Management Board Responsibility Statement
Independent Auditors' Report
Consolidated Financial Statements 2023

Management Board Responsibility Statement

The Consolidated Financial Statements have been prepared by the Management Board of ALTANA AG, which is responsible for the completeness and accuracy of the information contained therein.

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the EU and in accordance with the requirements of German commercial law pursuant to section 315e of the German Commercial Code (HGB).

The information contained in the Consolidated Financial Statements and the Group Management Report is based on the information reported, in accordance with consistent guidelines in force throughout the Group by the companies included in the Consolidated Financial Statements. The integrity of the reporting process is safeguarded by effective internal control systems established at these companies under the direction of the Management Board. This assures a true and fair view of the performance and results of the Group and enables the Management Board to recognize potential investment risks and negative developments at an early stage and take appropriate countermeasures.

By resolution of the Annual General Meeting, the Chairman of the Audit Committee of the Supervisory Board appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as independent auditors of the Consolidated Financial Statements. The auditors issued an unqualified Auditors' Report on the complete Consolidated Financial Statements and the Group Management Report. The Consolidated Financial Statements, the Group Management Report and the Auditors' Report have been made available to the Supervisory Board for detailed discussion. The report of the Supervisory Board is contained on pages 14 - 18 of the Corporate Report 2023.

To the best of our knowledge and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the net assets, financial position, and results of operations of the Group and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Wesel, Germany, February 29, 2024

ALTANA AG
The Management Board

Martin Babilas   Dr. Tammo Boinowitz   Stefan Genten

The auditor issued the following unqualified auditors' report on the consolidated financial statements and the group management report, which is not included in this publication.

Independent Auditor's Report

To ALTANA Aktiengesellschaft, Wesel

Audit Opinions

We have audited the consolidated financial statements of ALTANA Aktiengesellschaft, Wesel, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of ALTANA Aktiengesellschaft for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed 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 IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 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 December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group 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 audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [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 group management report.

Basis for the Audit Opinions

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

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

– the statement of corporate governance pursuant to § 289f Abs. 4 HGB included in section "Declaration on Corporate Governance" of the group management report (disclosure on the quota for women on executive boards)
– the corporate governance report included in section "Declaration on Corporate Governance" of the group management report.

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

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

– is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
– otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the consolidated financial statements and the group management report

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

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

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

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

Auditor's Responsibilities for the Audit of the consolidated financial statements and of the group management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 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 group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inade-

quate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit 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.

Cologne, Germany, March 4, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Wimmer	ppa. Carsten Manthei
German Public Auditor	German Public Auditor

Consolidated Financial Statements

ALTANA Group Consolidated Income Statement

	Notes	2022	2023
in € thousand			
Net sales	4	**3,020,990**	**2,741,515**
Cost of sales	5	(2,052,117)	(1,858,146)
Gross profit		**968,873**	**883,369**
Selling and distribution expenses		(365,158)	(339,637)
Research and development expenses		(192,944)	(196,549)
General administration expenses		(131,711)	(141,940)
Other operating income	6	16,335	23,106
Other operating expenses	7	(7,846)	(12,005)
Operating income (EBIT)		**287,549**	**216,344**
Financial income	8	21,019	21,957
Financial expenses	9	(14,030)	(29,074)
Financial result		**6,989**	**(7,117)**
Income from at equity accounted investments		10,945	(42,972)
Income before income taxes (EBT)		**305,483**	**166,255**
Income taxes	10	(73,079)	(56,066)
Net income (EAT)		**232,404**	**110,188**
thereof attributable to non-controlling interests		2,930	3,723
thereof attributable to the shareholder of ALTANA AG		229,474	106,465

ALTANA Group Consolidated Statement of Comprehensive Income

	2022	2023
in € thousand		
Net income (EAT)	**232,404**	**110,188**
Remeasurement of the net defined employee benefit obligation	83,993	(14,582)
Income taxes	(24,863)	4,586
Items that will not be reclassified subsequently to profit or loss	**59,130**	**(9,996)**
Translation adjustments	54,789	(52,191)
thereof attributable to non-controlling interests	(885)	(761)
Items that may be reclassified subsequently to profit or loss	**54,789**	**(52,191)**
Other comprehensive income	**113,919**	**(62,187)**
Comprehensive income	**346,323**	**48,001**
thereof attributable to non-controlling interests	2,048	3,000
thereof attributable to the shareholder of ALTANA AG	344,275	45,001

ALTANA Group Consolidated Statement of Financial Position

Assets	Notes	Dec. 31, 2022	Dec. 31, 2023
in € thousand			
Intangible assets	12	986,190	1,033,760
Property, plant and equipment	13	1,012,279	1,147,024
Long-term investments	14	60,584	86,752
Investments in at equity accounted companies	15	83,574	39,007
Income tax refunds			26
Deferred tax assets	10	31,203	29,558
Other non-current assets	20	12,587	17,368
Total non-current assets		**2,186,417**	**2,353,495**
Inventories	16	616,493	561,831
Trade accounts receivable	17	487,551	505,804
Income tax refunds		33,486	13,417
Other current assets	20	131,847	143,250
Marketable securities	18	40,412	56,272
Short-term financial assets	19	7,158	15,071
Cash and cash equivalents		458,091	491,335
Total current assets		**1,775,038**	**1,786,980**
Total assets		**3,961,455**	**4,140,475**

Liabilities, provisions and shareholders' equity	Notes	Dec. 31, 2022	Dec. 31, 2023
in € thousand			
Share capital[1]		136,098	136,098
Additional paid-in capital and other reserves		151,276	148,608
Retained earnings		2,482,246	2,428,677
Accumulated other comprehensive income		164,101	112,671
Equity attributable to the shareholder of ALTANA AG		**2,933,721**	**2,826,054**
Non-controlling interests		17,867	25,138
Shareholders' equity	21	**2,951,588**	**2,851,192**
Non-current debt	23	183,931	433,005
Employee benefit obligations	24	172,380	199,778
Other non-current provisions	25	29,023	33,927
Deferred tax liabilities	10	84,639	87,782
Other non-current liabilities	26	36,139	40,213
Total non-current liabilities		**506,112**	**794,705**
Current debt	23	21,677	19,439
Trade accounts payable		232,209	214,552
Current accrued income taxes[2]		61,150	46,789
Other current provisions	25	111,196	119,559
Other current liabilities[2]	26	77,523	94,239
Total current liabilities		**503,755**	**494,578**
Total liabilities, provisions and shareholders' equity		**3,961,455**	**4,140,475**

[1] Share capital consists of 136,097,896 no-par value registered shares.

[2] Previous year adjusted

ALTANA Group Consolidated Statement of Changes in Shareholders' Equity

	Share capital issued			Retained earnings	
	Number of shares	Share capital	Additional paid-in capital and other reserves	Retained earnings	Remeasurement of the net defined employee benefit obligation
in € thousand					
Balance at Jan. 1, 2022	**136,097,896**	**136,098**	**151,276**	**2,379,168**	**(115,523)**
Other comprehensive income					59,127
Net income (EAT)				229,474	
Change in reporting entities					
Comprehensive income				**229,474**	**59,127**
Other changes in equity					
Dividends paid				(70,000)	
Change in reporting entities - not effecting profit or loss					
Acquisition of non-controlling interests					
Balance at Dec. 31, 2022	**136,097,896**	**136,098**	**151,276**	**2,538,642**	**(56,396)**
Other comprehensive income					(10,034)
Net income (EAT)				106,465	
Change in reporting entities					
Comprehensive income				**106,465**	**(10,034)**
Other changes in equity				(4,052)	4,052
Dividends paid				(150,000)	
Change in reporting entities - not effecting profit or loss					
Acquisition of non-controlling interests			(2,668)		
Balance at Dec. 31, 2023	**136,097,896**	**136,098**	**148,608**	**2,491,055**	**(62,378)**

Accumulated other comprehensive income		Non-controlling interests		
Translation adjustments	Equity attributable to the shareholder of ALTANA AG	Shareholders' equity	Translation adjustments	Shareholders' equity
108,427	**2,659,446**	**19,531**	**(3,590)**	**2,675,387**
55,557	114,684	3	(885)	113,802
	229,474	2,930		232,404
117	117			117
55,674	**344,275**	**2,933**	**(885)**	**346,323**
	(70,000)	(122)		(70,122)
164,101	**2,933,721**	**22,342**	**(4,475)**	**2,951,588**
(51,430)	(61,464)	38	(761)	(62,187)
	106,465	3,723		110,188
(51,430)	**45,001**	**3,761**	**(761)**	**48,001**
	(150,000)	(110)		(150,110)
		33,064		33,064
	(2,668)	(28,683)		(31,351)
112,671	**2,826,054**	**30,374**	**(5,236)**	**2,851,192**

ALTANA Group Consolidated Statement of Cash Flows

	Notes	2022	2023
in € thousand			
Net income (EAT)		**232,404**	**110,188**
Amortization and depreciation of intangible assets and property, plant and equipment	12, 13	164,653	167,121
Impairment of intangible assets and property, plant and equipment	12, 13		1,712
Change in fair value of financial assets and securities	8, 9	(921)	(3,145)
Net result from the disposal of intangible assets and property, plant and equipment	6, 7	(982)	616
Net result from the disposal of subsidiaries		117	
Net result from the disposal of financial asset and securities	8, 9	(9,093)	(816)
Change in inventories	16	(96,430)	97,084
Change in trade accounts receivable	17	(9,895)	19,999
Change in income taxes	10	(29,960)	(2,189)
Change in provisions	24, 25	(19,938)	7,709
Change in trade accounts payable		(18,753)	(26,559)
Change in other assets and other liabilities	20, 26	9	(3,094)
Other	15	(9,585)	44,209
Cash flow from operating activities		**201,626**	**412,835**
Capital expenditure on intangible assets and property, plant and equipment	12, 13	(103,493)	(148,281)
Proceeds from the disposal of intangible assets and property, plant and equipment	12, 13	2,110	3,311
Acquisitions, net of cash acquired	3		(223,432)
Purchase of long-term investments and investments in at equity companies	14, 15	(27,127)	(4,702)
Proceeds from the disposal of long-term investments and investments in at equity investments	14	14,548	1,931
Payments on long-term loans		(941)	(22,641)
Proceeds from long-term loans		25	
Purchase of marketable securities	18	(24,740)	(21,904)
Proceeds from the disposal of marketable securities	8, 9	14,625	8,528
Proceeds from the sale of short-term investments	8, 9	77,415	13,022
Payments for short-term financial assets		(16,884)	(20,946)
Cash flow from investing activities		**(64,462)**	**(415,114)**

	Notes	2022	2023
in € thousand			
Dividends paid		(70,122)	(150,110)
Payments for the acquisition of non-controlling interests			(31,351)
Proceeds from issuance of long-term debt	23	145,000	240,000
Proceeds from and payments on short-term debt[1]	23	(10,703)	(18,570)
Cash flow from financing activities		**64,175**	**39,969**
Effect of exchange rate changes		(3,194)	(4,446)
Change in cash and cash equivalents		**198,145**	**33,244**
Cash and cash equivalents as of January 1	2	259,946	458,091
Cash and cash equivalents as of December 31	2	**458,091**	**491,335**
Additional information on cash flows included in the cash flows from operating activities			
Income taxes paid		(123,972)	(82,759)
Interest paid		(1,815)	(5,557)
Income taxes received		7,587	24,192
Interest received		4,832	9,774
Dividends received		1,696	1,720

[1] There are no significant offsets included in the years reported.

Notes to Consolidated Financial Statements

1. Basis of Presentation

The Consolidated Financial Statements of ALTANA AG and its subsidiaries (the "Company" or "ALTANA") as of December 31, 2023 are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as endorsed by the EU, and in accordance with section 315e of the German Commercial Code (HGB). The Consolidated Financial Statements were authorized for issue by the Management Board on February 29, 2024 and should be approved by the Supervisory Board in the Supervisory Board meeting on March 20, 2024.

ALTANA as a worldwide specialty chemicals group focuses its core activities on demanding markets and customers who require individual solutions to problems. A significant portion of ALTANA's product and service portfolio comprises materials for the production of coatings, printing inks and plastics. In addition, printing inks and coatings for special applications, products for the 3D printing, insulation and protective materials and systems for the electrical and electronics industries in the low-voltage and high-voltage areas, sealing compounds for packaging as well as measuring and testing instruments are also produced.

ALTANA AG is incorporated as a stock corporation ("Aktiengesellschaft") under the laws of the Federal Republic of Germany. The Company is registered in the Commercial Register of the district court in Duisburg under HRB 19496 and has its headquarters at Abelstrasse 43 in 46483 Wesel, Germany.

All amounts are reported in thousands of Euro if not stated otherwise. Rounding may result in minor deviations of totals and percentages.

2. Significant Accounting Policies

Consolidation

The Consolidated Financial Statements of the Company include 25 (prior year: 23) subsidiaries in Germany and 64 (prior year: 43) subsidiaries abroad, over which ALTANA either directly or indirectly exercises control. All consolidated subsidiaries either have the same reporting date or prepare interim financial statements as of the reporting date of the Company.

In 2023, the ELANTAS division acquired four domestic and 20 foreign companies through a share deal. Additionally, in the ELANTAS division one subsidiary was founded in China.

ALTANA holds 75.0 % of the listed company ELANTAS Beck India Ltd. (ELANTAS Beck India), Pune (IND). The remaining shares are free float. Additionally, as of December 31, 2023, ALTANA holds 98.5 % of the listed company Von Roll Holding AG (Von Roll), Breitenbach (CHE). The remaining shares are free float. ALTANA holds 100 % interest in all other consolidated subsidiaries.

The following investments are accounted for by applying the equity method of accounting (see note 15): 39.0 % interest in Aldoro Indústria de Pós e Pigmentos Metálicos Ltda. (Aldoro), São Paulo (BRA) and 29.3 % (2022: 29.5 %) interest in Landa Corporation Ltd. (Landa), Rehovot (ISR).

All intercompany balances and transactions are eliminated in consolidation. The financial statements of the consolidated subsidiaries are prepared in accordance with the Company's accounting policies.

The list of all consolidated companies and ALTANA's full ownership in accordance with section 313 (2) of the German Commercial Code (HGB) is part of the audited Consolidated

Financial Statements published in the Federal Gazette (Bundesanzeiger). This list is also available on the internet at www.altana.com.

New Accounting Pronouncements Endorsed by the EU

In May 2023, the IASB issued an amendment to IAS 12 "Income Taxes – International Tax Reform - Pillar Two Model Rules" on mandatory reliefs for the recognition of deferred taxes from global minimum taxation. ALTANA applies this relive as described in section "Income Taxes".

In addition to that, for 2023, no new Standards or Interpretations were issued that have a significant effect on ALTANA's current and from today's perspective also on subsequent Consolidated Financial Statements. ALTANA has not early adopted any new standards or interpretations.

Foreign Currency

The Consolidated Financial Statements of ALTANA are expressed in Euro.

Financial statements of subsidiaries where the functional currency is a currency other than the Euro are translated using the functional currency principle. For these entities, assets and liabilities are translated using the middle rate at year end, while revenues and expenses are translated using the average exchange rates prevailing during the year. For one-off large transactions, income and expenses are translated using the exchange rate prevailing at the date of the transaction. Equity is translated at historical exchange rates. Adjustments for cumulative foreign currency translation fluctuations are excluded from profit or loss and are reported in other comprehensive income.

Transactions realized in foreign currencies are translated to the local currency using the exchange rate prevailing at the transaction dates. Transaction gains and losses that arise from exchange-rate fluctuations on transactions denominated in a currency other than the functional currency are generally included in other operating income or other operating expenses and, if they relate to the translation of financial assets or liabilities, in financial income or expenses.

The following table provides the exchange rates for ALTANA's most important currencies to the Euro:

			Spot rate		Average rate for the years ended Dec. 31
		Dec. 31, 2022	**Dec. 31, 2023**	2022	**2023**
1 Euro					
Brazil	BRL	5.64	5.36	5.44	5.40
China	CNY	7.36	7.85	7.08	7.66
India	INR	88.17	91.90	82.69	89.30
Japan	JPY	140.66	156.33	138.03	151.99
Mexiko	MXN	20.86	18.72	21.19	19.18
Switzerland	CHF	0.98	0.93	1.00	0.97
U.S.	USD	1.07	1.11	1.05	1.08

Basis for Presentation of the Consolidated Financial Statements

The Consolidated Financial Statements are generally prepared by applying the historical cost convention. Excluded from this principle are certain financial assets and liabilities (including derivative instruments), defined benefit obligations and obligations from employee incentive plans.

Revenue Recognition

Revenues include all revenues realized in the ordinary course of business of ALTANA (see note 1). Since revenue is almost exclusively generated from product sales, for which the performance obligations are not fulfilled over time but at a specific point in time, revenue is also recognized at the point in time when control is transferred to the customer. Usually, control is transferred as soon as the products have been delivered to the agreed location and the risk, for example, of obsolescence and loss have passed to the customer and the customer has either accepted the products in accordance with the purchase agreement or ALTANA has obtained objective evidence that all acceptance criteria have been met. Revenue from these sales is recognized in the amount stated in the contract less estimated discounts in the form of customer bonuses and cash discounts. A corresponding refund liability is reported in other provisions (see note 25) and other liabilities (see note 26). Management's best estimate (expected value method) which is based on sales and agreed contractual conditions is used to determine the amount of the refund liability. Once payment has been received, revenue is adjusted for the actual payment. The payment of the transaction price is due in the short term. Prepayments from customers for which the performance obligation has not been fulfilled are recorded as contract liabilities and are reported in other liabilities (see note 26). Transaction prices attributable to unfulfilled or partially unfulfilled performance obligations at the end of a financial year relate to contracts with a maximum term of one year and are therefore not disclosed in accordance with IFRS 15, "Revenue from Contracts with Customers".

Research and Development Expenses

In accordance with IAS 38, "Intangible Assets," research costs, defined as costs of original and planned research performed to gain new scientific or technical knowledge and understanding, are expensed as incurred. Development costs are defined as costs incurred to achieve technical and commercial feasibility. When the recognition criteria of IAS 38 are fulfilled, the directly attributable development costs are recognized as intangible assets. In the majority of the cases, the recognition criteria are not completely fulfilled due to the uncertainties regarding the commercialization of products inherent to the development of ALTANA's products.

Personnel and Interest Expenses

The net interest expense from employee benefit obligations is reported in interest expense and not in personnel expense or functional cost.

Income Taxes

Income taxes include current and deferred income taxes. Current income taxes relate to all taxes levied on taxable income of the consolidated companies. Other taxes such as property taxes or excise taxes (power supply, energy) are classified as functional costs.

Under IAS 12, “Income Taxes,” deferred tax assets and liabilities are recognized in the Consolidated Financial Statements for all temporary differences between the carrying amounts of assets and liabilities and their tax bases, for tax credits and operating loss carryforwards.

For purposes of calculating deferred tax assets and liabilities, the Company applies the tax rates that have been enacted or substantively enacted at the reporting date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period the legislation is substantively enacted. Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the tax credits and tax loss carryforwards can be used.

As of December 31, 2023, the OECD BEPS Pillar 2 regulations were incorporated into German law. The law will initially apply for financial years beginning after December 30, 2023. As a subgroup of SKion GmbH, Bad Homburg v.d.H. (SKion), ALTANA will fall within the scope of these regulations in the future. ALTANA has started an initial indicative analysis to generally determine the future impact and the jurisdictions in which the subgroup is exposed to possible effects in connection with a Pillar 2 Top-up Tax or a Qualified Domestic Minimum Tax. Based on the current indicative analysis, the top-up tax is not expected to apply to ALTANA, as ALTANA AG does not qualify as an ultimate parent entity within the meaning of the regulation. Instead, the top-up tax applies at the level of SKion. At the local level, ALTANA Group companies could possibly be affected by any national supplementary taxes. Part of the ongoing analysis is, whether ALTANA might be affected by the introduction of a Qualified Domestic Minimum Tax. The subgroup is closely monitoring the progress of the local legislative process in each country in which ALTANA operates. ALTANA assumes that the average effective (sub-)group tax rate would not have changed significantly if the Pillar 2 legislation had already been effective as of December 31, 2023. ALTANA applies the exception in IAS 12, according to which no deferred tax assets and liabilities related to the second pillar ("Pillar 2") income taxes of the OECD are recognized and no disclosures are made.

Fair Value

IFRS 13, “Fair Value Measurement,” provides a single framework for measuring fair value and requires disclosures about fair value measurement uniformly in IFRS. The fair value is the price that would be received to sell an asset or paid to transfer a liability. The three-level fair value hierarchy in accordance with IFRS 13 is applied. Fair value hierarchy level 1 is assigned to financial assets or liabilities for which quoted market prices for identical assets or liabilities in active markets exist. The allocation to fair value hierarchy level 2 is applied when valuation models are used or prices are derived from similar transactions. Financial assets and liabilities are measured at fair value hierarchy level 3 if unobservable input factors are applied to determine the fair value. When measuring assets and liabilities the effect of non-performance risk is also reflected in the fair value.

Intangible Assets

Intangible assets, including software, are accounted for in accordance with IAS 38, and are recognized if (a) the intangible asset is identifiable (i.e., it is separable or arises from contractual or other legal rights), (b) it is probable that the expected future economic benefits (e.g., cash or other benefits such as cost savings) that are attributable to the asset will flow to the entity, and (c) the cost of the intangible asset can be measured reliably.

Intangible assets with definite useful lives are measured at cost less accumulated amortization. Borrowing costs that are directly attributable to qualifying assets, whose construction takes more than 12 months, are capitalized.

Intangible assets are amortized straight-line over the shorter of their contractual term or their estimated useful lives.

In 2023 and 2022, the following useful lives are applied:

	2022	**2023**
Years		
Patents, licenses and similar rights	3–20	3–20
Other intangible assets	1–25	1–30

Amortization expense relates to intangible assets with definite useful lives and is recorded based on its function in cost of sales, selling and distribution expenses, research and development expenses or general administration expenses.

Intangible assets with indefinite useful lives as well as goodwill are not amortized but tested for impairment at least annually. Impairment losses on these assets are recorded in other operating expenses (see "Impairments of Intangible Assets and Property, Plant and Equipment").

Property, Plant and Equipment

Property, plant and equipment are measured at acquisition or manufacturing cost less accumulated depreciation. Cost includes certain costs that are capitalized during construction, including material, payroll and direct overhead costs. Borrowing costs that are directly attributable to qualifying assets, whose construction takes more than 12 months, are capitalized. Government grants are deducted from the acquisition or manufacturing costs.

In 2023 and 2022, property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows. Not included are the "Right of Use assets" (RoU assets) from lease contracts:

	2022	**2023**
Years		
Buildings and leasehold	2–75	2–75
Plant and machinery	2–30	2–35
Equipment	2–30	2–33

The RoU assets from lease agreements are depreciated on a straight-line basis over the shorter of its useful life or the term of the agreement, including any renewal options. In 2023 and 2022, the fixed lease terms are applied as follows:

	2022	2023
Years		
Buildings and leasehold	> 1–79	> 1–79
Plant and machinery	> 1–10	> 1–25
Equipment	> 1–10	> 1–10

Maintenance and repairs are expensed as incurred while replacements and improvements are capitalized, if the item qualifies for recognition as an asset, as well as asset retirement obligations. Gains or losses resulting from the sale or retirement of assets are recognized in other operating income or expenses.

Depreciation expense of property, plant and equipment is recorded based on its function in cost of sales, selling and distribution expenses, research and development expenses or general administration expenses.

Investment property comprises land and buildings not used in the production or for administrative purposes and is measured at amortized cost.

Impairment of Intangible Assets and Property, Plant and Equipment

Irrespective of whether there is any indication of impairment, the Company tests goodwill acquired in a business combination and intangible assets with an indefinite useful life for impairment at least annually. For the purpose of testing goodwill for impairment, such goodwill is allocated to groups of cash-generating units that are expected to benefit from the synergies of the business combination. In accordance with IAS 36, "Impairment of Assets," an impairment loss is recognized when the carrying amount of the group of cash-generating units, to which goodwill was allocated, exceeds the higher of its fair value less costs of disposal or its value in use.

In the event that facts and circumstances indicate that the Company's property, plant and equipment or intangible assets including goodwill, may be impaired, an impairment test is performed. This is the case regardless of whether they are to be held and used or to be disposed of. An impairment loss is recognized when an asset's carrying amount exceeds the higher of its fair value less costs of disposal and its value in use. Value in use is based on the discounted cash flows expected to arise from the continued use of the asset or from its eventual disposal.

Any impairment loss resulting from this test is reported in other operating expenses.

If there is any indication that the considerations which led to an impairment of property, plant and equipment or intangible assets no longer exist, the Company considers the need to reverse all or a portion of the impairment loss except for goodwill.

Government Grants

Taxable and non-taxable government grants for the acquisition of certain non-current assets are recognized as a reduction of the cost basis of the acquired or constructed assets. Non-refundable reimbursement of cost is recognized in other operating income to the extent the cost has been incurred and at the time all the conditions are fulfilled. Until then, government grants received are recorded in deferred income. Grants received in connection with energy purchases are recognized as a reduction of the related expenses. Government grants related to low-interest loans, which result from the difference between the market interest rate and the contractually agreed interest rate are recognized in deferred income and released into financial result as a reduction of financial expenses over the term of the contract.

Exceptional Expenses

Significant exceptional expenses, such as for restructuring measures and impairments are generally recognized as other operating expenses and not in functional expenses. Additionally, the nature of the exceptional expenses and their composition in relation to the functional and business areas are disclosed.

Long-term Investments and Marketable Securities

In accordance with IFRS 9, "Financial Instruments", the Company classifies all marketable securities and certain long-term investments (see note 14) as fair value through profit or loss (FVtPl). At the reporting date these financial instruments are measured at fair value.

Long-term investments and marketable securities are recognized on the settlement date. The Company derecognizes these assets when the contractual right to the cash flows expires or the assets are transferred, and the Company retains no contractual rights to receive cash and assumes no obligations to pay cash from the assets.

Investments Accounted for at Equity

Associated companies are companies over which ALTANA can exercise significant influence, which is generally the case when it holds between 20 % and 50 % of the voting power of the investee.

Investments in associated companies are accounted for by applying the equity method in accordance with IAS 28, "Investments in Associates and Joint Ventures." The respective investment is initially recognized at cost and the carrying amount is increased or decreased to recognize ALTANA's share of changes in the investee's equity after the acquisition. ALTANA's share of profit or loss of the investee is recognized in the profit or loss while changes in the investee's other comprehensive income are recognized in the other comprehensive income. An impairment test is performed for investments accounted for by applying the equity method if there is an indication of impairment. Goodwill included in such investments is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment. Therefore, impairment losses recognized are not allocated to goodwill which is included in the investment and may be reversed completely in subsequent reporting periods. The gains on the disposal of shares in 2022 are reported in the financial result. Gains or losses from a dilution of ownership interest while maintaining the at equity accounting method are reported in income from at equity accounted investments.

Inventories

Inventories are measured at the lower of acquisition or manufacturing costs or net realizable value at the reporting date. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated selling expense. Acquisition and manufacturing costs are determined based on weighted average costs. Manufacturing costs comprise material, payroll and directly attributable overhead costs, including depreciation and amortization. Write-downs are reported in Material expenses.

Trade Accounts Receivable

Trade accounts receivable are initially recognized at their fair values. Subsequently, accounts receivable are measured at amortized cost.

ALTANA applies the simplified approach (expected credit loss model) pursuant to IFRS 9 to determine the expected credit loss, according to which the default is based on the lifetime expected credit loss. If there is objective evidence of a credit default (e.g. insolvency or delivery stop), an individual loss allowance for the respective receivables is recorded, although ALTANA further asserts the claim. In the event that receivables which have already been written off are recovered, this amount is recognized in profit or loss. Risk provisions for expected credit losses on receivables not individually impaired are determined based on the customer group-specific maturity profile of trade accounts receivables. Receivables are grouped in time bands according to risk level and overdue periods. The historical default rates applied for this purpose are adjusted for forward-looking information such as economic market conditions and general future risks. ALTANA assumes an increased default risk in the valuation of receivables 30 days past due or more. The positive correlation between overdue payments and the probability of default is considered by the definition of time bands in the calculation of risk provisions per portfolio.

Cash and Cash Equivalents

ALTANA considers cash on hand and in banks and highly liquid investments with maturities of three months or less from the date of acquisition as cash and cash equivalents. The components of cash and cash equivalents are consistent with the financial resource fund in the cash flow statement.

Financial Instruments

In accordance with IFRS 9 the Company recognizes all financial assets and liabilities, as well as all derivative financial instruments, as assets or liabilities in the statement of financial position and measures all at fair value or amortized cost. Derivative financial instruments are initially recognized on their trade date, all other financial instruments on their settlement date. For financial instruments measured at fair value the following rules apply: The fair value of marketable securities and listed financial investments corresponds to prices quoted for identical financial assets in active markets (hierarchy level 1). The fair value of derivative financial instruments, debts and unlisted financial investments allocated to other non-interest bearing non-derivative financial liabilities, is determined by applying valuation techniques for which inputs are based on observable market data (hierarchy level 2) or on unobservable input factors (hierarchy level 3).

Changes in the fair value of financial assets and financial liabilities accounted for at fair value and not designated as a cash flow hedging instrument are recognized in profit or loss.

Changes in the fair value of existing equity instruments are not recognized in other comprehensive income; hence the measurement option provided by the standard is not applied.

Changes in the fair value of derivative financial instruments qualifying for hedge accounting are recognized in profit or loss or in other comprehensive income depending on whether the derivative is designated as a fair value or a cash flow hedge. For derivatives designated as fair value hedges, changes in the fair value of the hedged item and the derivative financial instrument are recognized in profit or loss.

For derivative financial instruments designated as cash flow hedges, changes in the fair value of the effective portion of the hedging instrument are recognized in other comprehensive income until the hedged item is recognized in profit or loss. The ineffective portion of derivative financial instruments designated as cash flow hedges and fair value changes of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss immediately. The change in the spot element of a forward contract is designated as a hedging instrument in a hedging relationship. ALTANA elected to account for the cost of hedging in other comprehensive income. These are the forward element of a forward transaction and the foreign currency basis spreads.

At the inception of a hedge ALTANA documents the hedging relationship between the hedged item and the hedging instrument. Additionally, at the inception of the hedge and on an ongoing basis, the Company documents its assessment of whether the hedging instrument actually compensates the change in the fair value of the hedged item (assessing hedge effectiveness).

Share-based Employee Incentive Plans

In line with long-term incentive programs, ALTANA has issued share-based instruments to employees and accounts for them in accordance with IFRS 2, "Share-based Payment." These instruments are therefore measured at fair value at the grant date (fair value hierarchy level 3), considering the vesting conditions upon which those instruments were granted. The cost of employee compensation is expensed over the required service period. Until settlement of the instruments in cash, the liability is remeasured at its fair value at each reporting date as well as at the exercise date. Changes in the fair value are recognized in profit or loss.

Employee Benefit Obligations

The accounting for pension liabilities is based on the projected unit credit method in accordance with IAS 19, "Employee Benefits," and the liabilities are measured based on actuarial valuations. Remeasurement gains or losses of the net benefit employee obligations are fully recognized in other comprehensive income in the period they occur (see Consolidated Statement of Comprehensive Income). The provisions therefore generally equal the fair value of the obligations at the respective reporting dates.

Other Provisions

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets," the Company recognizes other provisions when it has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The warranty provision is estimated based on the average warranty expenses of the last two to three years, depending on the division they relate to. Based on this experience, the Company calculates a warranty percentage, applies it to net product sales and recognizes the estimated obligation in the warranty provision. The provision is adjusted to reflect changes in estimates. Other provisions also include personnel related obligations measured in accordance with IAS 19.

Leases

ALTANA leases land and buildings, technical equipment and machinery as well as operating and office equipment. The majority of the lease portfolio consists of lease contracts for vehicles. However, in relation to the carrying amount of the RoU assets, leased land and buildings account for the largest portion.

Lease contracts are usually concluded for a fixed term but can also include renewal and termination options. The leased assets do not serve as collateral and the lease contracts do not contain any specific covenants. The lease contracts are negotiated individually and contain various different terms and conditions.

Leases are recognized as RoU assets and a corresponding liability at the commencement date of the lease. The RoU asset is depreciated on a straight-line basis over the shorter of its useful life or the term of the contract.

Under the effective interest method, each payment is divided into payments on principal and interest. Interest expense is recognized in profit or loss over the term of the contract.

Assets and liabilities arising from a lease are initially recognized at their present value.

RoU assets are measured at cost and include the following: (a) the amount of the initial measurement of the lease liability, (b) any lease payments made on or before the commencement date less any lease incentives received, (c) any initial direct costs, and (d) costs of restoring the site.

The lease liabilities include the present value of the following lease payments: (a) fixed payments (including in-substance fixed payments), less any lease incentives; (b) variable lease payments that depend on an index or rate; (c) amounts expected to be paid by the lessee under residual value guarantees; (d) the exercise price of a purchase option if it is reasonably certain that the option will be exercised; and (e) payments of penalties for early termination of the lease.

Lease payments are discounted at ALTANA's incremental borrowing rate which corresponds to the applied Group-wide yield curve.

Payments made under short-term leases and under lease agreements for low-value assets are recognized immediately in profit or loss. Short-term lease contracts are leases with a term of 12 months or less. Low-value assets are typically operating and office equipment such as printers, copiers, etc. which have acquisition costs of no more than €5,000.

Effect of Climate-related Risks in Financial Reporting

The effects of climate-related risks on financial reporting can generally relate to the following issues: Impairments and useful lives of property, plant and equipment and intangible assets, measurements at fair value, inventories, provisions and contingent liabilities, financial instruments with regard to expected credit losses, deferred tax assets as well as significant estimates and the exercise of judgments.

The significant physical climate risks for ALTANA include, in particular, water scarcity and extreme weather events. The potential damage of this risk lies in particular in the fact that water used for cooling purposes may not be available or only available to a limited extent. Furthermore, this risk poses a threat not only to the Company's own operations, but also to the upstream and downstream value chain, e.g. for the transportation of raw materials and products on ships. Extreme weather events such as tornadoes or cyclones will occur more frequently and more intensively in the medium and long term. Even if the probability of occurrence for the individual location is low, the potential damage costs are high.

The transition to a greenhouse gas-neutral global economy poses risks with regard to CO_2 pricing mechanisms. The vast majority of ALTANA locations are not directly affected by mandatory CO_2 pricing. Nevertheless, as a specialty chemicals company, ALTANA is dependent on the availability of many chemical raw materials. Currently, most of these raw materials are based on fossils and thus contribute significantly to the overall emissions in the value chain. A global expansion of CO_2 pricing mechanisms, taking into account a 1.5°C-compatible scenario, could therefore increase ALTANA's raw material costs in the medium and long term.

The effects of these risks identified for ALTANA on financial reporting are evaluated on an ongoing basis.

Use of Estimates, Assumptions and Judgements

The preparation of the Consolidated Financial Statements requires management to make estimates, and assumptions as well as exercise judgements which affect the amounts of assets, liabilities and disclosure of contingent assets and liabilities reported at the end of any given period and the amounts of revenues and expenses for that reported period. Actual results may differ from estimates made.

Management’s judgement apart from estimates is based on expectations regarding future events and historical experience. In particular, the risks of negative effects from military and political conflicts and the resulting inflation as well as a deterioration in the development of the global economy or key regions compared to expectations are considered. Risks due to climate changes are also taken into account. This applies, for example, to the impairment testing of assets, to the estimation of useful lives, to the assessment of the expected credit losses of financial instruments, to the assessment of the term of lease contracts in respect of whether the option to renew or terminate a lease is reasonably certain and, in the context of revenue recognition, with regard to the allocation of the transaction price and the measurement of provisions und contingent liabilities.

The instruments for impairment testing and determining impairment losses on goodwill, intangible assets and property, plant and equipment were supplemented by weighted scenario-based valuations that consider uncertainties arising from geopolitical tensions and macroeconomic conditions in different ways.

At the reporting date, management mainly made the following key assumptions concerning the future and identified key sources of estimation uncertainty that might pose a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue Recognition: Revenue and related rebates are determined on the basis of estimates relating to sales and agreed contractual conditions (see Revenue recognition).

Employee Benefit Obligations: The measurement of the pension plans is based on the projected unit credit method applying current parameters as of the reporting date, including the expected discount rate, the rate of compensation and pension increase, and the return on plan assets as of the reporting date. A significant change in the underlying parameters could have a material impact on the defined benefit obligations (see note 24).

Impairments: Impairment testing for goodwill, other intangible assets and property, plant and equipment is generally based on discounted estimated future cash flows generated from the continuing use and ultimate disposal of the assets. Factors such as lower than anticipated operating income (EBIT) and resulting reduced net cash flows as well as changes in the discount rates used could lead to impairments. For information on the carrying amounts of goodwill, other intangible assets and property, plant and equipment see notes 12 and 13.

Taxes: The recognition of deferred tax assets requires that sufficient taxable income will be generated in the future that can be offset against tax credits and tax loss carryforwards. The recognition of deferred tax assets is subject to an estimate of various factors. Tax matters are subject to uncertainties regarding their assessment by the tax authorities and therefore it cannot be precluded that in individual cases tax authorities may conclude on these matters differently than ALTANA. If changes in the assessment are probable, a corresponding liability is recorded.

Leasing: In determining the term of a lease, management considers all facts and circumstances that provide an economic incentive to exercise an option to extent or terminate a lease. Renewal and termination options allow for operational flexibility in designing the terms of the contract and, by exercising or not exercising them, a certain extend of flexibility in the event of changed market conditions.

Due to ALTANA's financing structure, the lease liability is determined by applying a Group-wide yield curve, which is subject to an annual review.

3. Business Combinations and Disposals

In accordance with IFRS 3, "Business Combinations," the Company accounts for business combinations by applying the acquisition method as of the date when control over the financial and operating policies is effectively obtained. Any excess of the consideration transferred over the fair value of the net assets acquired is recorded as goodwill, which is allocated to those groups of cash-generating units that are expected to benefit from the business combination. The results of operations of the acquired businesses are included in the Company’s Consolidated Financial Statements from the respective dates of acquisition until the dates of sale. Fair value measurement of assets acquired and liabilities assumed in a business combination is performed in the course of the allocation of the consideration transferred by using standard discounted cash flow methods based on input factors of fair value hierarchy level 3.

Acquisitions in 2023

On August 4, 2023, ALTANA signed an agreement with the U.S. Imaginant Inc., Rochester, NY (USA) regarding the acquisition of the high-frequency ultrasonic measuring instruments business. Closing was effected on August 15, 2023. The business was integrated in the BYK division.

The following table provides an overview of the preliminary allocation of the consideration transferred to the assets acquired and liabilities assumed at the acquisition date:

in € million	
Other intangible assets	23.5
Property, plant and equipment	0.1
Inventories	1.7
Trade accounts receivable	1.1
Other assets	0.0
Financial liabilities	0.0
Net identifiable assets acquired	**26.4**
Goodwill	4.6
Net assets acquired	**31.0**

The purchase price of €31.0 million was paid in cash. Goodwill of €4.6 million was recognized. This goodwill is not tax deductible.

Since the acquisition the business has contributed €3.6 million to consolidated net sales and €0.2 million to consolidated net income. Had the business been acquired on January 1, 2023, the business would have contributed €10.2 million to consolidated net sales and €2.0 million to consolidated net income.

On August 11, 2023, ELANTAS published the pre-announcement of a public tender offer for all publicly held bearer shares of Von Roll, with an offered price of CHF 0.86 per bearer share. Von Roll is a manufacturer of electrical insulation systems that develops, produces and distributes high-performance materials such as insulation tapes, resins and composite materials. Prior to the public tender offer, a share purchase agreement was concluded with the majority shareholder and other shareholders with effect from September 29, 2023. At the same time, a further 4.1 % of the free float shares were acquired on the stock exchange, as a result of which ELANTAS held 88.7 % of the shares at the close of trading on September 29, 2023. In accordance with management´s evaluation, the public tender offer did not transfer control over the remaining shares subject to that purchase offer to ELANTAS, hence these were recognized as non-controlling interests as of September 29, 2023. A further 9.8 % of the shares were tendered after September 29, 2023 as part of the public purchase offer. As of December 31, 2023, ELANTAS therefore holds about 98.5 % of the shares in Von Roll. The goal of the acquisition is to bundle the innovative strengths of the ELANTAS and Von Roll business units to develop sustainable future technologies for the energy transformation. In particular the area of high-voltage insulation will be strengthened with the acquisition.

The following table provides an overview of the preliminary allocation of the consideration transferred to the assets acquired and liabilities assumed in ELANTAS at the acquisition date. At the time the consolidated financial statements were approved for publication, the initial accounting for the acquisition was not jet completed. In particular, the fair values of the assets acquired and liabilities assumed reported below were still provisional as the independent valuation had not been finalized.

in € million	
Other intangible assets	44.6
Property, plant and equipment	112.4
Long-term investments	0.9
Inventories	50.3
Trade accounts receivable	44.8
Deferred tax assets	2.1
Other assets	13.6
Cash and cash equivalents	88.8
Financial liabilities	(3.9)
Provisions	(23.2)
Trade accounts payable	(11.5)
Deferred tax liabilities	(18.2)
Other liabilities	(8.9)
Net identifiable assets acquired	**292.0**
Non-controlling interests	(33.1)
Goodwill	18.0
Net assets acquired	**277.0**

The purchase price of €277.0 million was paid in cash. Based on the preliminary purchase price allocation goodwill of €18.0 was recognized, which is not tax deductible. In particular the technological expertise and know-how of the acquired workforce contributed to goodwill. Non-controlling interests are recognized at the non-controlling interest's proportionate share of Von Roll's identifiable net assets (partial goodwill method). At the time of acquisition, non-controlling interests was 11.3 % and corresponded to €33.1 million. As of December 31, 2023, it was 1.5 % and corresponded to €1.7 million. Ancillary costs of the acquisition amounting to €3.6 million are expensed as incurred and recognized in administrative expenses and in the consolidated cash flow statement in cash flow from operating activities. Since the acquisition the business has contributed €54.1 million to consolidated net sales and a loss of €7.8 million to consolidated net income. Had the business been acquired on January 1, 2023, the business would have contributed €236.4 million to consolidated net sales and €4.0 million to consolidated net income.

Acquisitions in 2021

In 2022, the obligation for earn-out payments recognized in financial liabilities, which resulted from the acquisition of the business of TLS Technik GmbH & Co. Spezialpulver KG (TLS), Bitterfeld effected through an asset deal in the ECKART division was reduced by €1.2 million and recognized in profit or loss, as the relevant gross profit targets as defined in the contract, are not expected to be achieved. In 2023, the obligation from the earn-out payment was increased by €0.4 million and subsequently the final payment of €4.2 million was made.

4. Net Sales

The methodology of the application of IFRS 15 is disclosed in note 2. Net sales are allocated to the divisions of ALTANA as follows:

		BYK	ECKART	ELANTAS	ACTEGA	ALTANA Group
Europe	2022	443,824	187,588	175,085	274,232	1,080,729
	2023	**420,064**	**171,542**	**195,801**	**249,663**	**1,037,070**
thereof Germany	*2022*	*132,905*	*86,421*	*35,348*	*63,723*	*318,397*
	2023	***121,993***	***76,859***	***40,303***	***52,861***	***292,016***
America	2022	*457,965*	*98,933*	*143,437*	*194,916*	895,251
	2023	***389,970***	***85,314***	**140,432**	**176,694**	**792,410**
thereof U.S.	*2022*	*338,418*	*81,113*	*87,321*	*87,959*	*594,811*
	2023	***282,946***	***70,258***	**83,503**	**84,584**	***521,291***
Asia	2022	*444,186*	*104,009*	*373,419*	*67,273*	988,887
	2023	**374,656**	**88,251**	**345,325**	**55,159**	**863,391**
thereof China	*2022*	*196,254*	*45,403*	*267,018*	*31,510*	*540,185*
	2023	***154,212***	***40,243***	***239,704***	***27,618***	***461,777***
Other regions	2022	24,687	6,301	6,231	18,904	56,123
	2023	***23,622***	***5,952***	**4,106**	**14,964**	**48,644**
Total	2022	1,370,662	396,831	698,172	555,325	3,020,990
	2023	**1,208,312**	**351,059**	**685,664**	**496,480**	**2,741,515**

Due to ALTANA's customer base and the large number of business activities, there was no significant concentration on individual customers, regions or divisions in the reporting years.

In 2023 and 2022, ALTANA recognized revenue from contracts with customers amounting to €2,741.5 million and €3,021.0 million, respectively.

In 2023 and 2022, the refund liabilities from sales reductions amount to €16.0 million and €15.3 million, respectively, and are reported in other provisions (see note 25) or other liabilities (see note 26). Prepayments from customers for which the performance obligation has not been fulfilled are recorded in contract liabilities (see note 26).

5. Cost of Sales

Cost of sales include the following items:

	2022	**2023**
Material expenses	1,477,601	1,274,290
Production expenses	574,516	583,856
	2,052,117	**1,858,146**

6. Other Operating Income

	2022	2023
Reversal of loss allowance from receivables, net		4,885
Gains on disposal of intangible assets and property, plant and equipment	1,583	385
Government grants	2,920	2,731
Insurance reimbursements	1,268	3,525
Other	10,564	11,580
	16,335	**23,106**

7. Other Operating Expenses

	2022	2023
Bad debt expense, net	2,260	
Write-down of receivables without prior loss allowance	104	127
Losses from disposal of intangible assets and property, plant and equipment	601	1,001
Foreign exchange gains / (losses), net	2,303	3,238
Exceptional expenses		4,823
Charitable donations	638	387
Other	1,940	2,429
	7,846	**12,005**

Foreign exchange gains and losses are as follows:

	2022	2023
Foreign exchange gains	3,630	2,566
Foreign exchange (losses)	(5,933)	(5,804)
Net gain / net (loss)	**(2,303)**	**(3,238)**

Exceptional expenses relate to the following:

	Notes	2022	2023
Impairment loss on intangible assets	12		1,613
Restructuring expenses			3,210
			4,823

The restructuring expenses of €3.2 million relate to efficiency enhancement measures in the ECKART division. Of this amount €3.0 million are attributable to the German locations of the division. Of the expenses recognized as part of the project, 39 % relate to production, 20 % to selling and distribution, 21 % to research and development und 20 % to general administration.

In 2023, the impairment on intangible assets relate to a software project in the ECKART division and relate to the production area. In 2022, no impairment related to property, plant and equipment or intangible assets was recognized.

8. Financial Income

	2022	**2023**
Interest income	6,807	11,850
Gains on disposal of marketable securities	224	817
Gains from the change in fair value of financial assets and securities	2,133	7,308
Gains from the change in fair value of financial liabilities	1,969	
Dividends received	745	769
Other financial income	9,141	1,213
	21,019	**21,957**

In 2022, other financial income includes income from the sale of the shares of a previously at equity accounted investment of €8.5 million (see note 15).

9. Financial Expenses

	2022	**2023**
Interest expenses	6,732	16,654
thereof negative interest	*105*	
Impairment		99
Losses on disposal of marketable securities	26	
Losses from the change in fair value of financial assets and securities	1,212	5,376
Losses from the change in fair value of financial liabilities		411
Other financial expenses	6,060	6,533
	14,030	**29,074**

In 2023 and 2022, foreign exchange losses of €5.5 million and €4.0 million, respectively, are included in other financial expenses.

In 2023 and 2022, interest expenses include interest from lease contracts in the amount of €1.5 million and €0.7 million, respectively.

10. Income Taxes

Income tax expense is as follows:

	2022	**2023**
Current taxes	87,454	62,309
Deferred taxes	(14,375)	(6,242)
Income taxes	**73,079**	**56,066**

In 2023 and 2022, the combined income tax rate, derived from local subsidiaries, is 29.5 % and consists of the corporate tax rate of 15 %, the solidarity surcharge on corporate tax of 5.5 % and the trade tax of about 14 %. The trade tax rate is based on the weighted average of the collection rate of all German municipalities in which ALTANA operates business premises.

The following table provides the reconciliation between the expected and the effective income tax rate:

	2022	2023
Income before income taxes (EBT)	**305,483**	**166,255**
Income from at equity accounted investments	10,945	(42,972)
Income before income taxes - adjusted (EBT adjusted)	**294,538**	**209,227**
Tax expense applying the expected average income tax rate of 29.5 % (Dec. 31, 2022: 29.5 %)	86,889	61,722
Non-deductible expenses	4,123	6,599
Tax rate differential	(12,054)	(12,405)
Tax free income	(5,368)	(2,248)
Tax related to prior years	(2,548)	(3,176)
Other	2,037	5,574
Income taxes	**73,079**	**56,066**
Effective income tax rate[1]	24.8 %	26.8 %

[1]Based on the income before income taxes adjusted for the income from at equity accounted investments.

In 2023 and 2022, the effective income tax rate based on the unadjusted income before income taxes was 33.7 % and 23.9 %, respectively. In 2022, the effective tax rate was in particular affected by tax refunds for prior years.

Deferred tax assets and liabilities related to the following items in the statement of financial position:

	Dec. 31, 2022		Dec. 31, 2023	
	Assets	Liabilities and provisions	Assets	Liabilities and provisions
Intangible assets	6,432	(78,911)	7,450	(84,521)
Property, plant and equipment	6,681	(60,282)	6,134	(62,811)
Long-term investments	1,123	(2,335)	1,638	(2,354)
Inventories	22,941	(675)	22,868	(1,408)
Receivables and other assets	5,438	(1,578)	2,009	(2,348)
Marketable securities		(747)		(1,650)
Employee benefit obligations	30,672	(451)	39,872	(1,686)
Other provisions	6,593	(2,629)	6,424	(2,818)
Liabilities	7,614	(280)	8,462	(979)
Tax loss carryforwards	11,027		10,663	
Outside bases differences		(4,069)		(3,169)
Netting	(67,318)	67,318	(75,962)	75,962
Deferred taxes, net	**31,203**	**(84,639)**	**29,558**	**(87,782)**

The periods in which the tax loss carryforwards may be used are as follows:

	2022	2023
Tax loss carryforwards	**45,309**	**145,632**
unlimited	43,375	58,250
will expire through 2028 (prior year: 2027)	1,934	72,969
will expire after 2028 (prior year: 2027)		14,413

Deferred tax assets on tax loss carryforwards of €107.3 million and €4.0 million were not recognized as of December 31, 2023 and 2022, respectively, since the future utilization against taxable income is not probable. Tax loss carryforwards for which no deferred tax assets were recognized amounting to €23.4 million have unlimited carryforward periods, €72.4 million will expire through 2028.

For companies that generated a loss in the current year or in previous years, deferred tax assets of €1.9 million (previous year €0.9 million) were recognized since their realization is probable based on tax planning.

As of December 31, 2023 and 2022, deferred tax liabilities in the amount of €51.7 million and €47.1 million, respectively, representing the temporary differences between the net assets of certain investments (outside basis differences) in subsidiaries and its tax bases, were not recorded, as the timing of their reversal can be controlled and is not probable in the foreseeable future.

11. Other Information on the Income Statement

Personnel Expenses

Personnel expenses consist of the following items:

	2022	2023
Wages and salaries	476,957	496,586
Social security contributions	93,265	101,625
Expenses for pensions and other post-retirement benefits	25,602	25,148
	595,824	**623,360**

Personnel expenses include expenses for employee incentive plans (see note 22). In 2023 and 2022, expenses of €2.0 million and of €3.7 million, respectively, relate to the compensation plan for key members of the management, "ALTANA Equity Performance (AEP)," and €2.3 million and €2.6 million, respectively, to the compensation plan for employees, "ALTANA Profit Participation." In 2023 and 2022, respectively, personnel expenses are reduced by government grants of €0.7 million and €0.3 million.

Personnel expenses were incurred for the following average number of employees:

	2022	2023
Number of employees by division		
BYK	2,477	2,516
ECKART	1,761	1,738
ELANTAS	1,074	1,344
ACTEGA	1,323	1,343
Holding[1]	245	250
	6,880	**7,191**

[1] The Holding division comprises next to the Group Holding company service and technology companies.

Amortization, Depreciation and Impairment Loss

Amortization, depreciation and impairment charges for intangible assets and property, plant and equipment are as follows:

	2022	2023
Amortization of intangible assets	55,288	54,609
Depreciation of property, plant and equipment	109,366	112,512
Impairment loss on intangible assets		1,613
	164,654	**168,735**

Regarding the impairment loss recognized on intangible assets in 2023 see note 12.

In 2022, no impairment losses for intangible assets and property, plant and equipment were recognized.

Leases

The following effects occurred in the income statement:

	2022	2023
Depreciation of RoU assets		
RoU assets - Land, leasehold and buildings	7,764	8,558
RoU assets - Plant and machinery	302	308
RoU assets - Equipment	3,170	3,640
	11,236	**12,506**
Lease expenses for		
short-term leases	2,527	2,594
low value asset leases	662	567
variable lease payments - not included in the lease liability	4,942	4,496
interest	657	1,474

12. Intangible Assets

	Patents, licenses and similar rights	Goodwill	Software and others	Total
Cost				
Balance at Jan. 1, 2022	976,024	698,222	143,525	1,817,771
Additions	863		7,647	8,510
Disposals	(2,543)		(1,602)	(4,145)
Transfers	305		2,101	2,406
Translation adjustments	17,718	31,416	1,089	50,223
Change in reporting entities				
Balance at Dec. 31, 2022	**992,367**	**729,638**	**152,760**	**1,874,765**
Additions	11,066		14,509	25,575
Disposals	(1,238)		(4,336)	(5,574)
Transfers	380		(284)	96
Translation adjustments	(4,241)	(12,275)	(738)	(17,254)
Change in reporting entities	66,440	22,664	1,636	90,740
Balance at Dec. 31, 2023	**1,064,774**	**740,027**	**163,547**	**1,968,348**
Accumulated amortization				
Balance at Jan. 1, 2022	565,961	138,161	118,281	822,403
Additions	47,440		7,848	55,288
Disposals	(2,543)		(1,535)	(4,078)
Impairment				
Transfers				
Translation adjustments	10,630	3,408	924	14,962
Balance at Dec. 31, 2022	**621,488**	**141,569**	**125,518**	**888,575**
Additions	46,799		7,810	54,609
Disposals	(1,238)		(4,277)	(5,515)
Impairment			1,613	1,613
Transfers				
Translation adjustments	(5,067)	1,094	(721)	(4,694)
Balance at Dec. 31, 2023	**661,982**	**142,663**	**129,943**	**934,588**
Carrying amount				
Dec. 31, 2022	370,879	588,069	27,242	986,190
Dec. 31, 2023	**402,792**	**597,364**	**33,604**	**1,033,760**

In 2023, additions to patents, licenses and similar rights relate to a milestone payment of €10.0 million for the acquisition of the nano-metallography technology from the Israeli Landa Labs (Landa Labs), Rehovot (ISR) in 2017 in the ACTEGA division. The additions to software and others relate to digitalization projects and further expansion of the ERP system and amount to €5.6 million in the ACTEGA division, to €4.2 million in the ELANTAS division, to €1.6 million in the Holding division and to €0.4 million in the BYK division.

Due to the discontinuation of a software project an impairment loss of €1.6 million was recorded and related to assets recognized up to the time of discontinuation in the ECKART division.

The change in reporting entities related to the acquisition of the business of Imaginant in the amount of €28.1 million in the BYK division and to the acquisition of Von Roll in the amount of €62.6 million in the ELANTAS division (see note 3).

In 2022, additions to software and others related to digitalization projects and the further expansion of ERP systems and amount to €2.6 million in the ELANTAS division, to €1.6 million in the Holding division, to €1.4 million in the ECKART division, to €1.2 million in the ACTEGA division and to €0.7 million in the BYK division.

The following table presents expected amortization expense related to patents, licenses and similar rights as well as software for each of the following periods. The actual amortization expense may differ from the expected amortization expense:

2024	53,370
2025	48,322
2026	39,937
2027	37,738
2028	35,074
Thereafter	182,150

As of December 31, 2023 and 2022, patents, licenses and similar rights include brand names with indefinite useful lives of €22.8 million and €24.8 million, respectively, mainly relating to the brand name ECKART. The brand names were acquired in a business combination and the indefinite useful life was identified in the course of the allocation of the consideration transferred. They continue to be used and as in 2022 there was no need to recognize an impairment loss.

In 2023, in the BYK division brand names in the amount of €1.9 million were reclassified from having an indefinite useful life to brand names having a finite useful life as these brand names will only be used for another 5 years.

The following table presents the carrying amount of goodwill by groups of cash-generating units:

	Dec. 31, 2022	**Dec. 31, 2023**
BYK	394,572	386,528
ECKART	5,171	5,171
ELANTAS	103,381	120,446
ACTEGA	84,945	85,219
	588,069	**597,364**

Impairment Test for Goodwill

The Company performed impairment tests on goodwill. Impairment tests are performed at least once a year in the fourth quarter based on long-term planning. The recently performed tests were based on the financial budgets for the years 2024 to 2028. These budgets were based on historical experience and represent management's best estimates about future developments. The weighted average growth rates used in the budgets were derived from corresponding industry forecasts. In order to perform impairment tests, the Company estimated cash flows beyond the planning period by extrapolating the projections using a steady growth rate for subsequent years. The Company then calculated the fair value less costs of disposal for each group of cash-generating units by applying the discounted cash flow method based on input factors of fair value hierarchy level 3. The following parameters were applied: discount rate after income taxes of 8.0 % (2022: 7.5 %); growth rates: BYK 1.75 %, unchanged to 2022; ECKART, ELANTAS and ACTEGA 1.5 %, also unchanged to 2022. The fair value calculated was then compared to the carrying amount of the cash-generating unit.

The impairment tests were performed based on fair values less costs of disposal. Furthermore, to support the results of these impairment tests, the Company calculates the value in use for each group of cash-generating units. If the impairment test taking into account the sensitivity analyses indicates a need for an impairment, the exact amount of the impairment is determined based on a weighted scenario-based valuation. For the ECKART and ACTEGA divisions weighted scenario-based valuations were performed, which did not result in an impairment loss. Neither did the subsequently performed sensitivity analysis. Sensitivity analyses for the other divisions indicated that even a reasonably likely change in the significant underlying parameters would not result in an impairment loss in any division.

In 2023 and 2022, no impairment loss was identified on goodwill.

In the period since the performance of the impairment test until December 31, 2023, no impairment indicators were identified.

13. Property, Plant and Equipment

	Land, leasehold and buildings	Plant and machinery	Equipment	Construction in progress	Total
Cost					
Balance at Jan. 1, 2022	804,020	945,795	322,596	91,868	2,164,279
Additions	19,755	14,948	17,354	60,830	112,887
Disposals	(6,982)	(11,178)	(9,064)	(589)	(27,813)
Transfers	14,971	42,338	4,959	(64,674)	(2,406)
Translation adjustments	9,341	14,849	4,056	1,389	29,635
Change in reporting entities					
Balance at Dec. 31, 2022	**841,105**	**1,006,752**	**339,901**	**88,824**	**2,276,582**
Additions	28,233	19,113	17,282	86,349	150,977
Disposals	(7,829)	(13,608)	(13,312)	(122)	(34,871)
Transfers	5,407	30,800	5,898	(42,200)	(95)
Translation adjustments	(8,036)	(9,625)	(3,611)	(1,556)	(22,828)
Change in reporting entities	65,505	39,834	2,425	4,798	112,562
Balance at Dec. 31, 2023	**924,385**	**1,073,266**	**348,583**	**136,093**	**2,482,327**
Accumulated depreciation					
Balance at Jan. 1, 2022	340,617	618,527	206,893	338	1,166,375
Additions	33,173	50,288	25,905		109,366
Disposals	(5,083)	(10,421)	(9,087)	(344)	(24,935)
Transfers	32	(4,692)	4,660		
Translation adjustments	3,136	8,207	2,148	6	13,497
Balance at Dec. 31, 2022	**371,875**	**661,909**	**230,519**		**1,264,303**
Additions	34,760	53,436	24,316		112,512
Disposals	(5,781)	(11,158)	(11,849)		(28,788)
Transfers	44	(43)	(1)		
Translation adjustments	(3,938)	(6,384)	(2,402)		(12,724)
Balance at Dec. 31, 2023	**396,960**	**697,760**	**240,583**		**1,335,303**
Carrying amount					
Dec. 31, 2022	469,230	344,843	109,382	88,824	1,012,279
Dec. 31, 2023	**527,425**	**375,506**	**108,000**	**136,093**	**1,147,024**

The following table presents the RoU assets resulting from leases that are recognized in property, plant and equipment:

	Land, leasehold and buildings	Plant and machinery	Equipment	Total
Cost				
Balance at Jan. 1, 2022	51,692	1,462	12,398	65,552
Additions	12,589	152	3,560	16,301
Disposals	(6,109)		(2,717)	(8,826)
Transfers			26	26
Translation adjustments	2,079	19	213	2,311
Change in reporting entities				
Balance at Dec. 31, 2022	**60,251**	**1,633**	**13,480**	**75,364**
Additions	22,831	90	5,353	28,274
Disposals	(4,530)	(963)	(3,227)	(8,720)
Transfers				
Translation adjustments	(786)	10	(55)	(831)
Change in reporting entities	2,620	470	853	3,943
Balance at Dec. 31, 2023	**80,386**	**1,240**	**16,404**	**98,030**
Accumulated depreciation				
Balance at Jan. 1, 2022	14,798	797	6,366	21,961
Additions	7,763	302	3,170	11,235
Disposals	(4,518)		(2,489)	(7,007)
Transfers			(16)	(16)
Translation adjustments	454	10	109	573
Balance at Dec. 31, 2022	**18,497**	**1,109**	**7,140**	**26,746**
Additions	8,558	308	3,640	12,506
Disposals	(2,539)	(888)	(3,077)	(6,504)
Transfers				
Translation adjustments	(463)	(4)	(26)	(493)
Balance at Dec. 31, 2023	**24,053**	**525**	**7,677**	**32,255**
Carrying amount				
Dec. 31, 2022	41,754	524	6,340	48,618
Dec. 31, 2023	**56,333**	**715**	**8,727**	**65,775**

In 2023, additions in the BYK division of €32.4 million related to U.S. subsidiaries and of €25.9 million to European subsidiaries. An additional €5.8 million were invested in Asian subsidiaries. In the ECKART division additions of €11.4 million related to European subsidiaries, €5.7 million related to the U.S. subsidiary and €0.6 million to Asian subsidiaries. The ELANTAS division invested €14.1 million in Europe, €18.0 million in Asia and €4.0 million in its U.S. subsidiaries. The ACTEGA division invested €7.8 million in its European subsidiaries, a further €23.3 million was invested in its U.S. subsidiaries.

The change in reporting entities related to the acquisition of the business of Imaginant in the BYK division and Von Roll in the ELANTAS division (see note 3).

In 2022, additions in the BYK division of €21.8 million related to U.S. subsidiaries and of €19.7 million to European subsidiaries. An additional €5.6 million were invested in Asian subsidiaries. In the ECKART division additions of €12.5 million related to European subsidiaries, €8.3 million related to the U.S. subsidiary and €0.9 million to Asian subsidiaries. For the expansion of its production and laboratory capacities, the ELANTAS division invested €7.7 million in Germany and Italy, €4.7 million in Asia, €2.1 million in its U.S. subsidiary and €0.5 million in Brazil. To expand its production and research capacities the ACTEGA division invested €12.7 million in its European subsidiaries, a further €10.1 million was invested in its subsidiary in Brazil and €4.9 million in its U.S. subsidiaries.

In 2023, ALTANA did not recognize any directly attributable borrowing costs in connection with capital expenditures. In 2022 ALTANA recognized directly attributable borrowing costs of €37 thousand. The calculation was based on an interest rate of 0.5 %, respectively.

As of the December 31, 2023 and 2022, respectively land and buildings with a book value of €0.5 million and €0.6 million related to investment property and had a fair value of €0.7 million in both years reported. The fair value is measured using the discounted cash flow method or external expert appraisals, by applying input factors for comparable assets not traded on active markets (fair value hierarchy level 3). No contractual obligations or disposal restrictions exist for land and buildings held as investment property.

In 2023 and 2022, ALTANA received €1.9 million and €2.3 million, respectively, taxable and nontaxable government grants.

In 2023 and 2022, no impairment was recognized.

14. Long-term Investments

	Other investments	Other long-term financial assets	Total
Cost			
Balance at Jan. 1, 2022	24,553	30,733	55,286
Additions	7,574	3,623	11,197
Disposals	(440)	(5,754)	(6,194)
Transfers			
Translation adjustments	154	366	520
Change in fair value	(225)		(225)
Change in reporting entities			
Balance at Dec. 31, 2022	**31,616**	**28,968**	**60,584**
Additions	4,672	23,609	28,281
Disposals	(267)	(1,664)	(1,931)
Transfers	2,830	(2,830)	
Translation adjustments	(57)	(258)	(315)
Change in fair value	(1,886)	1,213	(673)
Change in reporting entities	892	12	904
Balance at Dec. 31, 2023	**37,800**	**49,050**	**86,850**
Accumulated impairment			
Impairment			
Balance at Dec. 31, 2022			
Impairment		98	98
Balance at Dec. 31, 2023		**98**	**98**
Carrying amount			
Dec. 31, 2022	31,616	28,968	60,584
Dec. 31, 2023	**37,800**	**48,952**	**86,752**

As of December 31, 2023 and 2022, other investments include €3.3 million and €3.7 million from the shares in the listed 3D Systems Corp. received as part of the sale of dp polar (see note 15). The investment is recognized at fair value.

In 2022, investments increased by €1.7 million due to the acquisition of 19.8 % of the shares in Saralon GmbH (Saralon), Chemnitz. As of December 31, 2022, €1.7 million was included in other financial liabilities as the purchase price was paid after December 31, 2022 (see note 23). In 2023, investments did not change as a result from the investment in Saralon.

In 2022, a loan with a conversion option in the amount of €1.1 million was granted to TAU ACT GmbH (TAU), Berlin and is reported in other long-term financial assets. Of this amount €0.3 million is included in other financial liabilities as the payment occurred after the reporting date (see note 23). Due to the exit of another investor, the interest increased in 2022 from 13.7 % to 14.6 %. In 2023, the investment in TAU increased due to the conversion of the loan with a conversion option in the amount of €2.0 million, which includes the fair value measurement of €0.9 million. Additionally, the investment increased due to the acquisition of further shares in the amount of €0.7 million and a further increase in the fair value of €3.0 million. As of December 31, 2023, the interest was 16.5 %

In 2019, ALTANA granted a long-term loan of €16.0 million to Israeli Landa Labs. For the years 2020 until 2023, total interest in the amount of €3.5 million accrued. This loan is fully secured by shares in Landa and Landa Labs.

In 2023, a loan with a conversion option in the amount of USD 100.0 million was granted by the shareholders to the associated company Landa, which is accounted for using the equity method. ALTANA participated in the transaction with USD 25.0 million (see also note 27).

In 2022, ELANTAS Beck India invested € 1.7 million of free cash and cash equivalents in a medium-term interest-bearing financial asset, which was repaid in 2023.

From 2019 until 2021, several funding agreements were signed to finance another Israeli investment totaling € 2.2 million. In 2021, € 1.4 million and in 2023 the remaining € 0.8 million from this financing agreement were converted into equity and are reported in other investments. Additionally, ALTANA invested € 2.8 million (USD 3.0 million) in equity and as a result holds 10,6 % of the shares as of December 31, 2023. The current measurement of the investment at fair value resulted in the recognition of an impairment loss of €4.7 million reported in the financial result.

In 2018, ALTANA granted a long-term loan, due at the end of term, of USD 7.1 million to an unrelated U.S. investment fund as part of a U.S. development program. The loan is reported in other long-term financial assets. In return, ALTANA has received a loan of USD 9.9 million, also due at the end of the term (see note 23).

The Taunus Treuhandgesellschaft m.b.H. Steuerberatungsgesellschaft, the Seedamm-Versicherungs-Vermittlungs GmbH, the Saralon GmbH and the Transalpina Unternehmung für Industriebedarf GmbH, the latter was acquired in 2023 as part of the Von Roll acquisition, are reported in long-term financial assets and not in investments in at equity accounted companies, due to their insignificance.

15. Investments in at Equity Accounted Companies

	Investments in at equity accounted companies
Balance at Jan. 1, 2022	47,241
Additions	25,240
Disposals	(4,198)
Share of net profit of associates	(48,445)
Other changes	58,090
Dividends	(952)
Translation adjustments	6,598
Balance at Dec. 31, 2022	**83,574**
Additions	
Disposals	
Share of net profit of associates	(46,821)
Other changes	3,849
Dividends	(551)
Translation adjustments	(1,044)
Balance at Dec. 31, 2023	**39,007**

Investments in associated companies are accounted for by applying the equity method.

The item other changes includes the effects from the dilution of equity interests in connection with capital increases, conversions and forfeiture of stock options granted at the level of one of the investments.

Upon initial recognition in 2005, ALTANA's share in the net assets relating to its 39.0 % investment in Aldoro amounted to €2.8 million, which resulted in the recognition of goodwill of €4.4 million. In Brazil Aldoro produces metallic effect pigments and distributes them worldwide. The main emphasis of the business lies in the South American region. In 2023 and 2022, the proportionate result amounted to €0.9 million and €0.8 million, respectively.

At the time of acquisition of ALTANA's 33.3 % initial investment in Landa, its share in the net assets amounted to €28.9 million. An amount of €75.1 million was allocated to development cost and no goodwill was identified. From 2016 until 2019, capital increases were effected, in which ALTANA participated with an amount of €134.4 million.

ALTANA participated to a disproportionately lower extend of USD 25.0 million in the capital increases carried out in 2022 totalling USD 300.0 million. Mainly as a result, the interest decreased to 29.5 % and significant positive effects on the carrying amount of the investment from the proportionate allocation of the total capital contribution occurred. The conversions and forfeiture of stock options at the level of the investments had additional positive effects on the carrying amount of the investment. The gain from these effects including the proportionate reclassification of exchange-rate effects previously recognized in other comprehensive income in the total amount of €59.4 million was recognized in income from at equity accounted investments. In 2022, considering all shares of net profit of associates in the amount of €-48.4 million, the total income from at equity accounted investments amounts to €10.9 million.

In 2023 and 2022, respectively, Landa accounted for a pro rata result of €-47.7 million and €-48.5 million, while the conversion and expiry of share options at the level of the investment had positive effects on the carrying amount. The profits resulting from these effects including the pro rata reclassification of price effects previously recognized in OCI of €3.8 million, is reported in income from at equity accounted investments and led to a reduction of the investment to 29.3 %.

The current geopolitical situation in Israel does not result in an impairment of the investment.

Landa develops printing presses and consumables for the new nanography technology for water-based digital printing. Amortization of the development costs identified at the time of acquisition started in 2019.

Investments in joint ventures are accounted for by applying the equity method of accounting.

In 2017, the investment in dp polar was acquired and was sold on October 4, 2022 to 3D Systems GmbH. The gain from the sale in the amount of €8.5 million was recognized in financial income (see note 8) due to its non-recurring nature.

As of December 31, 2023, ALTANA holds no investments in joint ventures.

The following financial Information relates to all associated companies and represents the amounts reported in the financial statements of the relevant associated companies and not ALTANA's proportionate share of these amounts.

	Dec. 31, 2022	Dec. 31, 2023
Financial statement		
Non-current assets	304,769	278,413
Current assets	84,036	54,348
Total assets	**388,805**	**332,760**
Non-current liabilities	10,484	101,350
Current liabilities	43,793	49,688
Total liabilities and provisions	**54,277**	**151,037**
Net assets	**334,528**	**181,723**
Income statement		
Net sales	48,643	48,786
Net income (EAT) / Comprehensive income	(157,824)	(159,214)

The following table reconciles ALTANA's share in the net assets to the carrying amount of the investments in associated companies:

	Dec. 31, 2022	Dec. 31, 2023
Net assets (100 %)	334,528	181,723
The Group's share of net assets	99,631	54,239
Proportionate goodwill	2,060	2,166
Other	(18,117)	(17,399)
Carrying amount	**83,575**	**39,006**

Other changes mainly relate to effects from a local equity-settled share-based payment plan of an associated company.

The line item Other in the consolidated Statement of Cash Flows mainly relates to results from at equity accounted investments.

16. Inventories

	Dec. 31, 2022	Dec. 31, 2023
Raw materials and supplies	225,870	209,984
Work in progress	66,372	57,409
Finished products and goods	323,152	293,460
Prepayments	1,099	978
	616,493	**561,831**

In 2023 and 2022, inventories are stated net of write-downs of €35.2 million and €33.1 million, respectively.

17. Trade Accounts Receivable

	Dec. 31, 2022	Dec. 31, 2023
Trade accounts receivable	500,540	513,481
thereof long-term	160	92
Loss allowance	(12,989)	(7,677)
	487,551	**505,804**

The following table presents the roll-forward of the loss allowance:

	2022	2023
Allowance at Jan. 1	11,260	12,989
Translation adjustments	58	(78)
Additions	3,381	1,516
Reversal	(1,120)	(6,401)
Utilization	(590)	(349)
Allowance at Dec. 31	**12,989**	**7,677**

The risk allowance recognized in 2020 for potentially increased insolvency risk due to the coronavirus pandemic of €4.1 million was released in 2023 (see note 27).

Impairment losses recognized in profit or loss are as follows:

	2022	2023
Amounts written off	104	127
Addition to loss allowance	3,381	1,516
Reversal of loss allowance	(1,120)	(6,401)
	2,365	**(4,758)**

The following table presents the roll-forward of the gross carrying amounts of accounts receivable:

	Dec. 31, 2022	Dec. 31, 2023
Trade accounts receivable (gross) at Jan. 1	484,694	500,540
Translation adjustments	4,286	(7,775)
Additions	3,183,915	2,875,012
Disposals	(3,171,656)	(2,899,769)
Utilization of loss allowance	(590)	(349)
Amounts written off	(104)	(127)
Change in reporting entities	(5)	45,949
Trade accounts receivable (gross) at Dec. 31	**500,540**	**513,481**

As of December 31, 2023 and 2022, the exposure to credit risk was as follows:

Trade accounts receivable (including long-term portion)	Carrying amount	Individually impaired receivables	Not individually impaired receivables	Thereof at the reporting date			
				not past due	0-30 days past due	31-90 days past due	> 90 days past due
Dec. 31, 2022							
Carrying amount - gross	**500,540**	**9,842**	**490,698**	**423,249**	**43,959**	**17,375**	**6,115**
Expected loss rate			1.35 %	1.03 %	1.57 %	5.70 %	9.13 %
Loss allowance	12,989	6,389	6,600	4,361	691	990	558
Carrying amount	**487,551**	**3,453**	**484,098**	**418,888**	**43,268**	**16,385**	**5,557**
Dec. 31, 2023							
Carrying amount - gross	**513,481**	**9,713**	**503,768**	**443,217**	**41,257**	**15,484**	**3,810**
Expected loss rate			0.39 %	0.14 %	1.25 %	3.52 %	6.82 %
Loss allowance	7,677	5,732	1,945	625	515	545	260
Carrying amount	**505,804**	**3,981**	**501,823**	**442,592**	**40,742**	**14,939**	**3,550**

As of December 31, 2023 and 2022, respectively, the maximum carrying amount subject to credit risk amounts to €513.5 million and €500.5 million.

18. Marketable Securities

Marketable securities are measured at fair value through profit or loss. The carrying amounts per category which equal their fair value are as follows:

	Dec. 31, 2022	**Dec. 31, 2023**
Money market funds	40,409	56,269
Share and equity funds	3	3
	40,412	**56,272**

19. Short-term Financial Assets

ALTANA invested in cash equivalents with an original term of more than three months but less than one year. As of December 31, 2023 and 2022, €15.1 million and €7.2 million, respectively, were invested in such instruments.

20. Other Assets

	Dec. 31, 2022		**Dec. 31, 2023**	
	Other non-current assets	Other current assets	Other non-current assets	Other current assets
Balances due from employees	39	654	34	772
Cash surrender value of life insurance	1,822		1,829	
Balances due from fiscal authorities	1,824	20,722	3,246	24,480
Prepayments	24	7,400	4	9,208
Loans		213		
Receivables from related parties		11		32
Prepaid expenses	1,092	16,993	4,158	20,393
Derivative financial instruments	223	2,945	813	99
Notes receivable		71,975		72,765
Other	7,563	10,934	7,284	15,501
	12,587	**131,847**	**17,368**	**143,250**

21. Shareholders' Equity

Issued Share Capital

The share capital was €136,097,896 represented by 136,097,896 no-par value registered shares representing €1 per share. The share capital is fully paid in.

Additional Paid-in Capital and Other Reserves

The additional paid-in capital contains excess amounts over the calculated value resulting from the issuance of shares of ALTANA AG and from equity-settled share-based payment transactions of previous years. Cash-inflows from the sale of shares to non-controlling interests exceeding its carrying amount are also included. The cash-outflows from the acquisition of non-controlling interests exceeding its carrying amount, reduces additional paid-in capital.

Retained Earnings

The reclassification of remeasurement gains or losses in the amount of €4.1 million to retained earnings results from the settlement of two pension plans in U.S.

Dividends

In 2023, a dividend of €150.0 million was distributed to the shareholder. The Management Board proposes to the Annual General Meeting to carry forward the unappropriated retained earnings as of December 31, 2023 in the amount of €1,344.3 million of ALTANA AG.

Accumulated Other Comprehensive Income

Changes in the fair value of derivative financial instruments qualifying as cash flow hedges are recognized, net of income taxes, in the item "Derivative financial instrument" if all hedge accounting criteria under IFRS 9 are met.

Furthermore, accumulated other comprehensive income includes the translation adjustment of consolidated subsidiaries where the functional currency is a currency other than the Euro.

Notes on Other Comprehensive Income

The following table shows the income and expenses recognized in other comprehensive income and the income tax effects thereon:

			2022			2023
	Before income taxes	Income taxes	Net of income taxes	Before income taxes	Income taxes	Net of income taxes
Remeasurement of the net defined employee benefit obligation	83,993	(24,863)	59,130	(14,582)	4,586	(9,996)
Items that will not be reclassified subsequently to profit or loss	**83,993**	**(24,863)**	**59,130**	**(14,582)**	**4,586**	**(9,996)**
Translation adjustments (including non-controlling interests)	54,789		54,789	(52,191)		(52,191)
Items that may be reclassified subsequently to profit or loss	**54,789**		**54,789**	**(52,191)**		**(52,191)**
Other comprehensive income	**138,782**	**(24,863)**	**113,919**	**(66,773)**	**4,586**	**(62,187)**

Additional Disclosures on Capital Management

The capital management of ALTANA comprises the management of cash and cash equivalents, long-term investments, short-term financial assets and marketable securities, shareholders' equity and debt. The main objective is to ensure the availability of financial funds within the Company. The majority of ALTANA's operations are financed by the Company's operating cash flows. Excess funds required are financed by borrowings.

In 2023, ALTANA's shareholders' equity decreased by €100.4 million to €2,851,2 million. The debt to asset ratio was 31 %. Long-term debt represented 19 % and short-term debt represented 12 % of total liabilities and equity.

In 2021, a syndicated credit line of €250.0 million with a minimum term until 2026 was issued by an international bank consortium. In 2023, this credit line was extended until 2028. Additionally, in 2022 and 2021, ALTANA has been granted a credit commitment from the European Investment Bank (EIB) in the amount of €250.0 million which can be used for the development of climate-friendly, digital and sustainable products. In 2022, the call period was extended by one year until December 21, 2023. In 2023 and 2022, four tranches of €50.0 million each and one tranche of €10.0 million were drawn.

On November 21, 2023, ALTANA took out a promissory note loan of €180.0 million with a minimum term until 2026.

The Company aims for a balance between equity and liabilities, which allows for further growth either through operational growth or acquisitions. Currently, the Company is not externally rated by a rating agency. The existing and the aspired financing structure – including bolt-on acquisitions – should be adequate for the requirements of an investment grade rating. Foreign exchange restrictions exist for subsidiaries located in Brazil, India and China.

Non-controlling Interests

The following table provides financial information on the subsidiaries ELANTAS Beck India and Von Roll. The amounts reported refer to 100 % and not to the shares of 75 % and 98.5 %, respectively, held by ALTANA:

	Dec. 31, 2022	**Dec. 31, 2023**
Assets	86,095	471,961
Non-current assets	*19,411*	*201,755*
Current assets	*66,684*	*270,205*
Liabilities	14,626	79,442
Non-current liabilities	*3,303*	*31,494*
Current liabilities	*11,323*	*47,946*
Net sales	77,633	129,687
Net income (EAT)	11,721	7,590

In 2023 and 2022, respectively, cash and cash equivalents of ELANTAS Beck India and Von Roll amounted to €91.2 million and €0.7 million and net income of €3.7 million and €2.9 million related to non-controlling interests. In both years reported dividends of €0.1 million were distributed to them. On December 31, 2023 and 2022, non-controlling interests in ELANTAS Beck, India held 25.0 % and on December 31, 2023 non-controlling interests in Von Roll held 1,5 % of the shares.

22. Employee Incentive Plans

ALTANA Equity Performance (AEP)

Since 2010, ALTANA has offered a long-term share-based incentive plan for key members of the management every year. Each of these programs begins on January 1 and has a term of four years. The incentive plans provide for the issuance of so-called ALTANA Equity Performance Awards (AEP rights). ALTANA AG issues these debt instruments; their value develops relative to the value of ALTANA's shareholders' equity. At the beginning of each incentive plan AEP rights, so-called AEP Awards, are granted to the key management members. The awards will be settled at the value determined at the end of the respective plan's term. Payment is limited to a maximum of 250 % of the value of the preliminary awards granted. No payment is made in the event of a negative performance. In case of a positive performance over the subsequent period of four years, catch up payments are made for the respective plan.

The precondition for participating in the incentive plans is a personal investment in AEP rights, which is determined based on the key management category to which the beneficiary belongs. The participant must hold the personal investments for the entire duration of the plan. These AEP rights are subject to the same performance as the AEP Awards, however their increase in value is limited to a maximum of 20 % per year.

For the AEP tranche 2019, 11,060 AEP Awards were finally allocated at the end of the term on December 31, 2022 and the resulting payment of €3.5 million was made in 2023.

For the AEP tranche 2017, no payments were made in 2021 because the required performance was not achieved at the end of the term on December 31, 2020. Upon the achievement of the corresponding performance in 2021, payments were made in 2022. 10,249 AEP Awards were finally allocated. Also for the AEP tranche 2018 10,356 AEP Awards were finally allocated at the end of the term on December 31, 2021 and payments were made in 2022. For the AEP tranches 2017 and 2018 in total payments of €6.7 million were made in 2022.

The following table provides the main parameters of the incentive plan:

	Awards granted	Initial fair value in € per award	Fair value in € per award as of Dec.31, 2023	End of term
Tranche AEP 2020	11,343	276.28	308.14	31.12.2024
Tranche AEP 2021	11,827	287.42	316.71	31.12.2024
Tranche AEP 2022	11,252	326.99	360.36	31.12.2025
Tranche AEP 2023	11,643	319.21	411.73	31.12.2026

In 2023 and 2022, expenses for all plans including personal investments of €2.0 million and €3.6 million, respectively, were recognized. Provisions amounted to €9.5 million and €10.4 million, as of December 31, 2023 and 2022, respectively and include €3.5 million for AEP tranche 2020, the term of which was extended to December 31, 2024, as the required performance was not achieved. In 2022, the provisions include €3.4 million for the fully vested AEP tranche 2019. Total personal investment, which is reported in other liabilities, was measured at €3.3 million and €4.4 million as of December 31, 2023 and 2022 (see note 26).

ALTANA Profit Participation (APP)

At the end of 2010 ALTANA initiated an incentive plan for employees not eligible for the AEP program. Since then, this incentive plan allows for annual purchases of ALTANA Profit Participation Rights (APPR).

The APPRs are debt instruments issued by ALTANA AG with a minimum term of four years. A basic interest rate per year of the debt instrument is granted as well as an additional bonus interest rate if applicable. For the APPRs 2010 until 2020, the basic interest rate was 3 %. With the launch of the APP plan 2021, the basic interest rate for all new programs was reduced to 2 %. The basic interest for the program 2023 was increased to 2.5 %. The bonus interest represents 150 % of the relative ALTANA Value Added. The latter corresponds to the excess return on capital employed (ROCE) generated by ALTANA in the respective financial year over the average cost of capital. Additionally, subscribers of APPRs are granted a one-time earnings-related country-specific payment. On December 3, 2023, the APP plans for 2014 and 2015 were terminated and the nominal amount was repaid in January 2024. On December 31, 2022, the APP plans for 2012 und 2013 were terminated and the nominal amounts were repaid in January 2023.

As of December 31, 2023 and 2022, €51.5 million and €50.6 million, respectively, were recognized in other liabilities for the APPRs issued in 2023 and previous years. In 2023 and 2022, the one-time payment and the interest incurred resulted in an expense of €2.3 million and €2.8 million, respectively, which was recognized in personnel expenses.

23. Debt

	Dec. 31, 2022		Dec. 31, 2023	
	Non-current debt	Current debt	Non-current debt	Current debt
Borrowings from banks	134,064	6,097	186,837	6,825
Promissory note loans (German Schuldscheine)			180,000	991
Lease obligations	40,585	9,806	57,209	11,623
Other	9,282	5,774	8,959	
	183,931	**21,677**	**433,005**	**19,439**

For general corporate financing purposes ALTANA uses different financing instruments. In November 2023 a promissory note loan of €180 million was taken out. As of December 31, 2023, ALTANA has an undrawn syndicated credit line of €250.0 million which was issued by eight banks. In addition, as of December 31, 2023 and 2022 ALTANA has a credit commitment of €250.0 million from EIB which was drawn in the amount of €202.5 million as of December 31, 2023 and €147,5 million as of December 31, 2022. In 2023 and 2022, respectively, the interest rate advantage of €11.1 million and €9.2 million resulting from the difference between the market interest rate and the contractually agreed interest rate is reported in other liabilities (see note 26). In 2023 and 2022, respectively, the remaining notional amount of €191.4 million and €138.3 million is reported in borrowings from banks. Furthermore, as of December 31, 2023, largely unused lines of credit in the amount of €10.7 million were available to ALTANA. The terms and conditions are based on market conditions and no collateral is provided.

As of December 31, 2023 and 2022, foreign currency denominated bank borrowings existed in the amount of €0.4 million and €0.2 million, respectively.

The item Other includes a loan of €9.0 million (USD 9.9 million) which ALTANA received from a U.S. investment fund. In 2022, this item also includes the remaining purchase price for the acquisition of Saralon as well as the remaining payments for the loan with the conversion option to TAU in the total amount of €2.0 million (see note 14).

The following table provides information about the change in financial liabilities considering cash and non-cash effects:

	Borrowings from banks	Promissory note loans (German Schuldscheine)	Lease obligations	Other	Total
Balance at Jan. 1, 2022	2,821		45,035	14,443	62,299
Changes in financial liabilities affecting cash flow	146,114		(11,817)		134,297
Acquisitions					
non-cash changes					
Translation adjustments			1,809	585	2,394
Change in fair value				(1,959)	(1,959)
Leasing			15,363		15,363
Other	(8,774)			1,987	(6,787)
Balance at Dec. 31, 2022	**140,161**		**50,390**	**15,056**	**205,607**
Changes in financial liabilities affecting cash flow	54,332	180,000	(10,891)	(6,210)	217,231
Acquisitions			3,944		3,944
non-cash changes					
Translation adjustments	(7)		(400)	(323)	(730)
Change in fair value				411	411
Leasing			25,789		25,789
Other	(824)	991		25	192
Balance at Dec. 31, 2023	**193,662**	**180,991**	**68,832**	**8,959**	**452,444**

Interest payments from financial liabilities are reported separately within the operating cash flow (see Statement of Cash Flows).

As of December 31, 2023 and 2022, non-cash changes in the amount of €-1.9 million and €-9.2 million, respectively, are reported in borrowings from banks and result from the interest rate advantage of the EIB loan agreement (see note 26). Offsetting effects in the amount of €1.1 million and €0.4 million result from accrued interest of the EIB loan. In 2022, the item Other mainly includes non-cash changes of one purchase price liability of €1.7 million (see note 14).

As of December 31, 2023 and 2022, the maturity of total debt was as follows:

		Due within one year	Due within two to five years	Due after five years	Total
Borrowings from banks	Dec. 31, 2022	6,098	117,909	16,155	140,162
	Dec. 31, 2023	**7,817**	**118,826**	**68,010**	**194,653**
Promissory note loans (German Schuldscheine)	Dec. 31, 2022				
	Dec. 31, 2023		**140,000**	**40,000**	**180,000**
Other	Dec. 31, 2022	5,774		9,282	15,056
	Dec. 31, 2023			**8,959**	**8,959**
Total	Dec. 31, 2022	11,872	117,909	25,437	155,218
	Dec. 31, 2023	**7,817**	**258,826**	**116,969**	**383,612**
Lease obligations	Dec. 31, 2022				50,390
	Dec. 31, 2023				**68,832**
Total debt	Dec. 31, 2022				205,608
	Dec. 31, 2023				**452,444**

In the following table the maturity of the lease obligation is presented:

	Dec. 31, 2022	**Dec. 31, 2023**
Due within one year	10,160	13,012
Due within two to five years	18,604	27,446
Due after five years	26,616	43,701
Total minimum lease payments	**55,380**	**84,159**
Less amount representing interest	4,990	15,327
Present value of the lease liability	**50,390**	**68,832**
Less current portion	9,806	11,623
Non-current lease liability	**40,584**	**57,209**

In 2023 and 2022, respectively, cash payments from lease agreements amounted to €15.5 million and €13.8 million, of which €10.9 million and €11.8 million were attributable to payments of principal of lease liabilities, €1.5 million and €0.7 million to payments of interest and in both years reported €3.2 million to the exercise of recognition assumptions. The expenses from lease contracts are presented in note 11.

In 2023 and 2022, respectively, potential future cash payments in the amount of €0.5 million and €0.4 million were not included in the lease obligations as it is not reasonably certain that the corresponding lease agreements will be extended (or not terminated).

As of December 31, 2023 and 2022, lease agreements entered into by ALTANA as a lessee but not yet commenced will result in future cash outflows of €1.0 million and €0.7 million, respectively.

24. Employee Benefit Obligations

Defined Benefit Plans

The defined benefit obligation comprises unfunded and funded plans. Of these plans approximately 98 % relate to obligations in Germany, Switzerland and the U.S. as follows:

	Dec. 31, 2022	Dec. 31, 2023
Germany	288,449	335,624
Switzerland	31,639	209,816
U.S.	13,726	14,567
Other	10,998	11,246
Defined benefit obligation	**344,812**	**571,253**

Domestic Plans: Certain executives located in Germany are entitled to post-employment benefits ("Ruhegeldendbetrag"). The benefit is agreed individually and is paid out as a lifetime pension upon reaching the age of 65, upon early retirement in accordance with statutory retirement provisions or in case of disability. The plan also covers surviving dependents' pension. All other German employees with an employment start date before January 1, 2010, participate in a post-employment benefit plan which also covers old age, disability and surviving dependents' pensions. The plan is basically based on a benchmark model considering length of service and salary with lifetime pension payments beginning at the age of 65. Benefits granted from January 1, 1999 include a fixed annual increase of 1 % of the benefits, plans before that date grant compensation for inflation in accordance with section 16 of the German Company Pension Laws (BetrAVG). For ALTANA, the risk is mainly represented by the development of life expectancy and inflation since the obligations resulting from these plans represent lifetime pension payments.

All employees with an employment start date after December 31, 2009 are in a plan which is based on a capital commitment (ALTANA Vorsorgekapital/AVK). ALTANA pays the employer's contributions into external investment funds until the benefits are paid out. ALTANA also offers an employee-funded plan that grants the employees the right to have part of their earnings paid into a company pension scheme (AltersvorsorgeAktiv mit ALTANA/AAA) which are increased by employer's contributions, as necessary. For this plan, comparable to the AVK plan, the contributions are invested in external investment funds until pay-out. The two post-employment benefit plans at ALTANA, AVK and AAA basically have the same features. ALTANA offers two models: a fixed income-based model, where the Company guarantees a minimum interest yield on the contributions paid-in, corresponding to the interest rate of life insurance contracts of 0.25 % as of the reporting date, and an equity-based model, where ALTANA guarantees the payment contributions made, but without any additional interest guarantee. Obligations under the AVK and AAA plans are linked to the development of the fund assets, which results in a reduction of the overall business risk exposure. The remaining risk ALTANA is exposed to, is represented by the risk that the performance of the funds does not cover the guaranteed minimum interest yield or the capital commitment.

In addition, some German subsidiaries have a supplementary company pension scheme based on various regulations and collective agreements. There are also individual pension plans for senior executives. The majority of the pension plans are financed directly by the employer and are not funded by plan assets. These plans are subject to the Company Pension Act.

Foreign Plans: In the U.S., ALTANA basically offers two employee benefit plans which are financed by funds and one additional defined benefit plan for executive employees, which is unfunded. These plans provide for pension payments upon retirement. New employees cannot participate in these plans. Since their closure none of these two funded plans provides for additional benefits in future years of service. The two closed defined benefit plans were settled by an insurance-type funding from the plan assets in the amount of €12.4 million on August 30, 2023. The settlement of the plans means that no further contributions will be paid into the plans. In this context, the excess plan assets in the amount of €4.7 million were reclassified to assets and will be used for other retirement benefits in future years.

In the business combination with Von Roll one additional pension plan was acquired, that is financed by the employer and employees through a trust. At the time of retirement the pension benefits are paid out in the form of lifetime pension payments. The beneficiary has the option of receiving the pension benefits as a lump sum. Minimum funding requirements must be observed. This pension plan is generally funded by plan assets but is insufficiently funded.

In Switzerland, four different pension plans are provided for employees in two pension funds and two separate pension trusts. The pension benefits are essentially based on age-related credits, which increase through annual credits and interest. At the time of retirement, the beneficiaries have the choice between lifetime pension payments or partial capital withdrawals. In addition to retirement benefits, the benefits also include disability, partner and child benefits. When the employee leaves the Company, the vested benefits are transferred to the pension fund of the new employer or to a vested benefit institution. When determining the benefits the minimum provision of the Law on Occupational Retirement, Survivor’s and Disability Pension Plan (BVG) and its implementing regulations need to be observed.

Post-employment benefit obligations, similar obligations and pension liabilities are rolled-forward as follows.

In 2023, the increase in the pension liability mainly results from the changes of the actuarial assumptions, in particular from the decrease in the discount rate and the assumption of the defined benefit obligations in the amount of €2.8 million as part of the acquisition of Von Roll.

			Dec. 31, 2022			**Dec. 31, 2023**
	Domestic	Foreign	Total	Domestic	Foreign	Total
Defined benefit obligation - funded	117,722	53,612	171,334	138,798	231,723	370,521
Fair value of plan assets	117,549	55,046	172,595	138,650	269,607	408,257
Funded status	**173**	**(1,434)**	**(1,261)**	**148**	**(37,884)**	**(37,736)**
Defined benefit obligation - unfunded	170,726	2,752	173,478	196,827	3,905	200,732
Net defined benefit obligation	**170,899**	**1,318**	**172,217**	**196,975**	**(33,979)**	**162,996**
Effect on asset ceiling limitation					36,604	**36,604**
Provision for other post-retirement benefits		**163**	**163**		**178**	**178**
Reported amount	**170,899**	**1,481**	**172,380**	**196,975**	**2,803**	**199,778**

	Present value of the defined benefit obligation	Fair value of plan assets	Effect on asset ceiling limitation	Total
Balance at Jan. 1, 2022	**436,739**	**(184,897)**	**1,925**	**253,767**
Service cost				
Current service cost	13,426			13,426
Interest expense / (income)	6,330	(2,625)	7	3,712
Administration cost		255		255
	19,756	**(2,370)**	**7**	**17,393**
Remeasurement				
Return on plan assets excluding amounts included in interest income		25,844		25,844
Gains / (losses) from changes in demographic assumptions	(21)			(21)
Gains / (losses) from changes in financial assumptions	(97,433)			(97,433)
Experience-based adjustments	(10,372)			(10,372)
Change in the asset ceiling limitation excluding amounts recognized in interest income			(1,932)	(1,932)
	(107,826)	**25,844**	**(1,932)**	**(83,914)**
Translation adjustment	2,392	(2,282)		110
Contributions:				
Employer		(9,336)		(9,336)
Beneficiaries of the plan	5,822	(5,822)		
Pension payments	(11,557)	6,146		(5,411)
Settlements				
Other	(514)	122		(392)
Balance at Dec. 31, 2022	**344,812**	**(172,595)**		**172,217**
Service cost				
Current service cost	11,764			11,764
Past service cost	(966)			(966)
Effects of settlement	254			254
Interest expense / (income)	14,591	(7,642)	204	7,153
Administration cost		405		405
	25,643	**(7,237)**	**204**	**18,610**
Remeasurement				
Return on plan assets excluding amounts included in interest income		(11,109)		(11,109)
Gains / (losses) from changes in demographic assumptions	(187)			(187)
Gains / (losses) from changes in financial assumptions	26,106			26,106
Experience-based adjustments	6,111			6,111
Change in the asset ceiling limitation excluding amounts recognized in interest income			(6,248)	(6,248)
	32,030	**(11,109)**	**(6,248)**	**14,673**
Translation adjustment	8,026	(9,830)	1,518	(286)
Contributions:				
Employer	(117)	(10,344)		(10,461)
Beneficiaries of the plan	5,200	(5,200)		
Pension payments	(18,306)	12,282		(6,024)
Settlements	(12,383)	12,383		
Change in reporting entities	186,378	(221,325)	41,130	6,183
Other	(30)	4,718		4,688
Balance at Dec. 31, 2023	**571,253**	**(408,257)**	**36,604**	**199,600**

The following table presents the significant actuarial assumptions of the pension plans:

	Dec. 31, 2022			Dec. 31, 2023		
	German plans	Swiss plans	U.S. plans	German plans	Swiss plans	U.S. plans
Discount rate	4.2 %	2.3 %	5.0 %	3.6 %	1.6 %	5.0 %
Rate of pension increase	2.0 %			2.0 %		

As in the previous year, the discount rate for employee benefit and similar obligations was determined based on the "Mercer Yield Curve Approach."

The life expectancy in Germany is based on the "Richttafeln 2018 G," which were developed by Prof. Dr. Klaus Heubeck and is unchanged to the previous year.

The "U.S. PRI2012 Mortality Tables" are applied in the U.S. with appropriate updates and projections considered.

In Switzerland, the "BVG 2020G" is applied with corresponding adjustments and projections.

The following table shows the changes in the present value of the defined benefit obligation resulting from changes in the relevant actuarial assumptions with the other assumptions remaining unchanged. This means no possible correlation effects were considered. For the German plans an increase or decrease of life expectancy of one year is assumed for a person who is exactly 65 years old. For employees who are either younger or older than 65, a corresponding adjustment is made, i.e. the change in life expectancy of younger employees is more than one year and that of older employees is less than one year. For the U.S. and the Swiss plans an age-independent shift in the employees' life expectancy is assumed as of the reporting date:

		Dec. 31, 2022		Dec. 31, 2023	
		Effect on defined benefit obligation		Effect on defined benefit obligation	
	Change in actuarial assumption	Defined benefit obligation	Change	Defined benefit obligation	Change
		in € thousand	in %	in € thousand	in %
Present value of the defined benefit obligation[1]		333,814		560,008	
Discount rate	Increase by 50 basis points	320,324	(4.0)	538,547	(3.8)
	Decrease by 50 basis points	349,432	4.7	583,715	4.2
Rate of pension increase	Increase by 50 basis points	340,590	2.0	567,374	1.3
	Decrease by 50 basis points	328,790	(1.5)	554,319	(1.0)
Life expectancy	Increase by 1 year	340,082	1.9	566,722	1.2
	Decrease by 1 year	327,421	(1.9)	553,252	(1.2)

[1] Present value of the German, Swiss and U.S. plans applying the actuarial assumptions as stated in the table above.

The following table shows the fair values of the plan assets per category:

			Dec. 31, 2022			Dec. 31, 2023
	Price quotation in an active market	No price quotation in an active market	Total	Price quotation in an active market	No price quotation in an active market	Total
Bonds	16,440		16,440	89,600		89,600
Money market funds	8,352		8,352	9,852		9,852
Equity funds				87,263		87,263
Mixed funds	109,197		109,197	128,797		128,797
Shares	10,132		10,132	10,314		10,314
Insurances		7,738	7,738		4,448	4,448
Cash and cash equivalents	10,571		10,571	4,260		4,260
Other		10,165	10,165		73,723	73,723
Fair value of plan assets	**154,692**	**17,903**	**172,595**	**330,086**	**78,171**	**408,257**

The domestic plan assets mainly comprise money market funds and mixed funds, while the foreign plan assets mainly comprise shares, equity funds, debt instruments and insurances.

ALTANA aims to hedge future payments under the pension obligation with long-term returns from the portfolio of the plan assets. Therefore, the composition of the plan assets is geared to the sustainability of the income generated by increases in market values of the assets as well as dividends and interest income.

In 2023, the actual profit on the plan assets amounted to €18.3 million while in 2022 the actual loss amounted to €23.4 million.

Plan assets do not include financial instruments issued by ALTANA or other assets or property used by the Company itself.

In 2024, the Company expects to pay benefits of €21.6 million to retirees compared to €19.1 million in 2023 and expects payments from plan assets of €11.1 million compared to €12.5 million in 2023. Contributions to plan assets by the employer are expected to be paid in an amount of €13.2 million in 2024 compared to €10.0 million in 2023. The expected expense for defined benefit plans including net interest expenses for 2024 is estimated to amount to €20.9 million compared to €18.3 million in 2023.

In both years reported the weighted average duration of the German, the Swiss and U.S. employee benefit obligation is 14 years.

Defined Contribution Plans

Defined contribution plans mainly exist in non-German subsidiaries. Additionally, the Company pays contributions to domestic and foreign governmental and private pension insurance organizations in accordance with legal regulations. The contributions are recognized as expense based on their function in the respective year and amounted to €31.8 million and €31.1 million in 2023 and 2022, respectively. No further obligations exist besides the contributions paid.

25. Other Provisions

	Employees	Sales and marketing	Warranty	Other	Total
Balance at Jan. 1, 2023	**81,441**	**27,261**	**2,311**	**29,206**	**140,219**
Additions	61,118	19,441	372	17,034	97,965
Accretion	278				278
Utilization	(57,218)	(19,123)	(121)	(13,833)	(90,295)
Reversal	(1,183)	(2,465)	(216)	(2,660)	(6,524)
Transfers		(136)		136	
Translation adjustments	(1,095)	(383)	24	93	(1,361)
Change in reporting entities	2,611	433	662	9,498	13,204
Balance at Dec. 31, 2023	**85,952**	**25,028**	**3,032**	**39,474**	**153,486**
Thereof non-current					
at Dec. 31, 2022	19,830	664	107	8,422	29,023
at Dec. 31, 2023	**21,557**	**1,424**	**329**	**10,617**	**33,927**

The employee-related provisions include provisions for employee incentive plans and bonuses. The non-current portion mainly relates to partial retirement (Altersteilzeit), anniversary benefits and employee incentive plans.

Provisions for sales and marketing pertain primarily to sales bonuses (refund liability from revenues) and commissions. As of December 31, 2023 and 2022, provisions for sales bonuses amounted to €15.0. million and €14.3 million, respectively. In 2023 and 2022, €10.5 million and €12.4 million were used and €2.2 million and €0.5 million were released.

Provisions for warranty cover commitments in connection with goods delivered and services rendered. ALTANA expects that the current portion of the provisions will be utilized during 2024.

The item Other includes litigation, legal cost and professional fees, provision for taxes other than income taxes and contributions.

26. Other Liabilities

Other liabilities consist of the following:

	Dec. 31, 2022		Dec. 31, 2023	
	Other non-current liabilities	Other current liabilities	Other non-current liabilities	Other current liabilities
Balances due to fiscal authorities (incl. payroll taxes)[1]		11,342		13,603
Personnel-related liabilities		14,791	146	17,554
Social security contributions		5,283		7,467
Employee incentive plans	27,816	27,180	28,107	26,668
Credit notes to customers		2,211		4,245
Derivative financial instruments		901		300
Deferred income	8,323	4,524	11,798	2,688
Contract liability		3,612		3,921
Refund liability		995		993
Other		6,684	162	16,800
	36,139	**77,523**	**40,213**	**94,239**

[1] Previous year adjusted

27. Additional Disclosures for Financial Instruments

Measurement of Financial Instruments Based on Categories

ALTANA uses different financial instruments. In accordance with accounting regulations for financial instruments, these financial instruments are classified based on their nature and function into several measurement categories. Financial assets are classified as follows: Debt instruments are classified as carried at amortized cost if the underlying business model objective is to hold assets to collect contractual cash flows and these cash flows are solely payments for principal and interest on the outstanding amount. Financial instruments are classified as at fair value through profit or loss if the classification criteria of a debt instrument for amortized cost under IFRS 9 is not fulfilled, the financial instrument is a derivative financial instrument for which cash flow hedge accounting is not applied to or in case of an equity instrument for which the option to recognize changes in fair value in other comprehensive income (OCI option) is not exercised.

The carrying amounts of cash and cash equivalents, short-term financial assets, trade accounts receivable and other current assets allocated to other non-derivative non-interest-bearing financial assets, approximate their fair values due to the short-term maturities of these instruments.

The carrying amounts of marketable securities and other long-term investments equal their fair values. These investments include listed and unlisted financial investments. For other long-term investments listed on the stock exchange the fair values correspond to the quotation on the stock exchange (hierarchy level 1). As of December 31, 2023 and 2022, respectively, ALTANA holds other long-term investments with a quoted value of €3.2 million and €3.7 million. In 2023 and 2022, respectively, other long-term investments not traded on the stock exchange amounted to €34.7 million and €28.2 million, and are measured at fair value (hierarchy level 3). A sale of these investments is currently not planned. In addition, listed marketable securities are included whose carrying amounts correspond to the quoted prices as of the reporting date in accordance with hierarchy level 1.

The carrying amounts of the long-term investments, which are allocated to the other interest-bearing non-derivative financial assets and are not measured at amortized cost correspond to their fair value and are allocated to hierarchy level 3. The loan with a conversion option granted to Landa described in Note 14 falls into this category. The fair value of the hybrid instrument is determined on the one hand by the loan component and on the other by the conversion right. As this is not a listed instrument, the fair value was determined using a widely recognized valuation model (Monte Carlo simulation), taking into account observable and non-observable parameters. Significant input parameters are the enterprise value and the discount rate used.

The fair value at initial recognition was €27.9 million. The difference of €5.3 million between the fair value and the transaction price was deferred. As of December 31, 2023, the fair value of the hybrid instrument was €28.2 million. Unrealized gains in the amount of €0.3 million were recognized in the financial result. As of December 31, 2023, the deferred amount not recognized in profit or loss is €5.3 million.

As of December 31, 2023, the following sensitivities arise in relation to the main non-observable input parameters: If the enterprise value changes by +/- 10 %, the fair value of the hybrid instrument changes by +/- €2.8 million. If the discount rate changes by +/-100 basis points, the change of the fair value of the hybrid instrument is insignificant.

The carrying amounts of the long-term investments, which are allocated to the other non-interest-bearing non-derivative financial assets, are measured at their fair value and are allocated to hierarchy level 3. In 2022, the fair value could have increased by a maximum of €0.5 million and relates to the funding agreement for another investment in Israel described in note 14. In 2023, the related financial investment was converted into equity.

The carrying amounts of derivative financial assets and liabilities equal their fair values. These are generally measured as the present value of the expected future cash inflows and outflows of the financial instruments in consideration of the credit risk and are allocated to hierarchy level 2.

The fair values of interest bearing other non-derivative financial assets and liabilities measured at amortized cost equal the present values of their future estimated cash flows. The present values are calculated taking the currency, interest rates and duration parameters at each reporting date into consideration (hierarchy level 2).

Trade accounts payable and other non-interest bearing non-derivative liabilities allocated to other current liabilities, generally have a short remaining maturity; therefore, their carrying amount approximates their fair value. Debt allocated to other non-interest bearing non-derivative financial liabilities essentially related in 2022 to earn-out payments in connection with the acquisitions TLS and represent fair values which are assigned to hierarchy level 3. As of December 31, 2022, these debts amount to €3.8 million. In 2023 and 2022, adjustments of the liability from fair value measurement of €0.4 million and €-2.0 million occurred. The resulting total obligation of €4.2 million was paid in 2023. In 2022, no payments were made.

Share options are measured at fair value through profit or loss and are assigned to hierarchy level 3. The fair value is determined using an option pricing model because the underlying value of the option is not a listed company and therefore no market-oriented volatilities or correlations are available. The Company uses the Black-Scholes-Modell employing the Margrabe-Formula to determine the fair value.

In measuring the options, the company value and the variable purchase price are compared. The company value is determined based on discounted estimated future cash flows using an interest rate representing a market interest. The variable purchase price is determined as a multiple of a profit target considering different scenarios.

The options have a term of multiple years.

As of December 31, 2023 and 2022, respectively, the carrying amount of the derivative share option was €36 thousand and €0.2 million. In 2023 and 2022, respectively, unrealized losses of €0.2 million and of €1.0 million are reported in the financial result.

The following tables provide a reconciliation of the items in the statement of financial position to the different categories of financial instruments, their carrying amounts and fair values as of December 31, 2022 and 2023.

	Dec. 31, 2022		Dec. 31, 2022
	Carrying amount		Fair value
		Financial assets	
	at amortized cost	at fair value through profit or loss	
Cash and cash equivalents	**458,091**		**458,091**
thereof in			
Cash and cash equivalents	458,091		458,091
Short-term financial assets	**7,158**		**7,158**
thereof in			
Short-term financial assets	7,158		7,158
Trade accounts receivable	**488,310**		**488,310**
thereof in			
Trade accounts receivable	487,551		487,551
Other current assets	759		759
Other interest-bearing non-derivative financial assets	**28,096**	**1,080**	**26,110**
thereof in			
Long-term investments	26,885	1,080	24,899
Other current assets	1,211		1,211
Other non-interest-bearing non-derivative financial assets	**73,565**	**794**	**74,359**
thereof in			
Long-term investments		794	794
Other current assets	73,565		73,565
Marketable securities and long-term investments		**72,237**	**72,237**
thereof in			
Long-term investments		31,825	31,825
Marketable securities		40,412	40,412
Derivative financial assets - without hedge accounting		**3,168**	**3,168**
thereof in			
Other non-current assets		223	223
Other current assets		2,945	2,945
	1,055,220	**77,279**	**1,129,433**

	Dec. 31, 2023		Dec. 31, 2023
	Carrying amount		Fair value
		Financial assets	
	at amortized cost	at fair value through profit or loss	
Cash and cash equivalents	**491,335**		**491,335**
thereof in			
Cash and cash equivalents	491,335		491,335
Short-term financial assets	**15,071**		**15,071**
thereof in			
Short-term financial assets	15,071		15,071
Trade accounts receivable	**506,766**		**506,766**
thereof in			
Trade accounts receivable	505,804		505,804
Other current assets	962		962
Other interest-bearing non-derivative financial assets	**26,577**	**22,912**	**47,182**
thereof in			
Long-term investments	25,905	22,912	46,510
Other current assets	672		672
Other non-interest-bearing non-derivative financial assets	**74,249**		**74,249**
thereof in			
Long-term investments			
Other current assets	74,249		74,249
Marketable securities and long-term investments		**94,207**	**94,207**
thereof in			
Long-term investments		37,935	37,935
Marketable securities		56,272	56,272
Derivative financial assets - without hedge accounting		**912**	**912**
thereof in			
Other non-current assets		813	813
Other current assets		99	99
	1,113,998	**118,031**	**1,229,722**

	Dec. 31, 2022		Dec. 31, 2022
	Carrying amount		Fair value
	Financial liabilities		
	at amortized cost	at fair value	
Trade accounts payable	**234,420**		**234,420**
thereof in			
Other non-current liabilities			
Trade accounts payable	232,209		232,209
Other current liabilities	2,211		2,211
Other interest-bearing non-derivative financial liabilities	**151,430**		**149,503**
thereof in			
Non-current debt	143,346		140,257
Current debt	8,084		9,246
Other non-interest-bearing non-derivative financial liabilities	**9,233**	**3,787**	**13,020**
thereof in			
Other non-current liabilities			
Current debt		3,787	3,787
Other current liabilities	9,233		9,233
Derivative financial liabilities - without hedge accounting		**901**	**901**
thereof in			
Other current liabilities		901	901
	395,083	**4,688**	**397,844**

	Dec. 31, 2023		Dec. 31, 2023
	Carrying amount		Fair value
	Financial liabilities		
	at amortized cost	at fair value	
Trade accounts payable	**218,797**		**218,797**
thereof in			
Other non-current liabilities			
Trade accounts payable	214,552		214,552
Other current liabilities	4,245		4,245
Other interest-bearing non-derivative financial liabilities	**383,612**		**397,873**
thereof in			
Non-current debt	375,796		389,747
Current debt	7,816		8,126
Other non-interest-bearing non-derivative financial liabilities	**13,493**		**13,493**
thereof in			
Other non-current liabilities	147		147
Current debt			
Other current liabilities	13,346		13,346
Derivative financial liabilities - without hedge accounting		**300**	**300**
thereof in			
Other current liabilities		300	300
	615,902	**300**	**630,463**

Income Effect According to Measurement Categories

The following table provides the net result from financial instruments according to the measurement categories. The net financial result contains interest income, interest expense, gains and losses from the sale of financial instruments, dividends received and the net result from the netting of other expenses and income. Additionally, changes in the fair value of derivative financial instruments are included. The net financial result reported only includes income and expense related to financial instruments and their categories. Interest expense from employee benefit and lease obligations are therefore not included. The net operating result mainly includes impairment losses on trade accounts receivable.

	Net financial result	Net operating result	Net result
Dec. 31, 2022			
at amortized cost	**7,399**	**(2,923)**	**4,476**
thereof from:			
Financial assets	10,817	(2,923)	7,894
Financial liabilities	(3,419)		(3,419)
at fair value through profit or loss	**3,034**		**3,034**
thereof from:			
Financial assets	1,072		1,072
Financial liabilities	1,962		1,962
Derivatives at fair value through profit and loss	**(8,744)**		**(8,744)**
Total	**1,688**	**(2,923)**	**(1,235)**

	Net financial result	Net operating result	Net result
Dec. 31, 2023			
at amortized cost	**(3,960)**	**5,143**	**1,182**
thereof from:			
Financial assets	10,011	5,143	15,154
Financial liabilities	(13,972)		(13,972)
at fair value through profit or loss	**4,065**		**4,065**
thereof from:			
Financial assets	4,477		4,477
Financial liabilities	(412)		(412)
Derivatives at fair value through profit and loss	**2,291**		**2,291**
Total	**2,395**	**5,143**	**7,538**

In 2023 and 2022, the net financial result includes interest income generated by financial instruments measured at amortized cost amounting to €10.8 million and €4.5 million and interest expense incurred by financial instruments measured at amortized cost amounting to €7.2 million and €1.8 million. Interest income and interest expense are measured by applying the effective interest method.

In 2023 and 2022, impairment losses on financial instruments at amortized cost amount to €1.6 million and €4.0 million. Of these amounts €1.6 million and €3.5 million relate to trade accounts receivable.

The risk provisions recognized in 2020 for potentially increased insolvency risks resulting from the coronavirus pandemic amounting to €4.1 million was released in 2023, as the risk no longer exists.

Risk Analysis

Liquidity Risk: To assure the solvency and financial flexibility of ALTANA, the Company retains a liquidity reserve through cash and cash equivalents and lines of credit.

The following tables show the contractual amortization including the undiscounted interest payments for non-derivative (for lease liabilities not included in the following table see separate disclosure in note 23) and derivative financial instruments with a positive and a negative fair value. All non-derivative and derivative financial instruments as of December 31, 2023 and 2022, respectively, for which contractual payments had already been agreed, are included. Variable interest payments resulting from non-derivative financial instruments were estimated based on the interest rates applicable at the respective reporting dates. Budgeted amounts for future expected liabilities were not considered. Foreign currency amounts were translated based on the exchange rates as of the reporting dates. The cash flows attached to the foreign currency derivatives were calculated based on the respective forward rates.

		Due within one year	Due within two to five years	Due after five years
Trade accounts payable	Dec. 31, 2022	234,420		
	Dec. 31, 2023	**218,797**		
Other interest-bearing non-derivative financial liabilities	Dec. 31, 2022	11,266	125,182	26,482
	Dec. 31, 2023	**24,717**	**307,075**	**123,153**
Other non-interest-bearing non-derivative financial liabilities	Dec. 31, 2022	13,020		
	Dec. 31, 2023	**13,346**	**147**	
Other contingent financial liabilities	Dec. 31, 2022	12,588		
	Dec. 31, 2023	**11,633**		
Total	Dec. 31, 2022	271,294	125,182	26,482
	Dec. 31, 2023	**268,493**	**307,222**	**123,153**

		Due within one year	Due within two to five years	Due after five years
Forward foreign exchange contracts with positive fair value				
Cash inflow	Dec. 31, 2022	112,068		
	Dec. 31, 2023	**40,637**	**21,851**	
Cash outflow	Dec. 31, 2022	(111,438)		
	Dec. 31, 2023	**(40,694)**	**(22,624)**	
Net	Dec. 31, 2022	631		
	Dec. 31, 2023	**(57)**	**(774)**	
Forward foreign exchange contracts with negative fair value				
Cash inflow	Dec. 31, 2022	64,750		
	Dec. 31, 2023	**35,947**		
Cash outflow	Dec. 31, 2022	(43,484)		
	Dec. 31, 2023	**(36,994)**		
Net	Dec. 31, 2022	21,266		
	Dec. 31, 2023	**(1,047)**		

Credit Risk: The Company is exposed to credit risk if business partners do not fulfill their obligations. ALTANA continuously analyzes the creditworthiness of significant debtors. Based on its international operations and a diversified customer structure ALTANA has no concentration of credit risk. The Company does not generate consolidated sales of more than 3 % with one single customer and generates less than 20 % with its ten most significant customers combined. Receivables are monitored locally in the operating subsidiaries on an ongoing basis. Financing transactions are mainly carried out with contractual partners who have a credit rating of "Investment Grade." Furthermore, rating-based credit limits are defined for each contracting party that ALTANA invests with.

The carrying amount of all trade accounts receivable (see also note 17), marketable securities, long-term investments, cash and cash equivalents and other current and non-current assets represents ALTANA's maximum credit risk.

IFRS 9 requires the calculation of the expected credit risk for financial assets measured at amortized cost.

ALTANA considers an expected credit loss on trade accounts receivables on the basis of the lifetime expected credit loss as these receivables do not contain a significant financing component.

As of December 31, 2023 and 2022, other receivables and assets include bills receivable from Chinese customers in the amount of €73.1 million and €72.7 million for which a risk provision of €0.3 million and €0.8 million was recognized. Due to this low credit risk, ALTANA uses this option that the expected credit loss is determined based on an expected loss within 12 months ("low credit risk assets").

The maximum credit risk exposure for each measurement category is as follows:

	Dec. 31, 2022	**Dec. 31, 2023**
Exposure applying the impairment model		
Financial assets - at amortized cost	1,055,220	1,113,998
Exposure without application of the impairment model		
Financial assets - at fair value through profit or loss	77,279	118,031
Total	**1,132,499**	**1,232,029**

As of the reporting date no significant agreements reducing the maximum credit risk and no financial assets existed, that were credit-impaired when purchased.

Currency Risk: The Company is subject to currency risk associated with its international operations. Currency risk occurs for financial instruments which are denominated in another than the functional currency. Foreign currency translation risk resulting from the consolidation of foreign subsidiaries is not considered. For hedging instruments used by the Company to limit the exposure to foreign currency rate fluctuations see "Hedging."

The main currency fluctuation risks relate to exchange-rate changes of the USD, JPY, CHF, CNY and MXN compared to the Euro.

The following table provides the effects of a 10 % quantitative change of currency exchange rates on profit or loss (see table "Foreign Currency" in note 2):

		Effect on profit or loss	
		exchange rate plus 10 %	exchange rate minus 10 %
Derivatives			
USD	Dec. 31, 2022	8,730	(8,730)
	Dec. 31, 2023	**4,278**	**(4,278)**
JPY	Dec. 31, 2022	1,099	(1,099)
	Dec. 31, 2023	**1,003**	**(1,003)**
CHF	Dec. 31, 2022	369	(369)
	Dec. 31, 2023	**(177)**	**177**
CNY	Dec. 31, 2022	1,381	(1,381)
	Dec. 31, 2023	**2,081**	**(2,081)**
MXN	Dec. 31, 2022	1,591	(1,591)
	Dec. 31, 2023	**1,457**	**(1,457)**
Total	Dec. 31, 2022	13,170	(13,170)
	Dec. 31, 2023	**8,642**	**(8,642)**

		Effect on profit or loss	
		exchange rate plus 10 %	exchange rate minus 10 %
Other financial instruments			
USD	Dec. 31, 2022	(10,122)	10,122
	Dec. 31, 2023	**(5,530)**	**5,530**
JPY	Dec. 31, 2022	(1,242)	1,242
	Dec. 31, 2023	**(1,181)**	**1,181**
CHF	Dec. 31, 2022	711	(711)
	Dec. 31, 2023	**6,101**	**(6,101)**
CNY	Dec. 31, 2022	(1,751)	1,751
	Dec. 31, 2023	**(4,194)**	**4,194**
MXN	Dec. 31, 2022	(1,673)	1,673
	Dec. 31, 2023	**(1,738)**	**1,738**
Total	Dec. 31, 2022	(14,077)	14,077
	Dec. 31, 2023	**(6,542)**	**6,542**

Interest Rate Risk: ALTANA is exposed to changes in interest rates. The majority of interest-sensitive assets and liabilities are marketable securities (money market funds) and debt. For those assets or liabilities that are variable rate instruments, changes in the interest rate will result in changes in the expected cash flows and will affect profit or loss. The fair value of fixed interest rate financial assets and liabilities measured at fair value through profit and loss is affected by changes in the interest rate and the resulting change in the fair value is reported in profit or loss. This has no effect on other comprehensive income.

The following table shows the profit or loss effect on interest-bearing assets and liabilities resulting from a change in the average market rate of interest of 50 basis points. The sensitivity analysis was performed under the assumption that the interest rate may decrease to below zero percent.

		Effect on profit or loss	
		plus 50 basis points	minus 50 basis points
Other financial instruments	Dec. 31, 2022	(261)	261
	Dec. 31, 2023	**(627)**	**627**

Hedging

ALTANA has established policies and procedures for assessing risks related to derivative financial instrument activities and uses derivative financial instruments exclusively for hedging purposes.

Forward Foreign Exchange Contracts: The Company uses forward foreign exchange contracts to hedge foreign currency exchange risks, resulting from intercompany loans, In-house bank accounts as well as accounts receivable and accounts payable.

ALTANA centralizes the foreign currency exposures of the Group companies by using In-house bank accounts. ALTANA AG determines its foreign currency exposure daily through the ALTANA In-house bank and hedges this exposure by foreign currency balances and forward transactions considering natural hedges. The focus is placed on the major foreign group currencies.

Hedging of Intercompany Foreign Currency Exposure

Foreign Currency Loans

In 2023, ALTANA concluded forward foreign exchange contracts with a nominal volume of USD 213.7 million (2022: USD 248.2 million), JPY 3,000.0 million (2022: JPY 1,700.0 million), MXN 600.0 million (2022: MXN 300.0 million) and of CHF 2.0 million (2022: CHF 4.0 million) as micro hedges to hedge intercompany foreign currency loans. The change in the fair value of these foreign exchange transactions is recognized in the financial result and not designated in a hedging relationship.

Accounts Receivable and Accounts Payable Denominated in Foreign Currencies and Foreign Currency In-house Bank Accounts

In 2023, ALTANA In-house bank established naturally offsetting positions in foreign currencies on In-house bank accounts to hedge foreign currency balances of subsidiaries.

For balance sheet items, in particular the In-house bank accounts of ALTANA AG, which are not denominated in Euro and which are not covered by naturally offsetting items, forward foreign exchange contracts classified as portfolio hedge with a nominal volume of USD 187.5 million (2022: USD 101.0 million), JPY 8,197.0 million (2022: JPY 3,200.0 million), CNY 3,602.1 million (2022: CNY 1,976.0 million), MXN 319.0 million (2022: MXN 926.0 million) and CHF 68.5 million (2022: CHF 67.6 million) were concluded. Changes in the fair values of these forward foreign exchange contracts are recognized in the financial result.

Offsetting of Financial Instruments

Under the German Master Agreement for Financial Futures all derivative financial instruments that ALTANA has concluded are subject to offsetting agreements, which allow for offsetting in event of default by one party. The amounts reported in trade accounts receivable and trade accounts payable result from credit notes issued and received.

The following table present the amounts of the financial assets and financial liabilities actually offset in the statements of financial position as well as potential offsetting amounts under global netting and other offsetting agreements:

		Gross carrying amount	Offsetting amounts, offset in the statements of financial position	Net carrying amount	Potential offsetting amounts, not offset in the statements of financial position	Net amount after potential offsetting
Receivables from forward foreign exchange transactions	Dec. 31, 2022	2,945		2,945	280	2,666
	Dec. 31, 2023	**877**		**877**	**47**	**830**
Trade accounts receivable	Dec. 31, 2022	498,128	10,577	487,551		487,551
	Dec. 31, 2023	**516,454**	**10,650**	**505,804**	**(0)**	**505,805**
Total accounts receivable	Dec. 31, 2022	501,074	10,577	490,496	280	490,217
	Dec. 31, 2023	**517,331**	**10,650**	**506,681**	**47**	**506,635**
Liabilities from forward foreign exchange transactions	Dec. 31, 2022	901		901	280	621
	Dec. 31, 2023	**300**		**300**	**47**	**253**
Trade accounts payable	Dec. 31, 2022	234,738	2,528	232,209		232,209
	Dec. 31, 2023	**216,370**	**1,818**	**214,552**	**0**	**214,552**
Total accounts payable	Dec. 31, 2022	235,639	2,528	233,110	280	232,831
	Dec. 31, 2023	**216,670**	**1,818**	**214,852**	**47**	**214,805**

28. Commitments and Contingencies

Guarantees and Other Commitments

	Dec. 31, 2022	**Dec. 31, 2023**
Purchase commitments for intangible assets	729	2,089
Purchase commitments for property, plant and equipment	32,560	43,877
Guarantee for pension obligation from divestments	5,584	5,157
Other contingent financial liabilities	12,588	11,633
	51,461	**62,756**

In 1995, ALTANA sold its Dietetics business line. In accordance with the German Civil Code, the Company remains liable for the pension commitments for holders of annuities and prospective beneficiaries since the sale was consummated as an asset deal. The Company is obliged to make payments on demand of the former employees but has the right of refund from the acquirer according to the purchase agreement. No payments have been requested so far.

29. Related Party Transactions

In accordance with IAS 24 the following persons or entities are considered related parties: Ms. Susanne Klatten, entities controlled by her, members of the Board of ALTANA AG and its sole shareholder SKion as well as their close family members, their associates, joint ventures or affiliated but non-consolidated subsidiaries.

In addition to her function as deputy chairwoman of the Supervisory Board of ALTANA AG Ms. Susanne Klatten is also shareholder and member of the Supervisory Board of Bayerische Motoren Werke AG (BMW) and shareholder and until May 9, 2023 chairwoman of the Supervisory Board of SGL Carbon SE.

Apart from her Supervisory Board remuneration and the payment of the regular dividend to SKion, of which she is the sole shareholder, no other business relationships exist.

Regarding the disclosure on key management personnel compensation see note 30. The employee representatives elected to the Supervisory Board of ALTANA AG are entitled to a regular salary as part of their employment contract. The amount of their salary corresponds to an appropriate remuneration for the respective function and activity in the Company.

Associated companies in which ALTANA holds an ownership interest but which are not included in the Consolidated Financial Statements and investments accounted for at equity are also considered related parties. Receivables and liabilities resulting from transactions with those related parties are reported in long-term investments (see note 14), other assets (see note 20) and other liabilities (see note 26).

The following table presents all balances and transactions with related parties:

		Accounts receivables	Liabilities
Unconsolidated subsidiaries	Dec. 31, 2022	11	
	Dec. 31, 2023	**24**	
Associated companies	Dec. 31, 2022		
	Dec. 31, 2023	**22,898**	
Other related parties	Dec. 31, 2022	1,550	671
	Dec. 31, 2023	**140**	**497**
Total	Dec. 31, 2022	1,562	671
	Dec. 31, 2023	**23,062**	**497**

As of December 31, 2023, receivables from associates include ALTANA's share of USD 25 million related to the loan with a conversion option totaling USD 100 million (see Note 27).

		Sales	Other income	Services and goods acquired	Lease expense/ lease payments	Interest income	Interest expenses
Unconsolidated subsidiaries	Dec. 31, 2022		6				
	Dec. 31, 2023		**13**				
Joint ventures	Dec. 31, 2022			76			
	Dec. 31, 2023						
Associated companies	Dec. 31, 2022	26	54				
	Dec. 31, 2023		**14**				
Other related parties	Dec. 31, 2022	898	156	1,974	2,740	427	65
	Dec. 31, 2023	**1,169**		**2,358**	**2,900**	**1**	
Total	Dec. 31, 2022	924	215	2,050	2,740	427	65
	Dec. 31, 2023	**1,169**	**26**	**2,358**	**2,900**	**1**	

In 2023 and 2022, ALTANA purchased or leased company cars from the BMW Group. The lease expense respectively lease payments relate to lease contracts for company cars with Alphabet Fuhrparkmanagement GmbH (BMW Group). In 2023 and 2022, further transactions with BMW Group are included in revenues in the amount €1.1 million and €0.8 million.

In 2022, interest income of €0.4 million was earned from SKion in relation with the loan granted to Landa Labs.

All transactions with related parties are concluded at arm’s length.

30. Compensation of the Supervisory Board and Management Board

The compensation of the Supervisory Board is governed by section 18 of ALTANA AG’s articles of association. The amount of the compensation is based on the tasks and responsibilities of the Supervisory Board members and on the size and economic success of the Company. The Supervisory Board receives a fixed compensation. In both years reported the compensation of the Supervisory Board amounted to €1.4 million.

The amount of the compensation of the Management Board members of ALTANA AG is based on the size of the Company, its economic and financial situation, as well as on the amount and structure of the management board compensation in comparable companies. In addition, the scope of duties, the experience and the contribution of the respective Management Board member, as well as the compensation structure that otherwise exists in the Company are considered when assessing compensation. In the process of determining the compensation, the Supervisory Board uses compensation studies and works with an independent expert.

The compensation of the Management Board is largely based on performance. It consists of a fixed component, variable bonuses (short-term bonus and long-term bonus) and a component with a long-term incentive. The predominant part of the variable compensation of the Management Board has a multi-year assessment basis. In addition to the compensation in cash, the Management Board members are entitled to post-employment benefits and receive compensation in kind, primarily in the form of company car usage and insurance premiums.

The short-term bonus for 2023 was determined on a one-year basis. It is based on the development of earnings before interest, taxes and depreciation and amortization (EBITDA) and EBITDA in relation to consolidated sales (EBITDA margin), each in comparison to the respective target values established by the Supervisory Board. The long-term bonus 2023 was calculated based on the nominal sales development in relation to a group of comparable chemical companies, the operating sales development and the development of net income after cost of capital ("ALTANA Value Added") over an assessment period of three years, each in comparison to the respective target values established by the Supervisory board. In 2023, as a component with long-term incentive, the Management Board members were granted AEP Awards under the "ALTANA Equity Performance 2023" (AEP) plan. None of the members of the Management Board was entitled to special benefits in the case of premature or regular termination of their engagement.

In 2023 and 2022, total compensation paid in cash to the Management Board including remuneration in kind amounted to €5.5 million and €6.3 million, respectively, of which €1.9 million and €2.0 million related to fixed compensation, and €3.6 million and €4.3 million, respectively, related to variable compensation. The variable compensation 2023 had not been paid as at December 31, 2023. On December 31, 2023 and 2022, provisions for post-employment benefits of €2.6 million and €2.2 million were recognized, and the corresponding service cost amounted to €0.7 million, in both years reported.

In 2023, the Management Board members received AEP Awards as compensation with a long-term incentive effect from the "ALTANA Equity Performance 2023" (AEP) plan. In 2023 and 2022, 2,904 and 2,973 AEP Awards, were granted to the Management Board, with a value of €0.9 million and €1.0 million, respectively. At the end of the term of the AEP Tranche 2019 on December 31, 2022 2,795 AEP Awards were finally allocated and payments of €0.9 million were made in 2023. At the end of the term of the AEP Tranche 2017 on December 31, 2020, no payment was made in 2021, as the required performance was not achieved. With the achievement of the required performance in 2021, the payments for the 2017 and 2018 AEP tranches were made in 2022 and amounted to €1.6 million. As of December 31, 2023 and 2022, respectively, provisions for AEP Awards amounted to €1.9 million and €2.5 million; personal investment was measured at €0.8 and €0.9 million in 2023 and 2022 and is recognized in other liabilities (see note 26). In both years reported, these amounts include deposits made by the members of the Management Board of €0.5 million. For more details on the AEP see note 22.

In 2023 and 2022, respectively, total remuneration of the Management Board in accordance with IAS 24 amounts to €6.8 million and to €8.1 million.

For former members of the Management Board and their surviving dependents, a pension provision in the amount of €13.9 million and €13.0 million was recorded as of December 31, 2023 and 2022, respectively. Pension payments totaled €1.0 million in both years reported.

31. Fees Paid to the Auditor

The fees paid to the auditor pursuant to section 314 (1) no. 9 of the German Commercial Code (HGB) are as follows:

	2023
Audit of the financial statements	1,513
Other assurance services	41
Tax advisory services	14
Other services	552
	2,120

32. Subsequent Events

On January 19, 2024, ALTANA acquired the companies of the Silberline group. The group develops and produces effect pigments that are used in a wide range of applications - from automotive coatings and printing inks to plastics, protective coatings and packaged consumer goods. The business will be integrated into the ECKART division, strategically expanding it. The main objectives of the acquisition are to expand the product range and market share and to strengthen the regional presence, particularly in North America and Asia. The group has over 450 employees worldwide and generated sales of approximately USD 80 million in 2022. The business combination is not reflected in the consolidated financial statements as of December 31, 2023. At the date when the consolidated financial statements were approved for publication significant information for the initial recognition of the business combination was not available. This relates specifically to the determination of the consideration transferred and the fair value of the assets acquired and liabilities assumed.

On February 13, 2024 ALTANA provided bank guarantees in the amount of USD 20 million for Landa. These have a term until April 5, 2024.

33. Additional Information

The financial statements of ALTANA AG and its subsidiaries are included in the Consolidated Financial Statements of SKion. SKion is the parent company which prepares the Consolidated Financial Statements for the smallest and the largest group of companies to which ALTANA AG belongs as a subsidiary. The Consolidated Financial Statements are filed with the commercial register of Bad Homburg v.d.H., HRB 7569 and are published in the Federal Gazette.

Companies that are exempt from publishing their financial statements according to section 264 (3) and section 264b of the German Commercial Code (HGB):

ACTEGA DS GmbH, Wesel
ACTEGA GmbH, Wesel
ACTEGA Metal Print GmbH, Lehrte
ACTEGA Rhenania GmbH, Wesel
ACTEGA Terra GmbH, Wesel
ALTANA Chemie Beteiligungs-GmbH, Hartenstein
ALTANA Management Services GmbH, Wesel
ALTANA New Technologies GmbH, Wesel
ALTANA Newco I GmbH, Wesel
BYK-Chemie GmbH, Wesel
BYK-Gardner GmbH, Geretsried
Eckart Beteiligungs GmbH, Hartenstein
Eckart GmbH, Hartenstein
Eckart TLS GmbH, Bitterfeld-Wolfen
ELANTAS Europe GmbH, Hamburg
ELANTAS GmbH, Wesel
Hartensteiner Verwaltungs B.V. & Co. KG, Hartenstein
HELIOSONIC GmbH, Wesel
Mivera Vermögensanlagen GmbH, Wesel
Weseler Grundstücksverwaltungs B.V. & Co. KG, Wesel

Wesel, Germany, February 29, 2024

ALTANA AG
The Management Board

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