, consolidated revenue for 2024 included revenue of €1.4 million generated by the acquired company; the contribution to earnings from the acquisition amounted to €0.3 million.

The hypothetical impact of the acquisition on revenue, assuming consolidation from the beginning of the year, would have been an increase of €1.6 million, and the impact on profit after taxes would have been €0.0 million.

(b) Business combinations in 2023

The following acquisitions took place in the previous year:

	Type of acquisition	Voting rights acquired (%)	Date of acquisition
Heraeus Comvance			
OFS Fitel Denmark ApS, Denmark	Share deal	100.0	Jun. 30, 2023

The total consideration transferred came to €32.6 million (of which €31.3 million in cash). Compared with the previous year, no adjustments were made regarding the purchase price allocation in 2024. Purchase price payments of €1.3 million were made in 2024 in connection with the business combinations that took place in 2023.

(c) Disposals in 2024:

In December 2024, Heraeus signed an agreement for the sale of its business involving silver conductive pastes for solar cells in China and Singapore to Haitan Water Group Co., Ltd. The sale was completed in April 2025. The associated assets and liabilities are reported as a disposal group. As of December 31, 2024, assets and liabilities held for sale included the following items:

€ million	Dec. 31, 2024
Other intangible assets	0.2
Property, plant, and equipment	23.0
Inventories – excluding precious metals	9.5
Other assets	19.9
Assets held for sale	52.6
Pensions and similar obligations	–
Provisions	2.8
Other liabilities	8.7
Liabilities directly associated with assets held for sale	11.5

Property, plant, and equipment included one plot of land and property with a value of €4.8 million that was not linked to the sale of the business involving silver conductive pastes for solar cells. The sale of this plot and property was completed in the first quarter of 2025.

As of December 18, 2024, 100 percent of the shares in Heraeus Conamic UK Ltd. in Wallsend, United Kingdom, were acquired by Krystal Technology (Shanghai) Co. Ltd. The disposal of this site was prompted by a change in corporate strategy at Heraeus Conamic.

(d) Disposals in 2023:

In 2022, Heraeus signed an agreement for the sale of 100 percent of the shares in Heraeus Nexensos to international electronics specialist Yageo. Heraeus Nexensos is a global industry leader in the field of high-precision temperature measurements using platinum thin-film technologies and the biggest manufacturer of platinum temperature sensors. These temperature sensors are used in vehicle exhaust gas systems as well as in electric vehicles and various industrial applications. Heraeus Nexensos is headquartered in Kleinostheim and operates an additional production site in Malaysia as well as sales units in the US, China, and other South East Asian countries. It employed around 480 people. The sale was completed on March 31, 2023.

In September 2023, Heraeus reached an agreement with the US company Excelitas Technologies, based in Waltham, Massachusetts, for the sale of its specialty light sources division Heraeus Noblelight. Excelitas Technologies is acquiring 100 percent of the shares in Heraeus Noblelight and therefore all existing business activities and employees. Heraeus Noblelight is a leading supplier in the specialty light market and is very well positioned in terms of market access, problem-solving expertise, and technological breadth. The business is headquartered in Kleinostheim and operates production sites in Germany, the UK, the US, China, and Japan. It also has sales units in Europe and parts of South East Asia. It employed around 850 people. The sale was completed on December 31, 2023. The company name changed from Heraeus Noblelight to Excelitas Noblelight.

(e) Business combinations after the reporting period

In 2025, the business combinations set out below had already taken place at the time the consolidated financial statements were prepared. Together, they did not have a material impact on the consolidated financial statements of Heraeus Holding GmbH:

	Type of acquisition	Voting rights acquired (%)	Date of acquisition
Heraeus Medical			
INNOTERE GmbH, Germany	Share deal	100.0	Jan. 31, 2025
Austin Medical Ventures, Inc., USA	Asset deal	-	Jun. 5, 2025
Heraeus Incubator New Businesses			
Bekeson Glass, LLC, USA	Asset deal	-	Jun. 25, 2025

Heraeus Medical

With effect from January 31, 2025, Heraeus Medical acquired 100 percent of the shares in INNOTERE GmbH, Germany, as part of a share deal. INNOTERE develops and produces innovative calcium phosphate-based bone substitute materials.

As part of an asset deal, Heraeus Medical acquired, among other assets, the product Synthecure® from the US-based company Austin Medical Ventures, Inc., on June 5, 2025. Produced and distributed by Austin Medical Ventures, Synthecure® is an innovative bone substitute material based on pure calcium sulphate.

The objective behind both of these acquisitions is to expand the product portfolio of Heraeus Medical.

Heraeus Incubator New Businesses

As part of an asset deal, Heraeus Incubator New Businesses acquired the business activities of US-based company Bekeson Glass, LLC, on June 25, 2025. Bekeson's production technology complements the existing portfolio of Mo Sci LLC, US, as it facilitates quicker throughput and higher capacity for large volumes of glass beads and glass frit.

Notes to the consolidated balance sheet**(10) Intangible assets****(a) Goodwill**

Goodwill increased from €482.8 million in 2023 to €484.6 million in the reporting year. The change arose from additions of €28.1 million in connection with acquisitions and from valuation gains of €23.8 million resulting from higher exchange rates. In addition, impairment losses of €50.1 million on goodwill were recognized.

The business activities relating to goodwill are usually monitored at operating company level. With the exception of the goodwill arising from Norwood Medical, none of the goodwill was material when considered individually.

Impairment testing of goodwill in the reporting year was based on fair value less costs of disposal. Present-value methods were used for the measurements, which fall under Level 3 of the fair value hierarchy pursuant to IFRS 13. The planning periods were determined in accordance with the assumptions of a market participant and were between five and seven years. Growth in EBITDA, a key assumption for the estimation of cash flows, was calculated on the basis of past experience. Further key assumptions included discount rates after taxes of between 7.8 percent and 9.4 percent and rates of growth in perpetuity of between 0 percent and 2 percent. The discount rates were calculated on the basis of external capital market data, taking account of relevant peer groups. The rates of growth in perpetuity were calculated on the basis of past experience and taking account of external data for the long-term growth of relevant markets.

In 2023, the goodwill was tested for impairment on the basis of the value in use and a three-year planning period approved by management; the growth in EBITDA, calculated on the basis of past experience, was a key assumption in this context. Further key assumptions included discount rates before taxes of between 9.1 percent and 12.9 percent and rates of growth in perpetuity of between 0 percent and 2 percent. The detailed planning period was extended in order to calculate the steady state for the perpetuity growth rate.

The main purpose of the change in measurement method was to improve the comparability of figures with external benchmark data.

For the impairment test carried out on Norwood Medical, a discount rate after taxes of 8.8 percent (2023: discount rate before taxes of 9.1 percent) and a rate of growth in perpetuity of 2 percent (2023: 2 percent) were applied. The average annual growth in EBITDA was 8.0 percent (2023: 6.6 percent). Cash flows were planned over a seven-year period for the calculation of the fair value less costs of disposal. The steady state had not yet been achieved in 2023 due to synergy effects that were expected to materialize after the three-year planning period. This was taken into account through appropriate adjustments. The recoverable amount was €794.9 million (2023: €908.7 million). As a result, an impairment loss of €50.1 million had to be recognized in 2024 due to the negative business performance (2023: €0.0 million). The recognition of this impairment loss brought the carrying amount into line with the recoverable amount. Consequently, a potential unfavorable change in a material assumption would necessitate further impairment.

The implications of the current geopolitical uncertainty and the associated lack of clarity about US tariff strategy carry risks and opportunities for Norwood Medical. As the supply chain of Norwood Medical is largely US-based, the foreseeable potential direct impact on the company is limited. However, indirect consequences could adversely affect Norwood Medical as US-based suppliers of the company source some of their materials internationally and its customers have business activities outside the US. At the same time, the aforementioned limited direct impact of tariffs in relation to existing and new customers could constitute a competitive advantage for Norwood Medical over other suppliers that are more dependent on international supply chains.

Besides this case, no further impairment losses on goodwill were recognized in the reporting year; no impairment losses on goodwill had been recognized in 2023.

Goodwill was allocated to the operating companies as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Heraeus Precious Metals	56.1	29.0
Heraeus Medevio	63.2	60.3
Norwood Medical	300.3	331.5
Heraeus Electronics	14.5	13.8
Heraeus Electro-Nite	26.6	25.5
Start-ups	23.9	22.7
Goodwill	484.6	482.8

(b) Other intangible assets

€ million	Goodwill	Customer relationships, technologies, brands, licenses, and similar rights	Internally generated intangible assets	Total
Jan. 1, 2023				
Cost	534.2	997.6	5.8	1,537.6
Accumulated amortization and impairment	– 6.8	– 479.3	– 4.6	– 490.7
Net carrying amount	527.4	518.3	1.2	1,046.9
Financial year ended Dec. 31, 2023				
Net carrying amount as of Jan. 1, 2023	527.4	518.3	1.2	1,046.9
Currency effects	– 15.3	– 12.6	–	– 27.9
Additions through business combinations	–	4.6	–	4.6
Additions	–	1.4	0.2	1.6
Disposals	– 29.3	– 7.7	–	– 37.0
Reclassifications	–	– 0.3	1.4	1.1
Amortization	–	– 51.5	– 0.7	– 52.2
Net carrying amount as of Dec. 31, 2023	482.8	452.2	2.1	937.1
Dec. 31, 2023 / Jan. 1, 2024				
Cost	486.8	867.5	7.4	1,361.7
Accumulated amortization and impairment	– 4.0	– 415.3	– 5.3	– 424.6
Net carrying amount	482.8	452.2	2.1	937.1
Financial year ended Dec. 31, 2024				
Net carrying amount as of Jan. 1, 2024	482.8	452.2	2.1	937.1
Currency effects	23.8	22.9	–	46.7
Additions through business combinations	28.1	9.7	–	37.8
Additions	–	2.7	–	2.7
Disposals	–	– 0.1	–	– 0.1
Reclassifications	–	5.3	–	5.3
Amortization	–	– 50.6	– 0.7	– 51.3
Impairment losses	– 50.1	–	–	– 50.1
Disposals to assets held for sale	–	– 0.2	–	– 0.2
Net carrying amount as of Dec. 31, 2024	484.6	441.9	1.4	927.9
Dec. 31, 2024				
Cost	540.8	869.3	5.5	1,415.6
Accumulated amortization and impairment	– 56.2	– 427.4	– 4.1	– 487.7
Net carrying amount	484.6	441.9	1.4	927.9

The column 'Customer relationships, technologies, brands, licenses, and similar rights' contains a sum of €256.9 million (2023: €261.8 million) for customer relationships that were taken on as part of the acquisition of a company. The remaining useful life is twelve years (2023: 13 years).

Research and development costs amounting to €156.1 million (2023: €172.9 million) were recognized in the consolidated income statement.

(11) Property, plant, and equipment**(a) Property, plant, and equipment excluding right-of-use assets**

€ million	Land, land rights and buildings, including buildings on land owned by others	Plant and machinery	Office furniture and equipment	Assets under construction	Total
Jan 1, 2023					
Cost	902.8	1,370.2	721.1	397.2	3,391.3
Accumulated depreciation and impairment	– 396.0	– 934.7	– 512.0	– 19.1	– 1,861.8
Net carrying amount	506.8	435.5	209.1	378.1	1,529.5
Financial year ended Dec. 31, 2023					
Net carrying amount as of Jan. 1, 2023	506.8	435.5	209.1	378.1	1,529.5
Currency effects	– 6.0	– 9.6	– 2.1	– 7.1	– 24.8
Additions through business combinations	–	11.2	12.9	–	24.1
Additions	9.6	48.5	39.3	260.7	358.1
Disposals	– 4.7	– 7.5	– 3.8	– 9.7	– 25.7
Reclassifications	84.8	77.7	71.5	– 235.1	– 1.1
Depreciation	– 22.9	– 71.0	– 43.5	–	– 137.4
Impairment losses	–	– 2.4	– 4.8	– 6.1	– 13.3
Net carrying amount as of Dec. 31, 2023	567.6	482.4	278.6	380.8	1,709.4
Financial year ended Dec. 31, 2023 / Jan. 1, 2024					
Cost	973.1	1,420.4	802.5	405.0	3,601.0
Accumulated depreciation and impairment	– 405.5	– 938.0	– 523.9	– 24.2	– 1,891.6
Net carrying amount	567.6	482.4	278.6	380.8	1,709.4
Financial year ended Dec. 31, 2024					
Net carrying amount as of Jan. 1, 2024	567.6	482.4	278.6	380.8	1,709.4
Currency effects	13.8	18.1	4.7	7.8	44.4
Additions through business combinations	2.2	0.3	0.1	–	2.6
Additions	24.9	57.7	33.0	217.0	332.6
Disposals	– 2.2	– 6.8	– 3.8	– 0.6	– 13.4
Reclassifications	86.6	127.7	62.5	– 282.0	– 5.2
Depreciation	– 24.4	– 78.8	– 47.9	–	– 151.1
Impairment losses	–	– 6.6	– 0.9	– 0.7	– 8.2
Reversals of impairment losses	–	0.3	–	–	0.3
Disposals to assets held for sale	– 4.8	– 4.0	– 9.0	– 1.2	– 19.0
Net carrying amount as of Dec. 31, 2024	663.7	590.3	317.3	321.1	1,892.4
Dec. 31, 2024					
Cost	1,097.3	1,581.7	853.9	345.9	3,878.8
Accumulated depreciation and impairment	– 433.6	– 991.4	– 536.6	– 24.8	– 1,986.4
Net carrying amount	663.7	590.3	317.3	321.1	1,892.4

The impairment losses of €8.2 million (2023: €13.3 million) recognized on property, plant, and equipment relate to different businesses and sites around the world. In 2023, they had mainly related to the Bitterfeld site and its activities in the field of optical fibers for telecommunications technology and had been attributable to delays in infrastructure projects and growing competition.

As in 2023, the impaired assets largely included facilities that were no longer found to be recoverable or that could no longer be used as originally intended. The assets involved were written off in full because they have no significant fair value and no

material benefit can be obtained by continuing to use them. As in 2023, the impairment losses were reported in the consolidated income statement under the item 'Amortization, depreciation, and impairment'.

(b) Right-of-use assets

The right-of-use assets mainly relate to rented properties outside Germany.

The following table shows a breakdown of the net carrying amount of the right-of-use assets and the depreciation on right-of-use assets by asset class:

€ million	Net carrying amounts		Depreciation	
	Dec 31, 2024	Dec. 31, 2023	2024	2023
Land, land rights and buildings, including buildings on land owned by others	57.4	64.7	- 12.9	- 15.3
Plant and machinery	1.2	2.1	- 0.7	- 1.1
Office furniture and equipment	12.2	10.5	- 6.1	- 5.7
Right-of-use assets	70.8	77.3	- 19.7	- 22.1

Additions to right-of-use assets amounted to €19.9 million in the reporting year (2023: €31.9 million), of which none were attributable to acquisitions, as had also been the case in 2023. Right-of-use assets amounting to €4.0 million were reclassified to assets held for sale.

Further details on leasing can be found in the following sections:

- Impairment on right-of-use assets: see (29)
- Expenses for leases where the underlying asset has a low value: see (31)
- Interest expenses on lease liabilities: see (32)
- Total cash outflow for leases: see (36)

(c) Property, plant, and equipment – total

Property, plant, and equipment consist of the following:

€ million	Dec. 31, 2024	Dec. 31, 2023
Property, plant, and equipment excluding right-of-use assets	1,892.4	1,709.4
Right-of-use assets	70.8	77.3
Property, plant, and equipment	1,963.2	1,786.7

(12) Investments accounted for using the equity method

The table below shows the aggregated financial information for the joint ventures and associates that are included in the Heraeus consolidated financial statements using the equity method:

€ million	Shin-Etsu Quartz Products Co., Ltd.	revalyu Resources GmbH	Non-material equity-accounted entities		Total for equity-accounted entities
			Joint ventures	Associates	
Balance as of Dec. 31, 2024					
Carrying amount of investment	121.4	51.6	32.7	95.1	300.8
Prorated profit	23.0	-7.6	-4.3	15.0	26.1
Balance as of Dec. 31, 2023					
Carrying amount of investment	110.4	57.1	40.8	81.7	290.0
Prorated profit	29.8	-3.3	4.4	-2.7	28.2

Joint venture: Shin-Etsu Quartz Products Co., Ltd.

The operating activities of Shin-Etsu Quartz Products Co., Ltd., based in Tokyo, Japan, include the manufacture, sale, and trading of quartz glass and associated products.

The table below shows a summary of the financial information for Shin-Etsu Quartz Products Co., Ltd.:

€ million	Dec. 31, 2024	Dec 31, 2023
Share in percent	50.0	50.0
Non-current assets	114.9	96.0
Current assets	181.9	184.8
<i>thereof cash and cash equivalents</i>	<i>22.7</i>	<i>51.0</i>
Non-current liabilities	13.9	13.9
<i>thereof financial liabilities excluding trade payables and other liabilities</i>	<i>–</i>	<i>–</i>
Current liabilities	40.2	46.1
<i>thereof financial liabilities excluding trade payables and other liabilities</i>	<i>–</i>	<i>–</i>
Net assets (100%)	242.7	220.8
Share of net assets	121.4	110.4
Carrying amount of investment in joint venture	121.4	110.4
€ million	2024	2023
Distributions received	7.4	18.3
Revenue	197.7	178.6
Profit after taxes / total comprehensive income	46.0	73.9
Group's share in profit after taxes / total comprehensive income	23.0	29.8

For 2023, the Group's share in profit after taxes/total comprehensive income is reduced through elimination of intercompany profit.

Joint venture: revalyu Resources GmbH

The operating activities of revalyu Resources GmbH, a global specialist in PET recycling based in Kleinostheim, Germany, include the recycling of used PET bottles to produce PET ester, which is the basic material used in the production of all PET-based products, e.g. polyester textiles, PET bottles, films, sustainable PET packaging, etc. As not all key decisions can be

made by Heraeus alone, Heraeus does not have control over revalyu Resources GmbH despite holding the majority of voting rights.

The table below shows a summary of the financial information for revalyu Resources GmbH:

€ million	Dec. 31, 2024	Dec. 31, 2023
Share in percent	53.38	53.38
Non-current assets	158.4	126.7
Current assets	43.8	59.7
<i>thereof cash and cash equivalents</i>	<i>19.8</i>	<i>47.8</i>
Non-current liabilities	86.6	72.6
<i>thereof financial liabilities excluding trade payables and other liabilities</i>	<i>86.4</i>	<i>72.6</i>
Current liabilities	18.9	6.9
<i>thereof financial liabilities excluding trade payables and other liabilities</i>	<i>16.4</i>	<i>0.9</i>
Net assets (100%)	96.7	106.9
Share of net assets	51.6	57.1
Carrying amount of investment in joint venture	51.6	57.1
€ million	2024	2023
Distributions received	–	–
Revenue	16.7	17.5
Profit after taxes / total comprehensive income	– 14.3	– 6.3
Group's share in profit after taxes / total comprehensive income	– 7.6	– 3.3

(13) Other financial assets

Other financial assets comprise the following items:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Receivables from precious metal swaps	190.9	–	190.9	122.6	–	122.6
Financial assets	–	88.1	88.1	–	69.6	69.6
Derivatives with positive fair value	23.8	0.6	24.4	28.4	0.7	29.1
Lease receivables	1.1	1.5	2.6	1.4	2.7	4.1
Margin accounts, collateral pledged	0.8	–	0.8	6.0	–	6.0
Miscellaneous financial assets	35.7	4.0	39.7	65.5	16.0	81.5
Other financial assets	252.3	94.2	346.5	223.9	89.0	312.9

Margin accounts represent cash amounts that are pledged as collateral for futures transactions. The pledges expire when the collateralized transactions are settled.

Miscellaneous financial assets include a receivable from Zimmer Biomet Holdings Inc. for the settlement of a legal dispute in 2022.

(14) Other assets

Other assets are broken down as follows:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Other tax receivables	104.0	1.1	105.1	119.1	2.0	121.1
Advances paid	13.9	–	13.9	14.4	–	14.4
Contract assets	6.2	2.4	8.6	11.2	11.0	22.2
Miscellaneous non-financial assets	31.3	0.8	32.1	40.3	0.1	40.4
Other assets	155.4	4.3	159.7	185.0	13.1	198.1

(15) Inventories

The table below gives a breakdown of inventories:

€ million	Dec. 31, 2024	Dec. 31, 2023*
Materials and supplies	340.5	314.7
Work in progress, finished goods, and merchandise	504.5	461.0
Write-downs of inventories – excluding precious metals	– 90.8	– 71.1
Inventories – excluding precious metals	754.2	704.6
Precious metals	1,138.2	1,038.4
Write-downs of precious metals	– 18.3	– 15.0
Precious metals	1,119.9	1,023.4
Inventories	1,874.1	1,728.0

* Prior-year figures restated, see (2b)

Impairment losses of €18.3 million (2023: €9.5 million) were recognized on inventories excluding precious metals in 2024. Reversals of write-downs on inventories excluding precious metals amounted to €5.7 million in 2024 (2023: €13.4 million). An amount of €3.7 million was recognized for write-downs of precious metals (2023: €2.9 million).

(16) Trade receivables

The breakdown of trade receivables is as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Gross trade receivables	809.1	708.1
Impairment losses	– 35.3	– 35.6
Net trade receivables	773.8	672.5
Assets arising from bills of exchange	29.4	64.1
Trade receivables	803.2	736.6

Default risk is taken into account by the recognition of appropriate impairment losses. Risk-specific default rates are determined on the basis of historical default data and taking into account forward-looking macroeconomic indicators.

Assets arising from bills of exchange are guaranteed by banks. The credit risk is currently regarded as not material.

The table below shows changes in impairment losses recognized on gross trade receivables:

€ million	2024	2023
Impairment losses as of Jan. 1	- 35.6	- 37.4
Currency translation	- 0.6	1.1
Changes in scope of consolidation	-	1.2
Additions	- 7.6	- 7.6
Utilizations	2.7	1.0
Reversals	5.8	6.1
Impairment losses as of Dec. 31	- 35.3	- 35.6

The impairment loss of €1.8 million that was recognized in the consolidated income statement (2023: loss of €1.5 million) represents the net balance of additions and reversals.

The following table presents the provision matrix for 2024:

€ million	Term to maturity as of Dec. 31, 2024					Total
	Not due	less than 30 days	between 30 and 90 days	between 91 and 180 days	more than 180 days	
Gross trade receivables	597.2	127.9	38.2	18.5	27.3	809.1
Weighted average default rate	0.0%	0.3%	4.5%	67.6%	75.1%	
Impairment losses	- 0.2	- 0.4	- 1.7	- 12.5	- 20.5	- 35.3
Net receivables	597.0	127.5	36.5	6.0	6.8	773.8

The provision matrix for the previous year can be presented as follows:

€ million	Term to maturity as of Dec. 31, 2023					Total
	Not due	less than 30 days	between 30 and 90 days	between 91 and 180 days	more than 180 days	
Gross trade receivables	546.6	100.5	21.3	13.8	25.9	708.1
Weighted average default rate	0.0%	0.2%	3.7%	84.1%	88.4%	
Impairment losses	- 0.1	- 0.2	- 0.8	- 11.6	- 22.9	- 35.6
Net receivables	546.5	100.3	20.5	2.2	3.0	672.5

(17) Time deposits, cash, and cash equivalents

Time deposits are deposits that initially have a fixed term of between three and twelve months. As of the balance sheet date, the residual maturities of their total amount of €90.0 million (2023: €128.0 million) could be broken down as follows:

- 1 to 3 months: €30.0 million (2023: €30.0 million)
- 4 to 6 months: €0.0 million (2023: €68.0 million)
- 7 to 9 months: €60.0 million (2023: €30.0 million)

Cash and cash equivalents comprise the following items:

€ million	Dec. 31, 2024	Dec. 31, 2023
Credit balances with banks, cash on hand, and other cash	1,135.9	1,107.2
Short-term deposits	36.8	0.8
Cash and cash equivalents	1,172.7	1,108.0

(18) Equity attributable to the shareholders of Heraeus Holding GmbH

The subscribed capital is the maximum amount for which the shareholders of Heraeus Holding GmbH are liable in respect of the company's liabilities to creditors. As in 2023, the total subscribed capital of €210.0 million is made up of individual shares with a minimum face value of €10. All shares with the exception of those held by Heraeus Holding GmbH itself are dividend-bearing shares.

Most of the capital reserve comprises capital contributions by the shareholders. Retained earnings include the profits generated by Heraeus Holding GmbH and the subsidiaries included in the consolidated financial statements that have not been distributed. The line item also includes income from joint ventures and associates accounted for using the equity method, consolidation transactions recognized in profit or loss, and the effects of offsetting actuarial gains and losses arising from pensions and similar obligations, net of deferred taxes, against equity.

Other reserves comprise currency translation adjustments and the effects of the measurement of hedging transactions, taking deferred taxes into account. The gains and losses reported in the cash flow hedge reserve are reclassified to the consolidated income statement when the corresponding gains and losses from the hedged item are recognized through profit or loss. The reserve for the fair value measurement of equity instruments contains changes to the fair value of equity instruments that are not held for trading purposes and for which the option to recognize changes in other comprehensive income was exercised.

The Board of Managing Directors of Heraeus Holding GmbH have proposed a dividend distribution of €40.1 million (2023: €143.7 million) for the 2024 financial year.

(19) Non-controlling interests

Shares held by minority interests in the shareholders' equity of consolidated companies are reported under non-controlling interests.

The profits attributable to these shareholders in 2024 were €7.5 million (2023: €8.2 million). As in 2023, no losses were attributable to non-controlling interests.

(20) Capital management disclosures

The objective of capital management is to ensure financial flexibility in order to secure the continued existence of the company as a going concern over the long term, further develop the business portfolio, and enable the company to seize strategic opportunities. The target capital structure is defined by the competent decision-making bodies, taking due consideration of selected key financials such as the debt level and the equity ratio.

As of the balance sheet date, the capital structure was as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023*	Change (%)
Shareholders' equity	4,703.1	4,493.6	4.7
Percentage of total shareholders' equity and liabilities	84.9	84.0	
Current financial debt	140.8	165.9	
Non-current financial debt	695.1	689.8	
Financial debt	835.9	855.7	- 2.3
Percentage of total shareholders' equity and liabilities	15.1	16.0	
Total shareholders' equity and liabilities (shareholders' equity plus financial debt)	5,539.0	5,349.3	3.5

* Prior-year figures restated, see (2b)

Access to a broad range of financial instruments is deemed a crucial aspect of financial flexibility. In this context, Heraeus uses the unregulated capital market for public placements to institutional investors and private placements as well as the bank market via a broadly diversified group of major international banks.

The funding strategy is reflected in the credit ratings awarded by the rating agencies Moody's and Standard & Poor's.

The following table provides an overview of the corporate ratings of Heraeus:

	Dec. 31, 2024		Dec. 31, 2023	
	Moody's Investors Service	Standard & Poor's	Moody's Investors Service	Standard & Poor's
Non-current financial debt	Baa1	BBB+	Baa1	BBB+
Current financial debt	—	A-2	—	A-2
Outlook	stable	stable	stable	stable

(21) Pensions and similar obligations

Under the company pension scheme, employees of companies included in the consolidated financial accounts have entitlements to defined benefit and defined contribution pension schemes. Defined benefit pension schemes encompass both current pensions and entitlements to future pensions. The benefits paid by the Group usually depend on employees' years of service and earnings and are governed by different pension scheme rules. At Heraeus, defined benefit pension schemes are funded by way of both provisions and investment funds. The main pension arrangements are described below.

The payment obligations are predominantly attributable to German companies and relate to pension plans providing retirement benefits, invalidity benefits, and benefits paid to surviving dependants. These obligations are based, on the one hand, on defined benefit pension schemes with benefits based on length of service and final salary. These schemes have been closed to new members. On the other hand, employees who joined after January 1, 1988 have a direct pension entitlement under an employer-funded, contribution-based scheme that is not linked to final salary. The entitlement arises from the accumulation of pension components determined annually that are calculated on the basis of a defined pension expense and an age-related pension annuitization schedule. Since 2001, employees have also had the option of purchasing additional pension benefits by voluntarily converting remuneration into pension components that go toward a contribution-based scheme.

The contribution-based direct pension entitlements are each covered by investments in securities funds that meet the criteria for plan assets. Since their introduction, the pension schemes have been refined and adjusted in line with changes in economic conditions.

Members of the Board of Managing Directors and senior managers also have individual pension entitlements, which are predominantly based on employer-funded final salary schemes.

There are currently no statutory minimum funding requirements for the existing benefit obligations of Group companies in Germany.

Outside Germany, employees at several companies are also entitled to retirement pensions – some of which are subject to very different rules. The level of these entitlements generally depends on years of service and salary received. The bulk of the benefit obligations outside Germany are financed by investments in external funds that meet the criteria for plan assets.

The Group is exposed to various risks in connection with the defined benefit pension plans. In addition to general actuarial risks such as longevity and interest-rate risk, the Group is exposed to currency risk and – in the case of pension plan assets invested in funds – to capital-market and investment risks.

The calculation of the defined benefit obligations was primarily based on the actuarial assumptions in the table below. The figures stated for the discount rate and income growth outside Germany are averages weighted by the present value of the relevant benefit obligations.

(%)	Dec. 31, 2024		Dec. 31, 2023	
	In Germany	Outside Germany	In Germany	Outside Germany
Discount rate	3.61	2.66	3.55	2.96
Income growth (annual)	3.00	2.72	3.00	3.07
Pension adjustment (annual)	2.20	–	2.0 – 2.2	–
Future increase in healthcare costs	–	4.0 – 7.5	–	4.0 – 7.0

The defined benefit obligations of the companies in Germany are generally based on the updated biometric factors of the Heubeck 2018 G mortality tables of Professor Dr. Klaus Heubeck. Country-specific biometric factors are used to calculate the obligations of companies outside Germany.

The ‘Pensions and similar obligations’ line item on the consolidated balance sheet is a net liability that can be broken down as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Pensions and similar obligations of companies in Germany	303.7	307.2
Pensions and similar obligations of companies outside Germany	42.2	40.3
Pensions and similar obligations	345.9	347.5

The net present value of the defined benefit obligation of Group companies changed as follows:

€ million	2024			2023		
	Plan assets	Present value of defined benefit obligation	Net liability (-) / asset (+)	Plan assets	Present value of defined benefit obligation	Net liability (-) / asset (+)
Amounts as of Jan. 1	269.0	- 616.5	- 347.5	264.5	- 590.3	- 325.8
Through profit or loss						
Current service cost	-	- 10.6	- 10.6	-	- 9.6	- 9.6
Interest expenses	-	- 20.8	- 20.8	-	- 23.0	- 23.0
Interest income	8.5	-	8.5	9.9	-	9.9
Through other comprehensive income						
Currency translation	- 0.2	- 0.1	- 0.3	3.3	- 3.0	0.3
Actuarial gains (+) / losses (-)	-	- 13.6	- 13.6	-	- 51.9	- 51.9
Return on (+) / expenses (-) from plan assets excl. interest income	10.5	-	10.5	-	-	-
Other						
Employer contributions	11.9	-	11.9	12.3	-	12.3
Employee contributions	8.0	- 8.0	-	8.4	- 8.4	-
Pension payments	- 14.4	30.3	15.9	- 11.8	27.1	15.3
Disposals	-	-	-	- 17.4	42.3	24.9
Other changes	- 0.3	0.4	0.1	- 0.2	0.3	0.1
Amounts as of Dec. 31	293.0	- 638.9	- 345.9	269.0	- 616.5	- 347.5

A rise or fall of half of one percentage point in the main actuarial assumptions would have the following impact on the present value of the defined benefit obligation as of the balance sheet date:

Change in present value of defined benefit obligation (€ million)	Dec. 31, 2024	Dec. 31, 2023
Discount rate		
+ 0.5 percentage points	- 32.0	- 32.6
- 0.5 percentage points	36.2	38.0
Annual income growth		
+ 0.5 percentage points	2.6	2.1
- 0.5 percentage points	- 1.8	- 3.2
Annual pension adjustment		
+ 0.5 percentage points	18.1	18.0
- 0.5 percentage points	- 16.6	- 17.3

Starting with the original actuarial measurements, sensitivity analysis was carried out in isolation on each of the parameters deemed to be material in order to highlight their separate impact on the present value of the defined benefit obligation calculated at each balance sheet date. No potential correlation between the individual assumptions was taken into account. The calculations were repeated with the amended parameters and were not based on estimates so that they reflected the full impact of the changes in isolation.

The reported actuarial net losses of €13.6 million (2023: losses of €51.9 million) comprised gains of €2.2 million (2023: losses of €47.9 million) attributable to changes in financial assumptions and losses of €15.8 million (2023: losses of €4.0 million) resulting from experience adjustments.

The present value of the defined benefit obligation was distributed across the following individual groups of pension beneficiaries:

- Active members: €335.9 million (2023: €332.2 million)
- Former employees with vested rights: €88.1 million (2023: €81.3 million)
- Pensioners and surviving dependants: €214.9 million (2023: €203.0 million)

All of the obligations reported on the consolidated balance sheet were vested.

The weighted average duration of obligations as of December 31, 2024 was 13.3 years (2023: 14.4 years).

The defined benefit obligations are expected to result in payments as follows at the end of each of the next ten financial years:

- Financial year 2025 (year 1): €26.5 million (2023: financial year 2024 – €26.8 million)
- Financial years 2026–2029 (years 2 to 5): €98.4 million (2023: financial years 2025–2028 – €91.6 million)
- Financial years 2030–2034 (years 6 to 10): €128.2 million (2023: financial years 2029–2033 – €120.5 million)

Heraeus anticipates that employer contributions to plan assets for companies in Germany will be approximately €8.5 million in 2025 (2024: €9.8 million).

Plan assets relating to companies in and outside Germany comprised the following financial instruments and other assets:

€ million	Dec. 31, 2024	Dec. 31, 2023
Debt instruments	116.2	109.8
Equity instruments	82.8	66.7
Money-market-linked instruments and credit balances with banks	6.2	4.6
Real estate	14.3	13.2
Receivables from insurance companies	54.1	55.9
Mixed funds	17.5	16.9
Other assets	1.9	1.9
Fair value of plan assets	293.0	269.0

Liquid funds intended to meet the defined benefit obligations of companies in Germany are held in several retail funds. These funds are managed by Mercer Treuhand GmbH.

A strategic asset allocation was defined under the asset management strategy. Minimum and maximum quotas were also defined for each asset class, and the allocations should not exceed or fall below these quotas. The prescribed allocation of the assets to different asset classes is based on the term to maturity of the liabilities; the acceptable risk is defined on the basis of stress test scenarios. This strategy should help to generate attractive returns with a virtually constant level of risk. The portfolio is fine-tuned regularly so that the risk can be maintained at a constant level. The costs of managing the retail funds are borne by the funds themselves. The fund's assets do not include financial instruments issued by the company itself, or any real estate or other assets used by the company.

The current service cost is reported in personnel expenses. The interest expense from unwinding the discount on the defined benefit obligation is offset against the interest income on plan assets and reported in net finance costs.

In addition to the defined benefit pension schemes, there are also defined contribution schemes. Expenses of €8.5 million (2023: €8.5 million) relating to these schemes were recognized in personnel expenses and they mainly concern companies outside Germany. Furthermore, employer contributions of €30.6 million (2023: €31.3 million) were paid into statutory pension insurance in Germany.

(22) Provisions

Provisions consist of the following:

€ million	Current provisions		Non-current provisions		Total	
	Dec. 31, 2024	Dec. 31, 2023*	Dec. 31, 2024	Dec. 31, 2023*	Dec. 31, 2024	Dec. 31, 2023*
Provisions						
for personnel expenses	86.4	87.7	23.1	23.3	109.5	111.0
for warranties	7.1	8.6	0.6	1.1	7.7	9.7
for outstanding costs for precious metal recycling	13.4	7.5	–	–	13.4	7.5
for restructuring	7.6	4.5	–	–	7.6	4.5
for dismantling and disposal costs	0.2	–	4.3	4.5	4.5	4.5
for patent disputes and litigation	0.8	0.9	–	–	0.8	0.9
miscellaneous	514.7	375.2	12.3	14.4	527.0	389.6
Total	630.2	484.4	40.3	43.3	670.5	527.7

* Prior-year figures restated, see (2b)

The current provisions for personnel expenses of €86.4 million (2023: €87.7 million) include bonus payments, severance payments, performance-related compensation, and other employee benefits. The provisions for restructuring relate to various programs that affect locations in Germany.

The current provisions for 'miscellaneous' include provisions of €457.7 million (2023: €335.3 million) in connection with the irregularities in the recycling process at Heraeus Precious Metals. As parts of the investigation are still ongoing, material assumptions had to be made for the calculation of the amount of the provision. All risks that were identifiable when these accounts were prepared have been taken into consideration. Nonetheless, the provisions are subject to a significant degree of estimation uncertainty. For further information, please refer to (2b).

Moreover, the 'miscellaneous' item includes provisions of €20.0 million (2023: €0.0 million) for obligations to third parties that were entered into for the joint venture BASF Heraeus Metal Resource Co., Ltd., China. The process of dissolving this joint venture was initiated in April 2025.

The non-current provisions for personnel expenses of €23.1 million (2023: €23.3 million) mainly relate to long-service awards.

The following table shows changes in provisions in 2024:

€ million	Jan. 1, 2024*	Currency translation	Additions	Unwinding of discount	Utilization	Reversal	Other	Dec. 31, 2024
Provisions								
for personnel expenses	111.0	2.0	90.2	0.4	– 84.8	– 7.2	– 2.1	109.5
for warranties	9.7	0.1	0.9	–	– 2.9	–	– 0.1	7.7
for outstanding costs for precious metal recycling	7.5	0.5	11.8	–	– 6.4	–	–	13.4
for restructuring	4.5	–	6.3	–	– 1.8	– 1.4	–	7.6
for dismantling and disposal costs	4.5	0.1	0.4	0.1	– 0.1	–	– 0.5	4.5
for patent disputes and litigation	0.9	–	–	–	– 0.1	–	–	0.8
miscellaneous	389.6	0.1	154.2	–	– 13.0	– 3.8	– 0.1	527.0
Total	527.7	2.8	263.8	0.5	– 109.1	– 12.4	– 2.8	670.5

* Prior-year figures restated, see (2b)

(23) Financial debt

Financial debt is broken down as follows:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	–	498.8	498.8	–	498.3	498.3
Registered bonds	–	98.6	98.6	–	98.4	98.4
Lease liabilities	17.4	64.5	81.9	17.3	72.8	90.1
Liabilities to banks	123.4	33.2	156.6	148.6	20.3	168.9
Financial debt	140.8	695.1	835.9	165.9	689.8	855.7

The bond is a corporate bond issued by Heraeus Finance GmbH in June 2022 with a term to maturity of five years and a nominal placement volume of €500.0 million. It was recognized at its issue price of 99.502 percent and the discount will be amortized over the term of the bond using the effective interest method. The bond has a coupon of 2.625 percent p.a. and has been listed on the Luxembourg Exchange for trading in the unregulated euro MTF market. No covenants have been attached to the bond.

The table below provides a detailed breakdown of the registered bonds:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Effective interest rate						
4.01% – fixed rate	–	49.2	49.2	–	49.0	49.0
3.91% – fixed rate	–	49.4	49.4	–	49.4	49.4
Registered bonds	–	98.6	98.6	–	98.4	98.4

Heraeus Finance GmbH issued a registered bond with a nominal amount of €50.0 million and a term of 20 years in October 2012 and a further registered bond with a nominal amount of €50.0 million and a term of 21 years in January 2013. They were recognized at their issue price of 96.452 percent and 97.792 percent respectively. The discount will be amortized over the term of the registered bonds using the effective interest method. Heraeus Holding GmbH became the successor of Heraeus Finance GmbH in relation to these debt instruments and took over all rights and liabilities arising from and in connection with the two registered bonds upon conclusion of a debt assumption agreement on December 13, 2019.

(24) Other financial liabilities

Other financial liabilities are broken down as follows:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities from precious metal swaps	233.3	–	233.3	232.9	–	232.9
Derivatives with negative fair value	20.4	4.8	25.2	19.8	3.7	23.5
Margin accounts, collateral received	20.2	–	20.2	31.3	–	31.3
Miscellaneous financial liabilities	36.6	18.8	55.4	33.0	3.8	36.8
Other financial liabilities	310.5	23.6	334.1	317.0	7.5	324.5

See Note (13) for our disclosures with regard to the margin accounts.

(25) Other liabilities

Other liabilities comprise the following items:

€ million	Dec. 31, 2024			Dec. 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities from precious metal trading contracts	19.5	–	19.5	74.4	–	74.4
Other tax liabilities	97.9	–	97.9	93.6	–	93.6
Liabilities for personnel expenses	51.6	5.6	57.2	43.5	3.9	47.4
Contract liabilities	44.8	1.0	45.8	76.9	0.3	77.2
Miscellaneous non-financial liabilities	29.7	9.6	39.3	18.3	6.0	24.3
Other liabilities	243.5	16.2	259.7	306.7	10.2	316.9

The following table shows changes in contract liabilities in 2024:

€ million	2024	2023
Contract liabilities as of Jan. 1	77.2	75.1
Currency translation	2.4	– 3.9
Disposals in connection with sales of companies	–	– 3.9
Additions	37.3	–
Recognized as revenue	– 70.4	–
Other changes	– 0.7	–
Contract liabilities as of Dec. 31	45.8	77.2

Contract liabilities mainly consist of advance payments for services that will be rendered in the next financial year.

(26) Trade payables

Trade payables are current liabilities and amounted to €629.9 million as of the end of the financial year (2023: €393.5 million). They also include liabilities in connection with the inhouse recycling inventory (see also (6f)).

Notes to the consolidated income statement**(27) Revenue**

Revenue by business platform was allocated as follows:

€ million	2024	2023
Metals & Recycling	417.2	448.8
Healthcare	901.2	880.1
Semiconductor & Electronics	792.1	740.6
Industrials	591.7	790.9
Corporate	9.1	1.5
Revenue excluding precious metals	2,711.3	2,861.9
Precious metal revenue	26,685.6	22,787.3
Revenue	29,396.9	25,649.2

The breakdown of revenue by region was as follows:

€ million	2024	2023
Germany	294.5	300.3
Europe excluding Germany	563.7	608.2
Americas	928.9	967.4
Asia	848.6	919.7
Other	75.6	66.3
Revenue excluding precious metals	2,711.3	2,861.9
Precious metal revenue	26,685.6	22,787.3
Revenue	29,396.9	25,649.2

Precious metal revenue mainly comprises precious metal trading revenue. The majority of trades are executed with customers on major international precious metal exchanges. The logistics of precious metal trading mean that it is neither sensible nor meaningful to break down precious metal trading revenue by region.

(28) Personnel expenses

Personnel expenses consist of the following:

€ million	2024	2023
Wages and salaries	- 956.8	- 976.2
Social security contributions and expenses for other benefits	- 133.5	- 133.9
Pension expenses	- 19.9	- 19.1
Personnel expenses	- 1,110.2	- 1,129.2

The breakdown of the average number of employees is as follows:

Business platforms	2024	2023
Metals & Recycling	2,760	2,649
Healthcare	3,956	3,829
Semiconductor & Electronics	3,793	3,633
Industrials	3,537	4,435
Corporate	1,211	1,231
Total	15,257	15,777

The remuneration of active members of the Board of Managing Directors for 2024 in accordance with IAS 24.17 amounted to €4.4 million (2023: €9.9 million); of which €2.6 million (2023: €7.2 million) was performance related. The remuneration represented short-term employee benefits. In addition, post-employment benefits for the Board of Managing Directors amounted to €0.4 million in 2024 (2023: €0.5 million). The total remuneration of members of the Board of Managing Directors in accordance with section 314 (1) no. 6 HGB in conjunction with section 315e (1) HGB amounted to €4.4 million for the reporting year (2023: €10.2 million).

The remuneration of members of the Supervisory Board for 2024 amounted to €0.7 million (2023: €0.7 million). The total remuneration for the Shareholders' Committee was €0.1 million (2023: €0.1 million).

Former members of the Board of Managing Directors or their surviving dependants received remuneration of €2.1 million in 2024 (2023: €1.3 million). Obligations of €17.5 million (2023: €16.4 million) for current pensions and future pension rights existed for these persons as of the balance sheet date.

(29) Amortization, depreciation, and impairment

The table below provides a breakdown of amortization, depreciation, and impairment:

€ million	Note	2024	2023
Amortization of intangible assets	(10)	- 51.3	- 52.2
Depreciation of property, plant, and equipment		- 170.8	- 159.5
<i>thereof property, plant, and equipment excluding right-of-use assets</i>	(11a)	- 151.1	- 137.4
<i>thereof right-of-use assets</i>	(11b)	- 19.7	- 22.1
Amortization and depreciation		- 222.1	- 211.7
Impairment of intangible assets	(10)	- 50.1	-
Impairment of property, plant, and equipment		- 8.2	- 14.0
<i>thereof property, plant, and equipment excluding right-of-use assets</i>	(11a)	- 8.2	- 13.3
<i>thereof right-of-use assets</i>	(11b)	-	- 0.7
Impairment		- 58.3	- 14.0
Amortization, depreciation, and impairment		- 280.4	- 225.7

(30) Other operating income

The main individual items in other operating income were foreign currency gains of €7.9 million (2023: €0.0 million), income of €4.6 million from disposals (2023: €111.6 million), income of €4.5 million from services relating to property management (2023: €1.8 million), income of €1.7 million from reversals of provisions (2023: €10.2 million), and income of €9.0 million from insurance compensation (2023: €0.0 million).

(31) Other operating expenses

Other operating expenses largely comprised expenses arising from external services (€138.9 million; 2023: €142.7 million), maintenance and repairs (€76.6 million; 2023: €88.1 million), and freight out (€56.8 million; 2023: €66.1 million). Other operating expenses did not include any foreign currency losses (2023: €18.2 million).

Moreover, this item also includes non-recurring expenses of €19.7 million (2023: €38.5 million) relating to the irregularities in the recycling process at Heraeus Precious Metals. For further information, please refer to (2b). Other operating expenses in 2024 furthermore comprised non-recurring losses of €7.1 million from disposals of companies (2023: €0.0 million) (see (9c)) and of €20.0 million from external commitments relating to the joint venture BASF Heraeus Metal Resource Co., Ltd, China (2023: €0.0 million) (see (22)).

Expenses for leases where the underlying asset has a low value amounted to €3.8 million (2023: €3.1 million) in the reporting year (see (11b)).

(32) Net finance costs

Net finance costs comprise the following income and expenses:

€ million	Note	2024	2023
Interest and similar income		60.1	40.8
Net changes from the measurement and disposal of financial assets measured at fair value		1.4	–
Finance income		61.5	40.8
Interest expenses and similar charges		– 45.0	– 46.6
Losses on the measurement of derivatives and other monetary items		– 6.9	– 2.2
Net interest expenses for pensions and similar obligations	(21)	– 12.3	– 13.1
Interest expenses on lease liabilities	(11b)	– 3.6	– 3.3
Finance costs		– 67.8	– 65.2
Net finance costs		– 6.3	– 24.4

(33) Income taxes

The breakdown of income taxes is as follows:

€ million	2024	2023*
Current taxes in Germany	– 42.3	– 56.1
Current taxes outside Germany	– 63.8	– 77.5
Current taxes	– 106.1	– 133.6
<i>thereof from prior periods</i>	<i>9.3</i>	<i>14.3</i>
Deferred taxes	29.0	– 2.9
Income taxes	– 77.1	– 136.5

* Prior-year figures restated, see (2b)

Deferred taxes are determined on the basis of the local tax rates applicable to each company in or outside Germany in accordance with the current legal situation in the country concerned.

The rates used to calculate deferred and current taxes in Germany were corporate income tax, including the solidarity surcharge, of 15.8 percent (2023: 15.8 percent) and trade tax, which varied from 14.1 percent to 17.9 percent (2023:

13.4 percent to 17.9 percent) depending on the local assessment rate. Consequently, tax rates of 29.9 percent to 33.8 percent (2023: 29.2 percent to 33.8 percent) applied to German Group companies.

Tax rates outside Germany varied between 15.0 percent and 36.3 percent (2023: 4.8 percent and 50.8 percent).

The table below shows the reconciliation of expected income tax expenses to the income tax expenses reported:

€ million	2024	2023*
Profit before taxes	313.6	547.3
Expected income tax expense (tax rate for Hanau site: 30.8 percent; 2023: 30.8 percent)	- 96.6	- 168.6
Variations		
Difference between local tax rate and Group tax rate	26.9	67.0
Change in tax rate	0.6	- 6.1
Impairment losses / reversals of impairment losses	- 4.3	- 3.3
Tax-exempt income	- 11.6	- 5.6
Non-deductible operating expenses for tax purposes	- 6.3	- 26.4
Income tax for previous years	14.4	10.1
Other	- 0.2	- 3.6
Reported tax expenses	- 77.1	- 136.5
Effective tax rate (%)	24.6	24.9

* Prior-year figures restated, see (2b)

The following deferred tax assets and deferred tax liabilities were attributable to differences in the recognition and measurement of individual line items on the balance sheet and to tax loss carryforwards:

€ million	Deferred tax assets		Deferred tax liabilities		Deferred tax expense (-) / tax income (+) reported in the income statement	
	Dec. 31, 2024	Dec. 31, 2023*	Dec. 31, 2024	Dec. 31, 2023	2024	2023*
Intangible assets	33.2	38.7	21.8	21.5	- 1.4	- 14.1
Property, plant, and equipment	11.6	6.4	96.9	89.6	- 2.1	- 11.3
Inventories	31.4	31.4	114.5	70.8	- 46.1	6.8
Other assets	44.0	28.9	39.1	46.1	16.8	- 11.5
Pensions and similar obligations	80.2	79.4	23.5	30.0	7.3	8.8
Provisions	155.5	100.7	4.7	4.7	54.7	17.5
Liabilities	30.2	33.2	4.0	2.9	- 4.1	1.5
Tax loss carryforwards	6.1	2.2	-	-	3.9	- 0.6
Total before offsetting	392.2	320.9	304.5	265.6	29.0	- 2.9
Offsetting	- 220.1	- 110.2	- 220.1	- 110.2	-	-
Total	172.1	210.7	84.4	155.4	29.0	- 2.9

* Prior-year figures restated, see (2b)

Tax loss carryforwards as of December 31, 2024 amounted to €321.0 million (2023: €278.9 million). Deferred tax assets were recognized for €37.8 million of the total tax loss carryforwards (2023: €13.9 million). Loss carryforwards of €60.9 million (2023: €54.8 million) are subject to a time limit, with utilization of €29.1 million restricted to the next three years (2023: €27.5 million). There is no statutory expiration date for loss carryforwards of €260.1 million (2023: €224.1 million). No deferred tax assets were recognized for tax loss carryforwards of €283.2 million (2023: €265.0 million)

or for temporary differences arising on measurements for tax purposes in the amount of €107.0 million (2023: €107.2 million).

In light of the outlook for earnings, deferred tax assets were recognized for tax loss carryforwards of €6.1 million (2023: €2.2 million) while deferred tax assets of €49.4 million (2023: €43.2 million) were not recognized. Reversals of impairment losses were recognized in the amount of €16.9 million in 2024 (2023: €24.8 million). The utilization of previously unrecognized losses reduced the tax expense by €4.4 million (2023: €5.9 million). After deduction of the deferred tax liabilities, no deferred tax asset (2023: deferred tax asset of €1.1 million) was recognized for the consolidated companies with a history of losses.

Temporary differences in connection with investments in subsidiaries for which no deferred tax liabilities were recognized amounted to €914.7 million (2023: €731.1 million).

The Group operates in countries that have passed laws to introduce the global minimum tax rate ('Pillar 2'). The Group is applying the temporary, mandatory exemption with regard to the recognition of deferred taxes that arise from the introduction of Pillar 2 and is reporting these as tax expense or tax income at the point in time when they arise. The Group does not anticipate any material additional tax expense in connection with the application of Pillar 2.

Notes to the consolidated cash flow statement

Cash flows are reported separately in the consolidated cash flow statement as net cash provided by/net cash used for operating activities, investing activities, or financing activities. Changes in the line items on the balance sheet used to prepare the consolidated cash flow statement are adjusted for the non-cash effects of currency translation and changes in the scope of consolidation. For this reason, the changes in the relevant balance sheet items cannot be directly reconciled with the figures from the consolidated balance sheet.

(34) Net cash provided by operating activities

Net cash provided by operating activities is derived indirectly from profit after taxes after adjustment for non-cash income and expenses.

Income taxes paid were included as a separate line item in the cash flow statement for the first time. The presentation of prior-year figures was adjusted accordingly. Within net cash provided by operating activities, the prior-year figures were not materially affected. Overall, net cash provided by operating activities is unaffected by the adjustment to the presentation.

The 'Change in other net assets' line item contains changes to other financial assets and liabilities and to other assets and liabilities.

Other non-cash transactions and other non-operating income and expenses essentially comprised corrections of impairment charges and currency effects, income from investments accounted for using the equity method, and net pension expenses.

(35) Net cash used for investing activities

Outflows of cash and cash equivalents in connection with acquisitions amounted to €31.3 million (2023: €32.4 million). This figure includes minor amounts owed in connection with acquisitions in previous years that only caused a cash outflow in the reporting year.

(36) Net cash used for financing activities

In 2024, a dividend of €143.7 million was paid to the shareholders of Heraeus Holding GmbH (2023: €99.6 million); a dividend of 7.1 million (2023: €12.4 million) was paid to the non-controlling interests.

In the reporting year, a total cash outflow of €21.2 million (2023: €20.7 million) was recognized in connection with leases (see (11b)).

The table below shows the changes in financial liabilities in 2024 for which cash flows have in the past been included or will in the future be included in the consolidated cash flow statement under net cash provided by/used for financing activities:

€ million	Jan. 1, 2024	Cash changes	Non-cash changes			Dec. 31, 2024
			Disposals	Currency effects	Other changes	
Non-current financial debt	689.8	12.5	- 1.3	3.1	- 9.0	695.1
Current financial debt	165.9	- 51.5	-	5.4	21.0	140.8
Total	855.7	- 39.0	- 1.3	8.5	12.0	835.9

The following table shows the corresponding changes in 2023:

€ million	Jan. 1, 2023	Cash changes	Non-cash changes			Dec. 31, 2023
			Disposals	Currency effects	Other changes	
Non-current financial debt	674.0	14.9	- 4.5	- 2.1	7.5	689.8
Current financial debt	65.4	87.3	- 2.4	- 5.4	21.0	165.9
Total	739.4	102.2	- 6.9	- 7.5	28.5	855.7

The cash change in liabilities from financing activities can be reconciled to the consolidated cash flow statement as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Cash change in liabilities from financing activities	- 39.0	102.2
Distributions, including distributions to non-controlling interests	- 150.8	- 112.0
Payments for the acquisition of non-controlling interests	-	- 20.7
Proceeds from disposal of treasury shares	-	1.0
Payments for purchases of treasury shares	- 1.8	-
Interest paid	- 50.0	- 49.2
Net cash used for financing activities	- 241.6	- 78.7

(37) Cash and cash equivalents

Cash and cash equivalents at the end of the period consisted exclusively of the cash and cash equivalents reported on the consolidated balance sheet, namely cash on hand, credit balances with banks, short-term money market funds, and other cash amounting to €1,173.5 million (2023: €1,108.0 million). Of this total, €0.8 million relates to assets classified as held for sale, which are reported separately.

Further disclosures regarding financial instruments

(38) Financial risk management

(a) General

In its operational and financing activities, the Heraeus Group is primarily exposed to interest-rate risk, currency risk, price risk, credit risk, and liquidity risk. These risks are measured, managed, and monitored by the Group's risk management system and financial management system.

Corporate Treasury and Precious Metal Trading are responsible for mitigating the risks that are described in greater detail below by taking out hedges as and when appropriate. The use of such hedges is governed by clear, standard policies that apply throughout the Group. Compliance is monitored at all times, and policies are amended as required. Heraeus is not exposed to any significant concentrations of risk arising from financial transactions. For further information, please refer to the opportunity and risk report in the combined management report.

(b) Interest-rate risk

Interest-rate risk is the risk of changes in interest rates adversely impacting the financial position or financial performance of the Heraeus Group. The avoidance of interest-rate risk always takes priority, but the upside potential of changes in interest rates can also be exploited. The Group's main sources of long-term funding are currently one standard bond and two privately placed registered bonds. Interest-rate derivatives can be used to support interest-rate management. The derivatives that are used can be standard market instruments, such as interest-rate swaps and options for placing upper and lower limits on interest rates (caps, floors, and collars).

As in 2023, Heraeus was not exposed to any material cash-flow interest-rate risk arising from liabilities in 2024, because it had primarily taken out fixed-rate loans.

(c) Currency risk

Because of its international focus, the Heraeus Group is exposed to currency risk, which arises from movements in the exchange rates of various foreign currencies. Again, the avoidance of risk takes precedence over the exploitation of opportunities arising from movements in exchange rates. All hedges relate to underlying transactions that are already in existence or highly probable. As of the balance sheet date, currency risk largely comprised US\$ 5.8 million or €5.6 million (2023: US\$ 72.4 million or €65.5 million).

To help manage its currency risk, Heraeus uses derivatives based on these underlying transactions. As well as spot transactions, it primarily uses currency forwards and currency swaps.

Currency forwards are used principally to hedge operational cash flows arising from transactions for the supply and purchase of goods and services that are highly probable. Currency swaps are generally entered into in connection with intercompany loans in foreign currency.

(d) Other price risks

Precious metals constitute a key resource in the Heraeus Group. They are subject to market volatility and consequently entail price risk. The Precious Metal Trading unit uses standard market hedging instruments to hedge price risk. These are mainly precious metal leases, cash-and-carry transactions (precious metal swaps), forwards, and futures. Futures contracts that fall within the scope of IFRS 9 do not entail price risk from an economic perspective because they are taken out to hedge open positions. The accounting risk and impact on the income statement are therefore not material.

(e) Credit risk

Credit risk arising from financial assets consists of the risk that counterparties will default, and hence is limited to a maximum of the carrying amount of the assets transacted with each counterparty. The credit risk relating to derivatives is their replacement cost (market value). The risk of specific counterparties defaulting is constantly monitored using credit spreads and by grouping counterparties into different categories according to their credit quality.

Valuation allowances for expected defaults are recognized to reflect the risk arising from non-derivative financial instruments. Financial transactions are only concluded with counterparties of good credit standing. Investments in interest-bearing securities, if any, are predominantly limited to investment-grade securities.

(f) Liquidity risk

Liquidity risk describes the risk that a company might be unable to meet its financial obligations in full. Liquidity risk largely results from short-term trade payables, liabilities from derivatives, and other financial liabilities.

As a result of its investment-grade rating, confirmed by two independent rating agencies (see (20)), the Heraeus Group is guaranteed sufficient liquidity. Its rating ensures that it can access both the short-term commercial-paper market and the long-term capital market. It also holds sufficient cash and cash equivalents and has unutilized loan facilities with various banks. Risk concentrations are minimized by limiting the amounts invested at individual, selected investment-grade banks.

The risk of liquidity shortages is monitored by Corporate Treasury. Effective cash management and the ability to access sufficient liquidity even in times of crisis minimize the risk of the Heraeus Group being unable to meet its financial obligations.

(g) Sensitivity analysis

Heraeus uses sensitivity analysis to analyze market risk. The following table shows sensitivity to potential movements in the US dollar exchange rate within reasonable parameters. All other variables remain constant. The impact on profit before taxes of the Heraeus Group is caused by changes in the fair values of financial assets and liabilities. The Group's risk arising from exchange rate movements in respect of all other currencies is not material.

€ million	Change in USD / EUR exchange rate	Impact on profit before taxes	Impact on shareholders' equity
2024	+ 5%	– 0.3	–
	– 5%	0.3	–
2023	+ 5%	– 3.4	– 0.7
	– 5%	3.1	0.6

(39) Derivative financial instruments

(a) Cash flow hedges

In 2024, the application of hedge accounting rules for hedging cash flows ceased as planned. Hedges had been used to protect Heraeus against fluctuations in exchange rates for contractually agreed forward sales transactions and against precious metal price risk in connection with transactions deemed highly probable.

As part of the bond placement in June 2022, forward starting swaps for a value equivalent to the issuance volume were concluded. The five-year interest rate was fixed at an average of minus 0.0782 percent. These forward starting swaps were settled on the date of issuance of the bond. The fair value as of the settlement date was recognized in other comprehensive income and will be reclassified to profit or loss incrementally over the term to maturity of the bond.

The following table contains information on hedging instruments in 2023:

€ million	Nominal amount hedging instrument	Carrying amounts of hedging instruments as of Dec. 31, 2023		Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
		Assets	Liabilities		
Foreign currency exchange risk					
Currency forwards (EUR/USD)	11.8	–	0.3	Other financial liabilities	0.5
Precious metal price risk					
Precious metal forward transactions	4.3	1.9	–	Other financial assets	1.7

The following information relates to the hedged items:

€ million	2024		2023	
	Change in value used for measuring ineffectiveness for the period	Other reserves – Cash flow hedges	Change in value used for measuring ineffectiveness for the period	Other reserves – Cash flow hedges
Foreign currency exchange risk				
Forward sale transactions in USD	–	–	– 0.5	– 0.3
Precious metal price risk				
Forecast purchase of precious metals	–	–	– 1.7	1.9
Interest-rate risk				
Bond	–	17.9	–	25.3

The hedging transactions affect the statement of comprehensive income as follows:

€ million	2024			Line item in the statement of profit or loss for reclassification
	Hedging gain or loss recognized in other comprehensive income	Ineffectiveness recognized in profit or loss	Amount reclassified from other comprehensive income to profit or loss	
Foreign currency exchange risk				
Hedge of USD exchange rate for forward sales transactions	–	–	0.3	Other operating income
Precious metal price risk				
Hedge of precious metal price for forecast purchases	–	–	– 2.0	Cost of materials
Interest-rate risk				
Hedge of 5-year interest rate for bond	–	–	– 7.4	Finance costs
Total	–	–	– 9.1	

€ million	2023			Line item in the statement of profit or loss for reclassification
	Hedging gain or loss recognized in other comprehensive income	Ineffectiveness recognized in profit or loss	Amount reclassified from other comprehensive income to profit or loss	
Foreign currency exchange risk				
Hedge of USD exchange rate for forward sales transactions	0.5	–	1.4	Other operating expenses
Precious metal price risk				
Hedge of precious metal price for forecast purchases	1.7	–	– 0.7	Cost of materials
Interest-rate risk				
Hedge of 5-year interest rate for bond	–	–	– 7.4	Finance costs
Total	2.2	–	– 6.7	

(b) Economic currency hedges

Currency forwards are generally entered into in connection with intercompany loans in foreign currency and their settlement dates coincide with the maturity dates of the loans. Hedge accounting is not applied to these currency forwards. Consequently, individual currency forward contracts are recognized as assets or liabilities, and changes in their fair value are recognized in profit or loss.

(c) Offsetting of derivatives

The Heraeus Group enters into derivative transactions in accordance with the German Master Agreement for Financial Derivatives Transactions (DRV FT). This agreement does not meet the criteria for offsetting on the consolidated balance sheet, because it only confers the right of offset if future events occur, such as default or insolvency of the Group or of counterparties. The following table shows the potential financial impact of offsetting the arrangements described, regardless of whether they are not offset on the consolidated balance sheet pursuant to IAS 32.42.

	Dec. 31, 2024			Dec. 31, 2023		
	Gross amounts of financial instruments on the consolidated balance sheet	Amounts from netting arrangements	Net amounts	Gross amounts of financial instruments on the consolidated balance sheet	Amounts from netting arrangements	Net amounts
€ million						
Derivative assets	24.4	– 2.8	21.6	29.1	– 1.0	28.1
Derivative liabilities	25.2	– 2.8	22.4	23.5	– 1.0	22.5

(40) Classification and fair values of financial instruments**(a) Categories**

The following table shows the carrying amounts of financial instruments by category and the fair values of each class of financial instrument:

€ million	Note	Measurement category and carrying amount pursuant to IFRS 9					Fair value Dec. 31, 2024
		Carrying amount Dec. 31, 2024	Fair value hedging instruments	Mandatorily at fair value through profit or loss	Fair value through other compre- hensive income	Amortized cost	
Financial assets							
Cash and cash equivalents	(17)	1,172.7	–	–	–	1,172.7	n.a.
Time deposits	(17)	90.0	–	–	–	90.0	n.a.
Trade receivables	(16)	803.2	–	–	–	803.2	n.a.
Other financial assets							
Derivatives with positive fair value not used as hedges	(13)	24.4	–	24.4	–	–	24.4
Derivatives with positive fair value used as hedges	(13)	–	–	–	–	–	–
Loans	(13)	10.1	–	–	–	10.1	10.1
Other financial assets measured at fair value	(13)	78.0	–	78.0	–	–	78.0
Other financial assets	(13)	234.0	–	–	–	234.0	n.a.
			–	102.4	–	2,310.0	
Financial liabilities							
Trade payables	(26)	629.9	–	–	–	629.9	n.a.
Financial debt							
Bonds	(23)	498.8	–	–	–	498.8	507.6
Liabilities to banks	(23)	156.6	–	–	–	156.6	n.a.
Registered bonds	(23)	98.6	–	–	–	98.6	105.3
Lease liabilities	(23)	81.9	–	–	–	81.9	n.a.
Other financial liabilities							
Derivatives with negative fair value not used as hedges	(24)	25.2	–	25.2	–	–	25.2
Derivatives with negative fair value used as hedges	(24)	–	–	–	–	–	–
Other financial liabilities measured at fair value	(24)	17.6	–	17.6	–	–	17.6
Other financial liabilities	(24)	291.3	–	–	–	291.3	n.a.
			–	42.8	–	1,757.1	

€ million	Note	Measurement category and carrying amount pursuant to IFRS 9					Fair value Dec. 31, 2023
		Carrying amount	Fair value hedging instruments	Mandatorily at fair value through profit or loss	Fair value through other compre- hensive income	Amortized cost	
		Dec. 31, 2023					
Financial assets							
Cash and cash equivalents	(17)	1,108.0	–	–	–	1,108.0	n.a.
Time deposits	(17)	128.0	–	–	–	128.0	n.a.
Trade receivables	(16)	736.6	–	–	–	736.6	n.a.
Other financial assets							
Derivatives with positive fair value not used as hedges	(13)	27.2	–	27.2	–	–	27.2
Derivatives with positive fair value used as hedges	(13)	1.9	1.9	–	–	–	1.9
Loans	(13)	9.4	–	–	–	9.4	9.4
Other financial assets measured at fair value	(13)	60.2	–	60.1	0.1	–	60.2
Other financial assets	(13)	214.2	–	–	–	214.2	n.a.
			1.9	87.3	0.1	2,196.2	
Financial liabilities							
Trade payables	(26)	393.5	–	–	–	393.5	n.a.
Financial debt							
Bonds	(23)	498.3	–	–	–	498.3	499.6
Liabilities to banks	(23)	168.9	–	–	–	168.9	n.a.
Registered bonds	(23)	98.4	–	–	–	98.4	103.3
Lease liabilities	(23)	90.1	–	–	–	90.1	n.a.
Other financial liabilities							
Derivatives with negative fair value not used as hedges	(24)	23.2	–	23.2	–	–	23.2
Derivatives with negative fair value used as hedges	(24)	0.3	0.3	–	–	–	0.3
Other financial liabilities measured at fair value	(24)	4.5	–	4.5	–	–	4.5
Other financial liabilities	(24)	296.5	–	–	–	296.5	n.a.
			0.3	27.7	–	1,545.7	

Cash and cash equivalents, time deposits, trade receivables, trade payables, liabilities to banks, and other financial assets and liabilities all have predominantly short terms to maturity. No fair values were presented for these financial instruments because they were approximately equal to their carrying amounts.

(b) Market performance

The fair values of derivatives that are traded in an active market are determined based on market prices. Suitable valuation methods taking into account observable market data as of the balance sheet date are used to determine the fair values of derivatives that are not traded in an active market. The fair value of currency forwards is calculated on the basis of the par method based on market data on the balance sheet date. The actual market prices achievable on the balance sheet date may differ from the values calculated in this way. Generally accepted option pricing models (Black-Scholes method) are used to measure the fair value of options. Credit risk is determined using the add-on method and deducted directly from the positive or negative fair value of derivatives.

The discounted cash flow (DCF) method based on inputs observable in the market is used to calculate the fair value of loans and registered bonds.

The fair values recognized for financial instruments were determined as follows:

€ million	Dec. 31, 2024		Dec. 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Mark-to-model values determined using parameters observed in the market (Level 2)	24.4	- 25.2	29.1	- 23.5
Other financial assets	24.4	-	29.1	-
Derivatives with positive fair value not used as hedges	24.4	-	27.2	-
Derivatives with positive fair value used as hedges	-	-	1.9	-
Other financial liabilities	-	- 25.2	-	- 23.5
Derivatives with negative fair value not used as hedges	-	- 25.2	-	- 23.2
Derivatives with negative fair value used as hedges	-	-	-	- 0.3
Theoretical mark-to-model values (Level 3)	78.0	- 17.6	60.2	- 4.5
Other financial assets	78.0	-	60.2	-
Other financial liabilities	-	- 17.6	-	- 4.5

The DCF method based on unobservable inputs, such as economic growth and the discount rate, is used to determine the fair values recognized at Level 3. A change in the input factors as part of a sensitivity analysis does not have any material effect on measurement. The following table shows the change in the fair values of other financial assets and other financial liabilities at Level 3 in 2024:

€ million	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Balance as of Jan. 1	60.2	- 4.5	12.4	- 5.8
Gains(+)/ Losses(-) recognized in the income statement	3.0	- 0.5	- 2.4	0.3
Additions	14.4	- 13.6	51.0	-
Disposals / settlements	-	1.2	- 0.1	0.8
Gains(+)/ Losses(-) recognized in other comprehensive income	- 0.1	- 0.2	- 0.3	-
Exchange differences recognized in other comprehensive income	0.5	-	- 0.4	0.2
Balance as of Dec. 31	78.0	- 17.6	60.2	- 4.5

The gains and losses recognized in the income statement are included in the following items:

- Assets: finance costs and income
- Liabilities: other operating income

The gains and losses recognized in other comprehensive income relate to the item 'Currency translation adjustment' and to the item 'Equity instruments measured at fair value'.

At the end of each reporting period, the financial assets and liabilities measured at fair value are assessed to ascertain whether they need to be transferred between levels of the fair value hierarchy. As in 2023, there were no transfers during the reporting year.

The fair values disclosed for financial instruments measured at amortized cost were determined as follows:

€ million	Dec. 31, 2024		Dec. 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Mark-to-model values determined using parameters observed in the market (Level 1)	–	– 507.6	–	– 499.6
Bonds	–	– 507.6	–	– 499.6
Mark-to-model values determined using parameters observed in the market (Level 2)	10.1	– 105.3	9.4	– 103.3
Loans	10.1	–	9.4	–
Registered bonds	–	– 105.3	–	– 103.3

(41) Net gains and losses on financial instruments

The following table shows net gains / losses by measurement category:

€ million	2024	2023
Financial assets and financial liabilities mandatorily measured at fair value through profit and loss	11.1	28.7
Financial assets measured at amortized cost	24.0	8.8
Financial liabilities measured at amortized cost	– 19.2	– 18.4
Net gain / loss	15.9	19.1

The net gain/loss on financial assets and liabilities measured at fair value through profit or loss is the result of measurement subsequent to initial recognition and includes net interest income/expense. In all other categories, net interest income/expense and net gains/losses on currency translation, impairment, and disposal were taken into account.

In 2024, interest income of €38.9 million (2023: €25.6 million) was generated and interest expenses of €19.2 million (2023: €18.4 million) were incurred in connection with financial assets and liabilities that are not measured at fair value through profit or loss.

(42) Maturity analysis

The following table shows the contractually agreed (undiscounted) principal payments, including estimated interest payments, of the non-derivative financial liabilities and derivative financial liabilities held on the Heraeus Group's books as of December 31, 2024:

€ million	Cash flows			
	2025	2026	2027 – 2029	from 2030
Non-derivative financial liabilities				
Bonds	5.8	13.1	513.1	–
Registered bonds	1.4	3.8	11.3	115.0
Liabilities to banks	123.4	5.3	23.1	4.8
Trade payables	629.9	–	–	–
Lease liabilities	21.4	16.9	33.3	26.5
Other financial liabilities	290.2	14.1	0.2	4.5
Derivative financial liabilities				
Derivatives with negative fair value not used as hedges	20.4	1.9	3.0	–
Derivatives with negative fair value used as hedges	–	–	–	–

The contractually agreed (undiscounted) interest and principal payments for the non-derivative financial liabilities and the derivative financial liabilities as of December 31, 2023 were as follows:

€ million	Cash flows			
	2024	2025	2026 – 2028	from 2029
Non-derivative financial liabilities				
Bonds	5.8	13.1	539.4	–
Registered bonds	1.4	3.8	11.3	118.8
Liabilities to banks	148.6	2.8	17.5	–
Trade payables	393.5	–	–	–
Lease liabilities	20.5	16.7	33.2	35.0
Other financial liabilities	297.2	–	–	–
Derivative financial liabilities				
Derivatives with negative fair value not used as hedges	19.6	3.2	0.4	–
Derivatives with negative fair value used as hedges	0.3	–	–	–

Variable cash flows were recognized at the reference interest rate applicable as of each balance sheet date. Foreign currency amounts were translated at the spot rate applicable as of each balance sheet date.

Other disclosures

(43) Contingent liabilities

As of December 31, 2024, there were contingent liabilities with a potential impact on the tax expense and thus on net income and tax provisions amounting to €129.1 million (2023: €96.6 million) plus interest of €6.7 million. These contingent liabilities relate to tax matters. In this case, there would also be tax assets of €15.5 million plus entitlement to reimbursement of €1.5 million in interest. Any loss carryforwards that may arise at individual Group companies would not result in recoverable deferred tax assets. A possible resulting outflow of resources is subject to considerable uncertainty as the obligation on the part of the company that could lead to the outflow of resources is as yet unconfirmed. The obligation is highly contingent on the assessment of the possible ineffectiveness of profit-and-loss transfer agreements under civil law. Based on the opinions provided to the Board of Managing Directors by attorneys and tax experts, the risk of these agreements being ineffective is deemed to be up to 50 percent.

(44) Other financial commitments

As of the balance sheet date, order commitments for capital expenditure on property, plant, and equipment amounted to €81.6 million (2023: €93.0 million), of which €81.2 million is payable in 2025 and €0.4 million is payable in the period 2026 to 2029 (2023: €93.0 million payable in 2024, €0.0 million payable from 2025 onwards).

As of the balance sheet date, the total market value of the precious metals on loan from third parties amounted to €2,316.0 million (2023: €1,947.0 million). As lessee, Heraeus is not required to recognize the precious metals it has leased or its corresponding obligations to return them in its consolidated balance sheet.

The Group's supply of precious metals is partly secured by medium- to long-term framework agreements. The quantity to be purchased can be sold on at any time with no price risk.

(45) Related party disclosures

Disclosures regarding remuneration for the Board of Managing Directors, Supervisory Board, and Shareholders' Committee as key management positions can be found in Note (28).

From a capital perspective, the shares in Heraeus Holding GmbH are predominantly held by EVG Tertio GmbH & Co. KG. However, no significant voting rights are attached to these shares. Consequently, no consolidated financial statements are prepared at this level. The voting shares in Heraeus Holding GmbH and the shares in Einhorn Verwaltungsgesellschaft mbH (parent company of EVG Tertio GmbH & Co. KG) are in free float and are held by a number of shareholders.

The following table shows material trading relationships between Group entities and related parties:

€ million	Receivables		Liabilities		Revenue		Goods and services received	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	2024	2023	2024	2023
	Associates	6.8	5.1	–	–	20.0	16.1	–
Joint ventures	60.9	45.6	1.0	2.6	47.1	43.9	25.3	17.9
Total	67.7	50.7	1.0	2.6	67.1	60.0	25.3	17.9

These trading relationships mainly relate to the Semiconductor & Electronics business platform and were concluded at arm's-length conditions.

Receivables include loans to associates in an amount of €6.0 million (2023: €5.0 million) and loans to joint ventures in an amount of €50.9 million (2023: €37.0 million). These loans mostly have long terms to maturity and are not collateralized. They have terms of between one and seven years; the interest rates range from 3.25 percent to 10 percent (2023: 3.25 percent to 5 percent).

(46) Events after the reporting period

In April 2025, the sale of the business involving silver conductive pastes for solar cells was completed (see (9c)) and the process of dissolving the joint venture BASF Heraeus Metal Resource Co., Ltd., China, was initiated (see (22)).

For information on the possible impact of the US tariff strategy on the recoverability of the goodwill of Norwood Medical, please refer to (10a).

Impairment losses in the mid to high double-digit millions were recognized on net investments in the joint venture revalu Resources GmbH and in the associate Smart Steel Technologies GmbH as of June 30, 2025 (see (12)) due to the deterioration of their business performance in 2025.

Additional disclosures pursuant to the German Commercial Code (HGB)**(47) Auditors' fees**

The total fees paid to KPMG AG Wirtschaftsprüfungsgesellschaft for auditing services in 2024 amounted to €3.6 million. The fee for tax consultancy services was €0.1 million, and €0.3 million was spent on other services.

(48) Exemption pursuant to section 264 (3) HGB and section 264b HGB

The following German subsidiaries will make use of the exemption provisions of section 264 (3) HGB and section 264b HGB for 2024:

Contract Medical International GmbH, Dresden
 Heraeus Amloy Technologies GmbH, Hanau
 Heraeus Beteiligungsverwaltungsgesellschaft mbH, Hanau
 Heraeus Business Solutions GmbH, Hanau
 Heraeus Consulting & IT Solutions GmbH, Hanau
 Heraeus Electronics GmbH & Co. KG, Hanau
 Heraeus Electronics Verwaltungs GmbH, Hanau
 Heraeus Electro-Nite GmbH & Co. KG, Hanau
 Heraeus Epurio GmbH, Hanau
 Heraeus Finance GmbH, Hanau
 Heraeus Health & Education Services GmbH, Hanau
 Heraeus Medevio GmbH & Co. KG, Hanau
 Heraeus Medevio Verwaltungs GmbH, Hanau
 Heraeus Medical GmbH, Wehrheim
 Heraeus Metals Germany GmbH & Co. KG, Hanau
 Heraeus Precious Metals GmbH & Co. KG, Hanau
 Heraeus Printed Electronics GmbH, Hanau
 Heraeus Quarzglas Bitterfeld GmbH & Co. KG, Hanau
 Heraeus Quarzglas GmbH & Co. KG, Hanau
 Heraeus Quarzglas International GmbH, Hanau
 Heraeus Quarzglas Verwaltungsgesellschaft mbH, Hanau
 Heraeus Site Operations GmbH & Co. KG, Hanau
 Heraeus Special Warehousing GmbH & Co. KG, Hanau
 Heraeus UV Solutions GmbH, Hanau
 Huvenca 1 GmbH, Hanau

Correction/amendment regarding exemption for the prior year:

Excelitas Noblelight GmbH (previously Heraeus Noblelight GmbH), Hanau, will make use of the exemption provisions of section 264 (3) HGB for the short financial year from January 1, 2023 to November 30, 2023.

(49) List of shareholdings

The shareholdings of Heraeus Holding GmbH as of December 31, 2024 are listed below:

Name of company	Registered office	Country	Percentage of equity
1. Subsidiaries included in the consolidated financial statements			
In Germany			
Amorphous Metal Solutions GmbH	Homburg	Germany	100.00
Argor-Heraeus Deutschland GmbH	Pforzheim	Germany	100.00
Contract Medical International GmbH	Dresden	Germany	100.00
Heraeus Amloy Technologies GmbH	Hanau	Germany	100.00
Heraeus Beteiligungsverwaltungsgesellschaft mbH	Hanau	Germany	100.00
Heraeus Business Solutions GmbH	Hanau	Germany	100.00
Heraeus Consulting & IT Solutions GmbH	Hanau	Germany	100.00
Heraeus Electronics GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Printed Electronics GmbH	Hanau	Germany	100.00
Heraeus Electronics Verwaltungs GmbH	Hanau	Germany	100.00
Heraeus Electro-Nite GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Electro-Nite Verwaltungsgesellschaft mbH	Hanau	Germany	100.00
Heraeus Epurio GmbH	Hanau	Germany	100.00
Heraeus Finance GmbH	Hanau	Germany	100.00
Heraeus Health & Education Services GmbH	Hanau	Germany	100.00
Heraeus Medevio GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Medevio International GmbH	Hanau	Germany	100.00
Heraeus Medevio Verwaltungs GmbH	Hanau	Germany	100.00
Heraeus Medical GmbH	Wehrheim	Germany	100.00
Heraeus Metals Germany GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Metals Germany Treuhand GmbH	Hanau	Germany	100.00
Heraeus Precious Metals GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Precious Metals Verwaltungs GmbH	Hanau	Germany	100.00
Heraeus Quarzglas Bitterfeld GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Quarzglas GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Quarzglas International GmbH	Hanau	Germany	100.00
Heraeus Quarzglas Treuhand GmbH	Hanau	Germany	100.00
Heraeus Quarzglas Verwaltungsgesellschaft mbH	Hanau	Germany	100.00
Heraeus Real Estate Development GmbH	Hanau	Germany	100.00
Heraeus Real Estate Development Verwaltungs GmbH	Hanau	Germany	100.00
Heraeus Site Operations Energy GmbH	Hanau	Germany	100.00
Heraeus Site Operations GmbH & Co. KG	Hanau	Germany	100.00
Heraeus Site Operations III GmbH	Hanau	Germany	100.00
Heraeus Site Operations Verwaltungs GmbH	Hanau	Germany	100.00
Heraeus Special Warehousing GmbH & Co. KG	Hanau	Germany	100.00
Heraeus UV Solutions GmbH	Hanau	Germany	100.00
HUVENCA 1 GmbH	Hanau	Germany	100.00
W. C. Heraeus International GmbH	Hanau	Germany	100.00
Outside Germany			
Argor-Heraeus Italia S.p.A.	Cavenago Brianza	Italy	100.00
Argor-Heraeus SA	Mendrisio	Switzerland	100.00

Name of company	Registered office	Country	Percentage of equity
Contract Medical International, spol. s.r.o.	Hradec Králové	Czech Republic	100.00
Dong Yang Ceramic Inc.	Pyeongtaek-si	South Korea	100.00
ETS Wound Care LLC	Rolla, MO	USA	100.00
Heraeus (China) Investment Co., Ltd.	Shanghai	China	100.00
Heraeus (Thailand) Ltd.	Bangkok	Thailand	100.00
Heraeus Asia Pacific Holding Pte. Ltd.	Singapore	Singapore	100.00
Heraeus Comvance Denmark ApS	Brøndby	Denmark	100.00
Heraeus Conamic North America LLC	Phoenix, AZ	USA	100.00
Heraeus CZ s.r.o.	Prague	Czech Republic	100.00
Heraeus Electronic Chemicals (Shanghai) Co. Ltd	Shanghai	China	100.00
Heraeus Electronics Technology (Suzhou) Co., Ltd.	Suzhou	China	100.00
Heraeus Electro-Nite (Aust.) Pty. Ltd.	Unanderra	Australia	100.00
Heraeus Electro-Nite (Pty.) Ltd.	Boksburg	South Africa	100.00
Heraeus Electro-Nite (Tangshan) Co., Ltd.	Tangshan	China	100.00
Heraeus Electro-Nite (UK) Ltd.	Chesterfield	United Kingdom	100.00
Heraeus Electro-Nite AB	Lidingö	Sweden	100.00
Heraeus Electro-Nite Canada Ltd.	Toronto, ON	Canada	100.00
Heraeus Electro-Nite Chelyabinsk LLC	Chelyabinsk	Russia	100.00
Heraeus Electro-Nite Co., LLC	Wilmington, DE	USA	100.00
Heraeus Electro-Nite Espana S.L.	Cayés-Llanera	Spain	100.00
Heraeus Electro-Nite France S.A.R.L.	Illange	France	100.00
Heraeus Electro-Nite Instrumentos Ltda.	Diadema, SP	Brazil	100.00
Heraeus Electro-Nite International N.V.	Houthalen	Belgium	100.00
Heraeus Electro-Nite Italy S.r.l.	Ornago-Milan	Italy	100.00
Heraeus Electro-Nite Japan, Ltd.	Ichikawa-shi	Japan	100.00
Heraeus Electro-Nite L.L.C.	Moscow	Russia	100.00
Heraeus Electro-Nite Mexicana S.A. de C.V.	Ramos Arizpe, COA	Mexico	100.00
Heraeus Electro-Nite Polska Sp. z o.o.	Sosnowiec	Poland	100.00
Heraeus Electro-Nite Shanghai Co. Ltd.	Shanghai	China	100.00
Heraeus Electro-Nite Shenyang Co. Ltd.	Shenyang	China	100.00
Heraeus Electro-Nite Taicang Co. Ltd.	Taicang	China	100.00
Heraeus Electro-Nite Taiwan Ltd.	Kaohsiung City	Taiwan	100.00
Heraeus Electro-Nite Termoteknik Sanayi ve Ticaret A.S.	Sincan-Ankara	Türkiye	100.00
Heraeus Electro-Nite Ukraina LLC	Zaporizhzhia	Ukraine	100.00
Heraeus Electro-Nite Vietnam Co. Ltd.	Da Nang City	Vietnam	100.00
Heraeus Epurio LLC	Wilmington, DE	USA	100.00
Heraeus Hellas Monoprosopi EPE	Athens	Greece	100.00
Heraeus Inc.	Wilmington, DE	USA	100.00
Heraeus K.K.	Tokyo	Japan	100.00
Heraeus Korea Corporation	Suwon-si	South Korea	100.00
Heraeus Ltd.	Hong Kong	China	100.00
Heraeus Materials Malaysia Sdn. Bhd.	Kuala Lumpur	Malaysia	100.00
Heraeus Materials S.A.	Yverdon-les-Bains	Switzerland	100.00
Heraeus Materials Singapore Pte. Ltd.	Singapore	Singapore	100.00
Heraeus Materials Technology Shanghai Ltd.	Shanghai	China	100.00
Heraeus Materials Technology Taiwan Ltd.	Taipei City	Taiwan	100.00
Heraeus Medical AB	Stockholm	Sweden	100.00

Name of company	Registered office	Country	Percentage of equity
Heraeus Medical Australia Pty. Ltd.	Macquarie Park, NSW	Australia	100.00
Heraeus Medical Components Caribe, Inc.	San Juan	Puerto Rico	100.00
Heraeus Medical Components LLC	Wilmington, DE	USA	100.00
Heraeus Medical Components S.R.L.	San Antonio de Belén	Costa Rica	100.00
Heraeus Medical Components Singapore Pte. Ltd.	Singapore	Singapore	100.00
Heraeus Medical LLC	Wilmington, DE	USA	100.00
Heraeus Medical Poland Sp. z o.o.	Łódź	Poland	100.00
Heraeus Medical Schweiz AG	Zurich	Switzerland	100.00
Heraeus Medical UK Ltd.	Newbury	United Kingdom	100.00
Heraeus Metal Processing Ltd.	Shannon	Ireland	100.00
Heraeus Metals (Shanghai) Co., Ltd.	Shanghai	China	100.00
Heraeus Metals Hong Kong Ltd.	Hong Kong	China	100.00
Heraeus Metals New York LLC	Wilmington, DE	USA	100.00
Heraeus Nederland B.V.	Amsterdam	Netherlands	100.00
Heraeus PGM SA (Pty.) Ltd.	Gqeberha	South Africa	100.00
Heraeus Photovoltaics (Shanghai) Co., Ltd.	Shanghai	China	100.00
Heraeus Photovoltaics Singapore Pte. Ltd.	Singapore	Singapore	100.00
Heraeus Photovoltaics Technology (Shanghai) Co., Ltd.	Shanghai	China	100.00
Heraeus Precious Metal Technology (China) Co., Ltd.	Nanjing	China	100.00
Heraeus Precious Metals North America Conshohocken LLC	Wilmington, DE	USA	100.00
Heraeus Precious Metals North America LLC	Wilmington, DE	USA	100.00
Heraeus Quartz North America LLC	Wilmington, DE	USA	100.00
Heraeus Real Estate UK Ltd.	Cambridge	United Kingdom	100.00
Heraeus Recycling Technology Canada Ltd.	St. John's, NL	Canada	100.00
Heraeus Romania S.R.L.	Chişoda	Romania	100.00
Heraeus SAH (Pty.) Ltd.	Gqeberha	South Africa	100.00
Heraeus S.A.	Madrid	Spain	100.00
Heraeus S.A.S.	Villebon-sur-Yvette	France	100.00
Heraeus S.p.A.	Milan	Italy	100.00
Heraeus ShinEtsu Quartz China Inc.	Shenyang	China	100.00
Heraeus South Africa (Pty.) Ltd.	Gqeberha	South Africa	100.00
Heraeus Technologies India Private Ltd.	New Delhi	India	100.00
Heraeus Tokmak Kiyetli Madenler Sanayi A.S.	Kemalpasa-Izmir	Türkiye	95.00
Heraeus TROT (Wuhan) Engineering and Technology Co., Ltd.	Wuhan	China	100.00
Heraeus Zhaoyuan Changshu Electronic Materials Co. Ltd.	Changshu	China	80.00
Heraeus Zhaoyuan Precious Metal Materials Co. Ltd.	Zhaoyuan	China	60.00
MC Sublance Probe Technology Shanghai Co., Ltd.	Shanghai	China	100.00
Mo Sci LLC	Rolla, MO	USA	100.00
Norwood Medical LLC	Wilmington, DE	USA	100.00
PT. Woojin Electro Nite Indonesia	Cilegon	Indonesia	100.00
Pulse Systems, LLC	Wilmington, DE	USA	100.00
SKO A.S.	Istanbul	Türkiye	100.00
Woojin Electro-Nite Inc.	Pyeongtaek-si	South Korea	100.00

Name of company	Registered office	Country	Percentage of equity
2. Subsidiaries not included in the consolidated financial statements			
In Germany			
Heraeus HoldCo GmbH & Co. KG	Hanau	Germany	100.00
Heraeus HoldCo Verwaltungs GmbH	Hanau	Germany	100.00
Outside Germany			
ETS Technology Holdings LLC	Rolla, MO	USA	100.00
HEN RBS Trustees Ltd.	Chesterfield	United Kingdom	100.00
Heraeus Conamic Poland Sp. z o.o.	Sosnowiec	Poland	100.00
Heraeus Medical Italy S.r.l.	Milan	Italy	100.00
Heraeus Medical South Africa (Pty.) Ltd.	Gqeberha	South Africa	100.00
McCol Metals B.V.	Zoetermeer	Netherlands	100.00
Mo Sci Health Care LLC	Rolla, MO	USA	100.00
PT Heraeus Materials Indonesia	Tangerang City	Indonesia	99.59
3. Associates accounted for under the equity method included in the consolidated financial statements			
In Germany			
Smart Steel Technologies GmbH	Berlin	Germany	46.55
aiXscale Photonics GmbH	Aachen	Germany	37.50
Outside Germany			
Ankasa Regenerative Therapeutics, Inc.	Wilmington, DE	USA	30.52
Choksi Heraeus Private Ltd.	Udaipur, Rajasthan	India	50.00
Ravindra Heraeus Private Ltd.	Udaipur, Rajasthan	India	50.00
4. Joint ventures accounted for under the equity method included in the consolidated financial statements			
In Germany			
revalyu Resources GmbH	Hanau	Germany	53.38
Outside Germany			
Argor-Aljba SA	Mendrisio	Switzerland	50.00
BASF Heraeus Metal Resource Co. Ltd.	Pinghu	China	50.00
Heraeus Shin-Etsu Quartz Singapore Pte. Ltd.	Singapore	Singapore	50.00
Shin-Etsu Quartz Products Co., Ltd.	Tokyo	Japan	50.00
Young Shin Quartz Co., Ltd.	Gwanghyewon-myun	South Korea	50.00

Hanau, September 9, 2025

The Board of Managing Directors of Heraeus Holding GmbH

Dr. Frank Stietz
Chairman

Rolf Wetzel

Dr. Steffen Metzger

Heiko Specht

Dr. Klemens Brunner

Independent Auditor's Report

To Heraeus Holding GmbH, Hanau

Opinions

We have audited the consolidated financial statements of Heraeus Holding GmbH, Hanau, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of Heraeus Holding GmbH for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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 IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

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

Basis for the Opinions

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

Note on emphasis of matter – Status and impact of a special audit

Please refer to management's comments in section 2b of the notes to the consolidated financial statements and the presentation in the section "Economic report – Irregularities in the recycling process at Heraeus Precious Metals" of the combined management report, which describe the effects of the special audit in connection with the allegations of a whistleblower case and the subsequent additional investigation in the Heraeus Precious Metals division and the provisions recognised in this context. Our opinions on the consolidated financial statements and the combined management report have not been modified in this regard.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

- In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information
- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures 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 the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, September 9, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Höfter-Emslander
Wirtschaftsprüfer
[German Public Auditor]

Böhm
Wirtschaftsprüferin
[German Public Auditor]

Multi-year overview

	2024	2023*	2022	2021	2020
Financial performance (€ million)					
Revenue excluding precious metals	2,711	2,862	2,900	2,272	2,052
Total revenue	29,397	25,649	29,082	29,506	31,532
Earnings before interest, tax, depreciation, amortization, and impairment (EBITDA)	600	797	956	714	502
Earnings before interest and tax (EBIT)	320	572	695	524	302
Profit before taxes (EBT)	314	547	684	496	263
Profit after taxes	237	411	505	369	191
Financial position (€ million)					
Total assets	7,906	7,466	7,152	6,994	5,915
Shareholders' equity	4,703	4,494	4,541	3,801	3,280
Equity-to-assets ratio (%)	59	60	63	54	56
Cash flow (€ million)					
Net cash provided by operating activities	563	634	692	608	345
Cash payments for investments in non-current assets	335	360	288	248	197
Depreciation, amortization, and impairment of non-current assets (excluding right-of-use assets)	261	203	233	168	176
Employees					
Employees at year-end	15,181	15,170	15,938	15,114	13,911
In Germany	4,731	4,750	5,375	5,149	5,290
Outside Germany	10,450	10,420	10,563	9,965	8,621

* Prior-year figures restated, see Note (2b) to the consolidated financial statements

Legal notice

Publisher

Heraeus Business Solutions GmbH
Group Communications
Heraeusstrasse 12–14
63450 Hanau, Germany

This financial report contains the full consolidated financial statements and group management report of Heraeus Holding GmbH, Hanau, for 2024 as well as additional voluntary disclosures. This financial report is also available in German. Reproduction is permitted in whole or in part, provided the source is acknowledged in all cases.

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