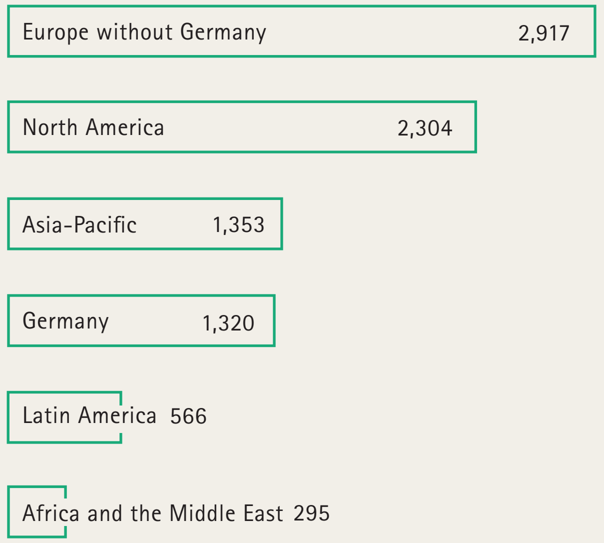
Integrated Annual Report 2023

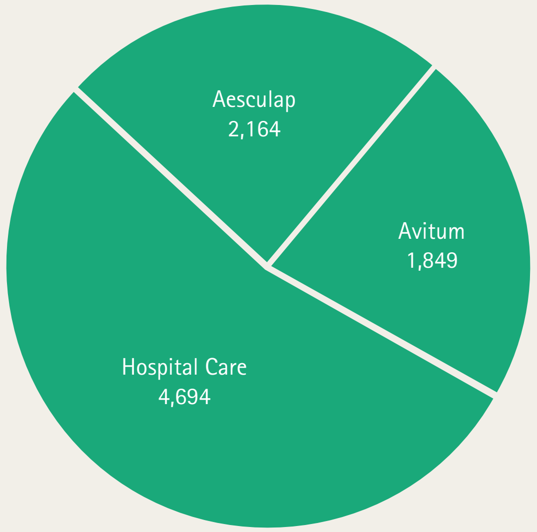
Empowered by Technology

B|BRAUN
SHARING EXPERTISE

Sales by region (EUR million)



Sales by division (EUR million)



8,755.0
EUR million
sales

1,019.4
EUR million
EBITDA

206.0
EUR million
profit before taxes

64
countries

698.5
EUR million
investments

63,011
employees

484.6
EUR million research and
development activities

Statement of income

	2022	2023	Change in percent
	EUR million	EUR million	
Sales	8,499.8	8,755.0	3.0
Costs of goods sold	5,268.6	5,432.6	3.1
Gross profit	3,231.2	3,322.4	2.8
Functional expenses	2,901.8	2,887.6	-0.5
Selling and general administrative expenses	2,360.5	2,403.0	1.8
Research and development expenses	541.2	484.6	-10.5
Interim profit	329.4	434.8	32.0
Profit before taxes	178.7	206.0	15.3
Consolidated net income	142.2	125.2	-12.0
EBIT	247.9	316.2	27.6
EBITDA	997.2	1,019.4	2.2

Content

The German version of the Integrated Annual Report 2023 is authoritative. This translated English version was prepared by the management of B. Braun SE.

Executive Board

From left:

Dr. Jens von Lackum | Aesculap

Dr. Stefan Ruppert | Human Resources, Legal Affairs and Labor Relations

Anna Maria Braun, LL.M. | CEO, Avitum

Dr. Annette Beller | Finance, Taxes and Central Services

Markus Strotmann | Hospital Care

> *“With our committed employees, a clear set of values and the possibilities of new technologies, we are well positioned for the next phase of our strategy. Together, we continue to fulfill our vision to be a leading medical technology company that protects and improves the health of people around the world.”*

Foreword

Dear Readers,

Our fiscal year 2023 marks the end of the first phase of our strategic framework, B. Braun—the next decade. Over the past three years, we have worked hard to make new technologies available to the health care sector. We use these technologies to enhance the benefits of our core medical products with other products, services or digital systems. This is how we are creating tangible progress—for our customers, and for improved patient care.

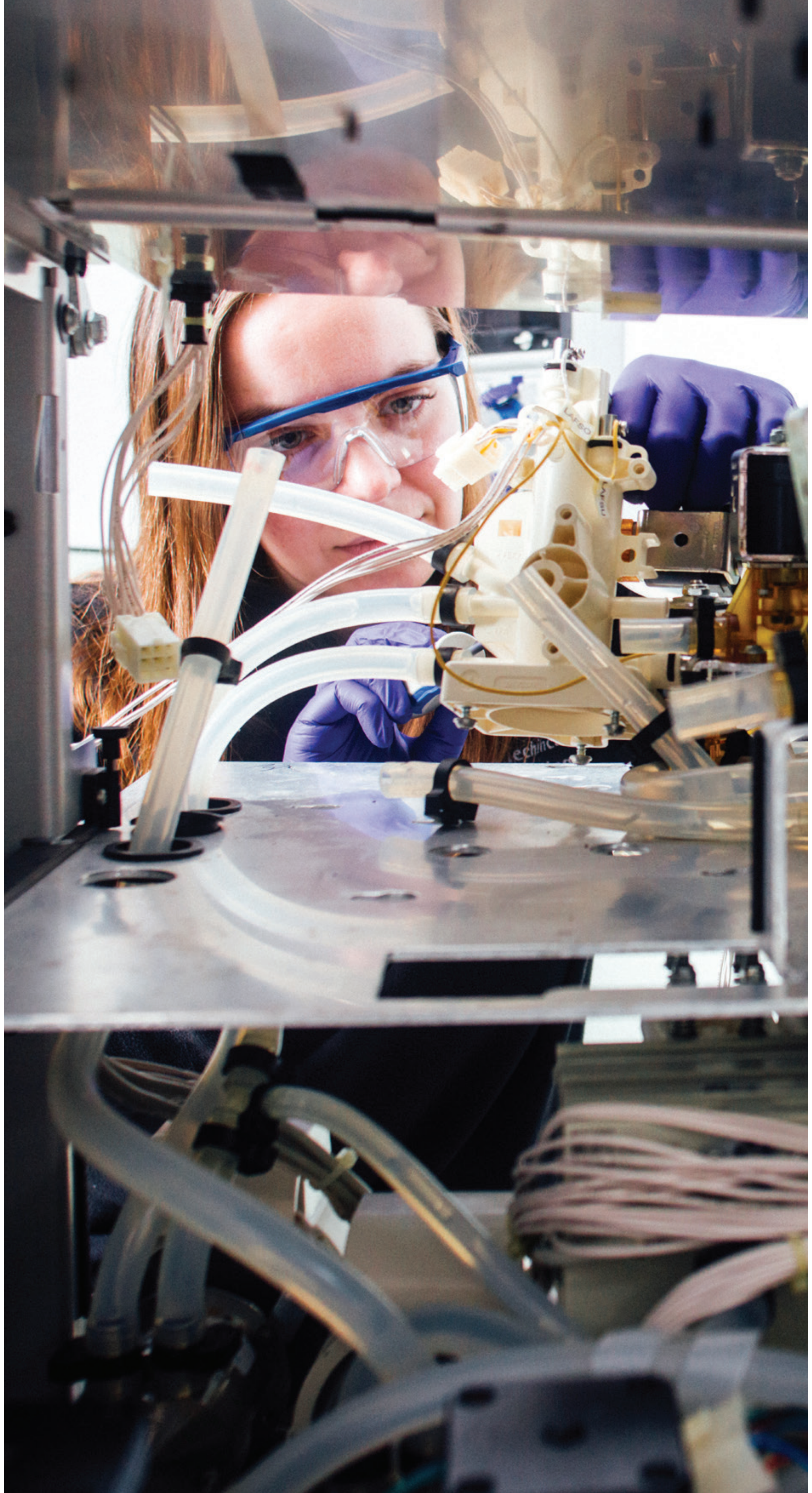
Along with our strategy, we continued to grow our business in 2023 again in a demanding environment. Sales rose 3.0 percent to 8.8 billion euros and our earnings grew 15.3 percent. This proves that we have the experience and skills to navigate through volatile times. In addition, we invested 1.2 billion euros in technology, production capacity, and research and development based on our long-term view. These investments will strengthen our foundation as an independent, family-owned company.

Everyday our 63,000 employees use their diverse perspectives and experiences to ensure that B. Braun develops smart solutions and sets standards as a true partner. I sincerely thank them for their motivation, hard work and ability to embrace change.

With our committed employees, a clear set of values and the possibilities of new technologies, we are well positioned for the next phase of our strategy. Together, we continue to fulfill our vision to be a leading medical technology company that protects and improves the health of people around the world.

Best regards,

Anna Maria Braun
CEO



Smart maintenance

Artificial intelligence proves itself in medical technology

Artificial intelligence (AI) makes it possible to detect disease sooner, understand it better and develop the right treatment. AI is playing an increasingly important role in medical technology—and is being used successfully at B. Braun. One example is the Service Assistant developed by B. Braun for dialysis machine maintenance.

The Service Assistant uses AI to analyze sensor data from the machine to determine the exact status of the components. Second, the program offers a chatbot that is based on a large language model, something similar to ChatGPT. This allows the program to interpret the questions the service engineer asks. It scans current service documents for the answer and displays it on the screen.

“The Service Assistant will make my work servicing dialysis machines better. I think AI is a fascinating tool.”

Claudia Esteban Patón, Technical Services, B. Braun, Valencia, Spain

“We worked in an interdisciplinary team from software development, AI development and Technical Services. Now it’s a question of working together with the users to expand the app’s functionality.”

Dr. Philipp Leise, Developer Intelligent Services, Commercial Excellence, B. Braun, Melsungen, Germany

“We’re going to benefit more and more from the huge potential of AI in medical technology. At the same time, protecting and securing data will have top priority.”

Dr. Michele Heber, Lead AI Hub, B. Braun, Melsungen, Germany

Find out more!

Discover what other possible uses AI has in medical technology.

Additive Manufacturing

Three-dimensional precision opens new possibilities

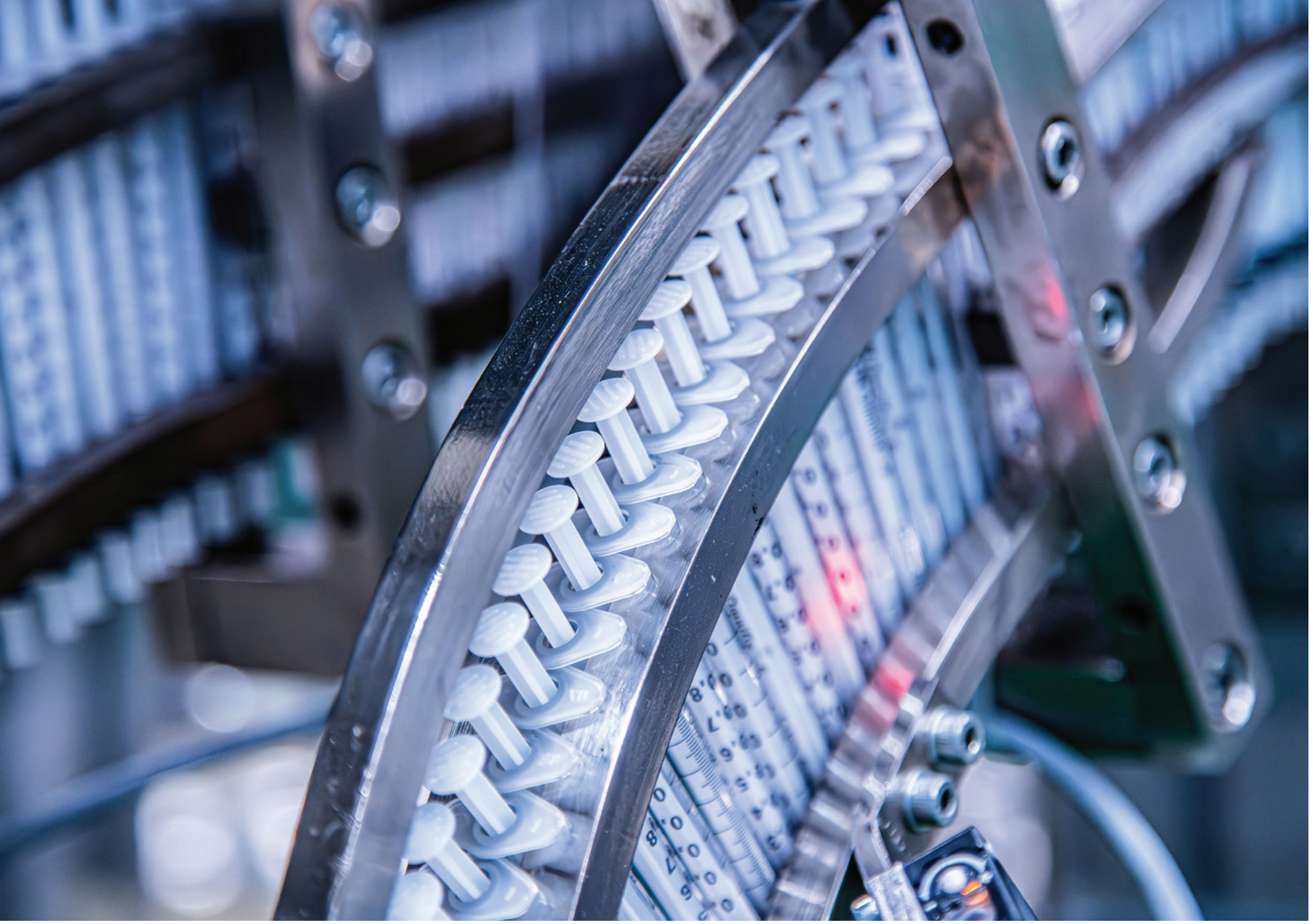
It sounds like a bold vision: a robot applies a thin layer of titanium powder onto a plate, then a laser melts it with micrometer precision at preprogrammed points to form a three-dimensional shape. Layer by layer, a custom implant is formed, with a filigree surface and a complex lattice structure—properties that promote adherence to the surrounding bone tissue while also giving it the stability and elasticity to reproduce the natural qualities of bone.

The additive manufacturing process described here, also widely known as 3D printing, is implemented at B. Braun's manufacturing site in Tuttlingen, Germany. The implants manufactured this way for intervertebral disks or hip sockets are some of the most effective in the world. They also make the potential of additive manufacturing clear: fast, flexible, sustainable, digital, individual, precise.

> *"The implant's design plays a crucial role in the manufacturing process. The major advantage of 3D-printed implants is that they have a superior structure that allows the bones to adhere faster and better. It's plain to see."*
>
> Dr. Frank Kandziora, Head of the Center for Spine Surgery and Neurotraumatology at BG Unfallklinik Hospital, Frankfurt, Germany.

Find out more!

Discover how anatomically inspired design meets modern manufacturing technology.



Systematic Analysis

Recognizing optimization potential through transparency in the product life cycle

Health care is responsible for 4.4 percent of the world's emissions—around the same amount as air transport or shipping. This clearly demonstrates the importance of sustainability in the health care industry. Yet, before emissions can be effectively reduced and their impact on the environment mitigated, they first need to be measured. This is exactly what the life cycle assessment (LCA) pursued by B. Braun does.

An LCA focuses on a specific product and its entire life cycle: from procurement of the raw materials to transport, through production and use, to disposal. It determines the potential impact on humans and the environment. As a family business with a focus on future generations, B. Braun is committed to energy efficiency, climate protection and resource conservation. LCA data analyses are particularly useful for products that we produce in large quantities. We always ask the following questions: Where can we reduce energy consumption? Where can we save raw materials? And how can we increase the amount of recycling in disposal?

"The life cycle assessment is a relatively new topic in medical technology. There are good reasons for this. The sector is heavily regulated. The requirements for production and disposal are very high, and the processes are correspondingly well-honed. Also, this isn't about just any consumer product, we're talking about people's health. Nevertheless, there is currently a shift in thinking underway. We can meet the high standards while also making product life cycles more sustainable. But to do this, one needs detailed information."

Dr. Tobias Viere, Professor of Energy and Material Flow Analysis at the Institute for Industrial Ecology at Pforzheim University, Germany

Find out more!

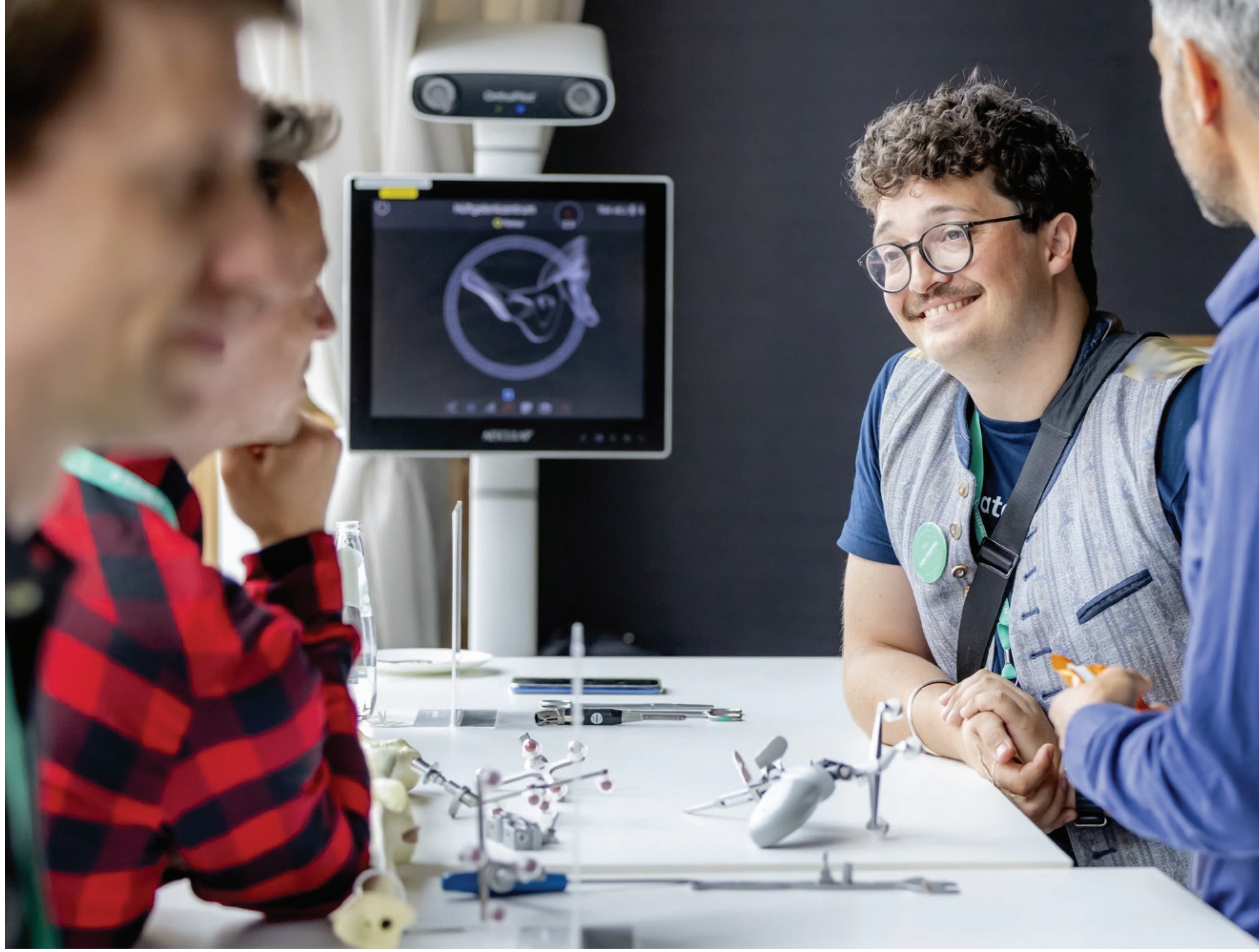
Join us as we investigate, analyze and assess
how our products affect the environment.

Common Cause

We protect and improve the health of people around the world

The B. Braun name stands for more than medical technology. We also create an inspiring and supportive work environment. To us, the company's success is tied to the welfare of its employees. This is why we promote a culture that offers room for growth, creativity and cooperation, and is characterized by trust, accountability and diversity.

In individual video contributions, B. Braun employees provide insights into their daily work. They embody our corporate culture and inspire us every day. We asked them why they think B. Braun is a good employer, and why their job is often more than just a job to them. Without giving too much away, let's just say that they all have a work environment that encourages them to be themselves, to grow, to learn and to unleash their full potential.



"The work atmosphere here is super cool. And I feel a certain sense of significance in my work because, well, in the end, everything is for the patient. This is why it is really important to me and the entire team that we do everything right. I'm very proud of my work. Everything comes through me in the incoming goods department."

Kim Wiederkehr, Logistics Apprentice,
B. Braun, Sempach, Switzerland

"B. Braun is a great employer. I'm not given a task that I have to do, but rather a problem that I get to solve. And I have a lot of freedom in how I solve it. It's a great way to work. Working in the medical field gives me a sense of satisfaction because I know that my work is being used in a meaningful way."

Adrian Ramos, Robotics Engineer,
B. Braun New Ventures, Freiburg, Germany

Find out more!

Share our common cause and learn about the diversity of our employees, and their jobs.

"One highlight of my job is the fact that I play a small part in the surgical operation. I know that the doctor and the patient need really sharp instruments. Everyone here is proud of their work. We all want the best for the patient. B. Braun isn't just a job. Once you get here, you don't go anywhere else. You're not here for the job—you're here for life."

Jonathan Apgar, Mobile Repair Technician,
B. Braun, New Jersey, USA

Sustainability is one of our company values and is firmly embedded in our Group strategy. We understand that this means utilizing the resources available to us in a way that is economically, ecologically, and socially responsible.

Our responsibility

This is why we make our business decisions with the generations of today and tomorrow in mind. As one of the world's leading medical technology companies, we take responsibility in the pursuit of protecting and improving the health of people around the world. We acknowledge our shared standards and global goals and implement them with local contributions.

Sustainability management

Strategy and goals

We spent 2023 continuing to pursue our strategic focus, to gradually incorporate sustainability into all of our business models, processes, and management functions. Modern technologies and continuous improvement are key to successfully implementing sustainability across the company's value chain. We are driving advancements in health care and developing solutions to address climate change, resource scarcity and social inequality at the same time.

Materiality

Based on our materiality analysis, we are steering and prioritizing the content and direction of our sustainability activities. We evaluated the topics significant to B. Braun and its stakeholders in 2021. The results shown in our materiality matrix confirm that product quality and safety have the highest priority. Ethical principles and human rights are also very significant to us, and we link them to meeting social standards, especially in the supply chain. In addition, data security and data protection in the face of digital transformation in business and society continue to be of increasing importance to us.

We began updating our materiality matrix by conducting what is known as a double materiality analysis in accordance with the latest reporting standards in preparation for meeting the standards of the Corporate Sustainability Reporting Directive (CSRD). Under this new European directive, in 2025 we will begin to report on both the effects of our operations on humans and the environment (impact) as well as how environmental and social sustainability aspects affect B. Braun (risks and opportunities). We will then begin aligning our sustainability goals with this updated materiality matrix.

Overview of goals

sorted by ESG

Goal	Progress	Status as of December 31, 2023
Emissions & resource conservation Reduction of Scope 1 and 2 CO_2eq emissions by 50 percent worldwide by 2030	-13.1% -50% 2021 2023 2030	Reduction of CO_2eq emissions by 7.2 percent compared to the previous year.
CO_2eq neutrality for new buildings and 50 percent reduction in emissions from existing buildings in need of renovation from 2023	100%	Extension building in Melsungen is currently under construction and will be CO_2eq neutral.
Sustainable products & services Development of a Group-wide guideline for the reduction, reuse and recycling through the use of new technologies by 2023	100%	Development of a global guideline for more sustainable packaging.
Occupational health & safety Roll out global occupational management standards at all production sites by 2023	100%	Goal for all global production sites has been achieved.
Diversity 17 percent of positions in the first and second management levels below the Executive Board held by women by 2026[1]	13% 14% 17% 2021 2023 2026	Implementation of a mentoring program for women.
Supplier evaluation Evaluation of 80 percent of our yearly procurement volume through independent providers in terms of sustainability by 2023	80%	We were able to evaluate around 80 percent of our procurement volume.

[1] incl. B. Braun Service SE & Co. KG

Action and reporting framework

We compile our annual report in compliance with Global Reporting Initiative (GRI) standards and base our sustainability goals on those of the United Nations (Sustainable Development Goals, or SDGs). We report on the countries with the most employees, starting with those that have approximately 1,000 or more, and the countries where our production sites have 50 employees or more. We added another production site to our 2023 report and included it retroactively in the 2021 and 2022 data. We have also taken steps to increase precision when compiling our data. We were able to cover 27 countries and over 93 percent of all B. Braun employees in the reporting year.

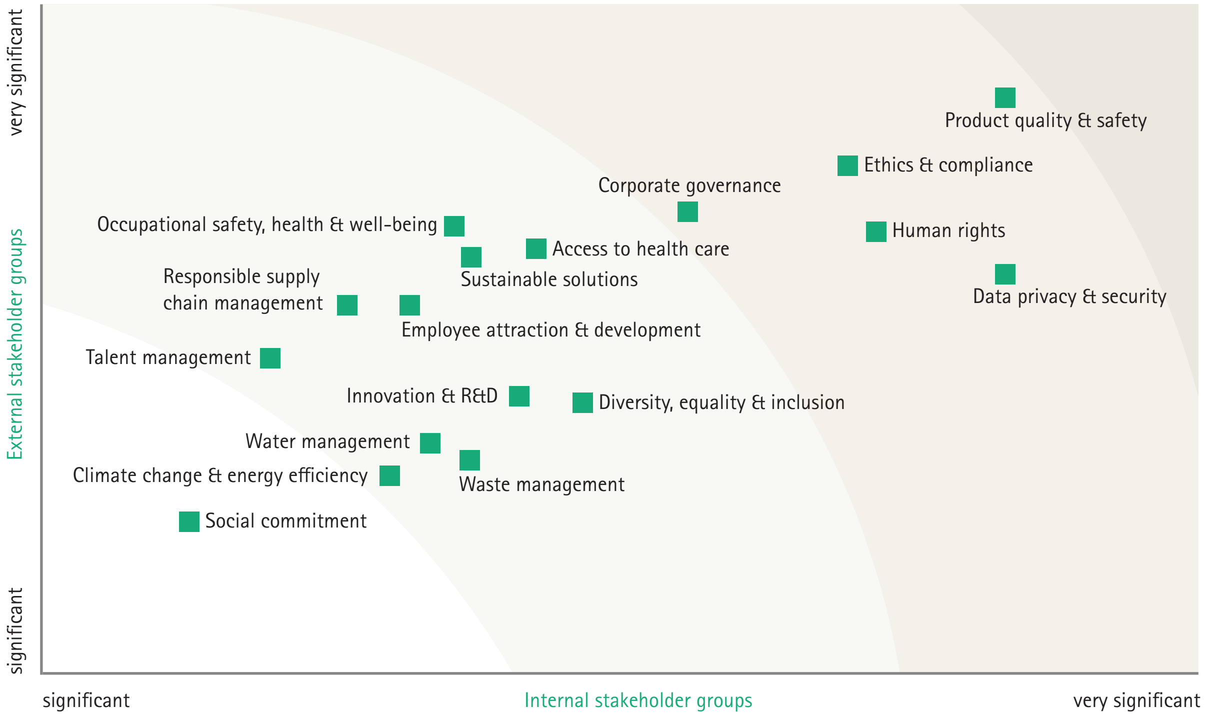
A comprehensive sustainability management system helps us efficiently and uniformly process and analyze the sustainability data from the participating central and specialist departments and national subsidiaries involved as well as to develop appropriate measures to grow our sustainability efforts.

Organizational structure

In recent years, we have expanded our corporate structure to strengthen the Group's sustainable corporate activities, from strategy to implementation. The global sustainability team, which has been responsible for the topic within the Group in its own Group Sustainability department since 2022, sets the cornerstones for sustainability at B. Braun. The department puts the necessary activities in motion and ensures their implementation. It monitors sustainability-related requirements, coordinates the global sustainability network, and helps other departments exchange ideas regarding sustainable approaches. The department reports directly to the CEO.

The Sustainability Steering team, made up of experts from various departments, offers advice on B. Braun's strategic focus for all sustainability topics. The departments and committees are supported by our global sustainability network of national coordinators and subject matter experts. The colleagues responsible for sustainability in the central and specialist depart-

Materiality matrix



Number of employees in reporting countries

as of December 31, 2023

Country	Employees	Percentage
Germany	15,447	24.5
United States	8,591	13.6
Malaysia	7,450	11.8
Russia	3,441	5.5
Poland	2,539	4.0
Spain	2,459	3.9
Hungary	2,428	3.9
France	2,033	3.2
India	1,821	2.9
China	1,449	2.3
Vietnam	1,344	2.1
Brazil	1,339	2.1
United Kingdom	1,276	2.0
Switzerland	1,057	1.7
Romania	982	1.6
Czechia & Slovakia	950	1.5
South Africa	805	1.3
Italy	701	1.1
Indonesia	449	0.7
Japan	436	0.7
Peru	426	0.7
Colombia	405	0.6
Thailand	277	0.4
Bulgaria	272	0.4
Argentina	233	0.4
Kenya	182	0.3
Total	**58,810**	**93.3**
Other countries	4,201	6.7
B. Braun Group	**63,011**	100.0

ments at Group headquarters and in the national companies implement these approaches and set the associated goals. The Executive Board is responsible for setting and documenting goals and providing management review.

Environment

Management approach

As a family-owned company focused on future generations, we are committed to energy efficiency, climate protection, and resource conservation around the world. We are examining B. Braun's impact on the environment over the life cycle of our products and are successively introducing this approach to the core products in our portfolio. We are also increasingly reliant on new technologies and renewable energy, and are developing methods to reduce our impact on the environment.

One essential aspect is to leverage more sustainability potential in our production processes and through the use of materials. That is why we design our production processes to be as energy-efficient as possible. Comprehensive energy management helps us achieve this. We have set the goal of cutting our Scope 1 and 2 CO_2eq emissions at our B. Braun locations 50 percent by 2030, compared to 2021.

Management systems

The B. Braun Executive Board and the European Works Council have agreed to uniform environmental, health and safety standards. This is how we ensure a uniform procedure and comparable management structures in all European production sites for these topics. We also developed uniform environmental and health and safety standards in the reporting year, these will be mandatory for our locations outside Europe. We will be rolling these standards out in the 2024 fiscal year.

We also saw our environmental management system certified under ISO 14001 at our production site in Bhiwadi (India) for the first time this year, bringing the total share of production sites in our reporting countries that have established and certified an environmental management system under ISO 14001 to 76 percent. Using a system of randomized internal audits, we evaluate our production sites for deviations from our standards, which helps implement an on-site continuous improvement process. We put a particular focus on the continuous improvement of energy efficiency. To do this, we are introducing intelligent energy management systems based on ISO 50001 global requirements. Under this standard, 15 production sites — some of them with multiple production facilities — are certified and seven others have had energy audits performed by external auditors.

Climate protection and energy efficiency

At B. Braun, we primarily require energy in the form of electricity to operate production machinery and systems, to produce thermal energy to use to generate steam and to provide heating and air conditioning where it is necessary for production areas. B. Braun is striving to continuously reduce its energy consumption through energy efficiency projects. We are looking to state-of-the-art technology to help us refine our infrastructure and are basing our activities on the advancement of that technology. One example of this is avoiding the use of high energy consumption equipment such as chillers or compressed-air systems for open cooling systems in new facilities, or by utilizing heat recovery systems.

Our total energy consumption, consisting of electricity consumption and thermal energy, dropped 2.7 percent compared to the previous year. We were able to increase our share of renewable energy sources by 4.8 percent year over year.

Steam consumption at our location in Zibo (China), was reduced by 30 percent by upgrading the facility's distribution system. Usage optimization and the resulting pressure level reduction has saved our location in Roth (Germany) around 27 percent in energy. Even changing consumption habits, such as shutting off heating systems or adding motion sensors to lighting, can reduce total energy consumption, as seen at our location in Timișoara (Romania), where this change in behavior reduced total energy consumption by about 40 percent.

When it comes to new construction, our goal is to design and build for CO_2eq neutrality. For major renovations to existing buildings, we seek to reduce CO_2eq emissions by at least 50 percent compared to the facility's original state.

In some of our latest construction projects, we are setting new benchmarks for sustainability—our pioneering landmark N.I.C.O. (New Infection Control Operations) facility at our production site in Sempach (Switzerland) will not only double production capacity to meet growing demand but also set standards for renewable energy. Our use of geothermal energy generates carbon-neutral heat for production and buildings, saving 20–30 percent on energy. This energy generation concept saves us around 100,000 liters of fuel oil, or around 266 metric tons of CO_2 every year.

For the expansion of our location in Melsungen (Germany) we are placing particular focus on the latest technology and sustainability in order to improve our growth potential, which will pave the way for the cutting-edge production of dialysis machines and infusion pumps. We are implementing a comprehensive energy concept in which we combine the latest technology with the building's physical plant for this project. By using photovoltaics, energy recovery, heat pumps, an underground ice storage tank of over 1,000 cubic meters, as well as taking advantage of regenerative power, this project will be the first to achieve CO_2eq neutrality in both building operations and production processes.

Intact ecosystems are the essential foundation for sustainable living. This is why we are particularly concerned with maintaining biodiversity. In 2023, we identified every site that is in a conservation area as defined by the European Commission so that we can continually evaluate and minimize our potential impact on these areas. Only three of our locations are in areas defined as protected: São Gonçalo (Brazil), Melsungen (Germany) and Escholzmatt (Switzerland).

Total energy use by source of energy

in percent

	2021	2022	2023	Change to 2022 in percent
Renewable energy sources	23.1	29.2	30.6	1.4
Fossil energy sources	76.9	70.8	69.4	-1.4

Emissions

B. Braun reports its emissions based on the greenhouse gas protocol of the World Business Council for Sustainable Development (WBCSD). We have been reporting our own CO_2eq emissions (Scope 1) since 2021. These include emissions from the company's own electricity generation and its own vehicle fleet. We have been reporting CO_2eq emissions from purchased energy (Scope 2) since 2018. In addition to emissions from electricity consumption, we also record emissions from thermal energy used at the B. Braun reporting locations.

We were able to reduce CO_2eq emissions in the reporting year by another 7.2 percent compared to the previous year, bringing us closer to the goal of cutting our Scope 1 and 2 CO_2eq emissions by 50 percent by the year 2030 compared to 2021. Using a more precise measurement and including country-specific conversion factors has led to a 13.1-percent reduction in absolute CO_2eq emissions since the 2021 reporting year. By increasing their percentages of renewable energy and number of targeted energy conservation projects, many locations have significantly reduced their CO_2eq output.

We have been determining the energy supplied to us by our utility companies since 2023. Soon, we will begin regularly evaluating it by comparing emissions according to the energy market at different locations. In places that use a high proportion of fossil fuels, we are looking for ways to further increase renewable energy use. We are supplying more of our production facilities with renewable energy, including geothermal energy, wind and solar energy, hydroelectric, or energy from biomass power plants.

We installed photovoltaic systems at another five locations in Europe and Asia during the reporting year. These systems add to our current photovoltaic installations, where we generate a total of about 45 gigawatt hours. Other systems are currently under construction at locations such as Penang (Malaysia), Nowy Tomyśl (Poland), and at our headquarters in Melsungen (Germany). Penang will soon have one of the largest installed outputs, at about 6,400-kilowatt peak in an area of approximately 31,000 square meters.

Our production site in Bad Arolsen (Germany) is currently implementing a transformation concept with the goal of reducing emissions. The planned procedures included in this concept include reducing air changes per hour in the production area and minimizing compressed air leakage, and these changes are projected to save around 455 megawatt hours per year.

CO_2eq emissions

in metric kilotons

	2021	2022	2023	Change to 2022 in percent
CO_2eq emissions (Scope 1&2)	653.4	612.3	568.0	-7.2

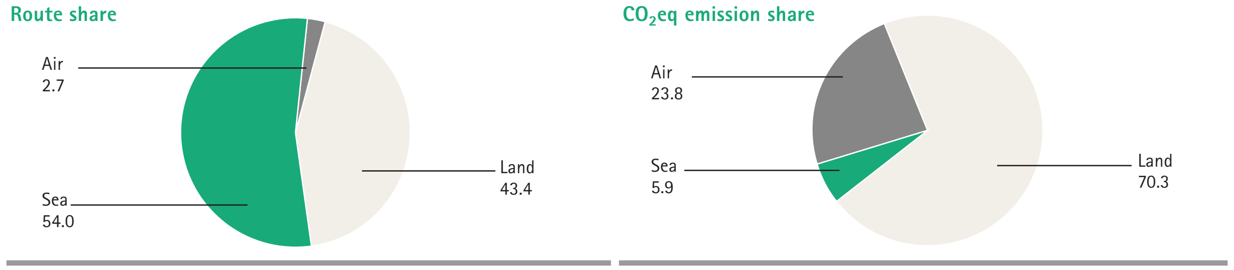
Logistics

Even in our distribution logistics, we routinely examine our processes with the goal of reducing their environmental impact. This includes examining how many deliveries can be made using low-carbon modes of transport, with an emphasis on reducing air freight and shifting to rail transportation. When choosing our freight forwarders, we look for those that meet ESG standards and have been independently audited.

At our headquarters in Melsungen, we will soon put an electric truck for local and yard transport into service, following a successful test phase. On the Malaysia–USA route, we introduced a new, efficient shipping container loading and unloading method which does not use pallets during loading in order to achieve optimal cube utilization and storage area use. This means we need 115 fewer shipping containers per year on this route, which comes out to around 60 metric tons of CO_2 saved. We are already deploying this method on shorter routes in Asia, which has allowed us to save roughly 35,000 wooden pallets last year. This loading and unloading method will soon be put into practice on additional routes.

Transport types and their CO_2eq emissions

in percent



Water management

Water is one of the most important resources for manufacturing our products and operating our renal care centers. We obtain 90.5 percent of our water from public and private utility companies. The rest comes from our own wells and surface water or is recycled and reused through internal processes.

We regularly analyze whether B. Braun locations are situated in water risk areas as defined by the World Resources Institute. At these locations, we intensify measures to use water efficiently. This includes making any generated wastewater reusable.

Our water withdrawal decreased by four percent in the reporting year — around 90 percent of the water required is used at locations where we manufacture products containing a high volume of water, such as IV solutions, dialysis concentrates and disinfectants. Due to fluctuations in production volume, water withdrawal varies in our core reporting countries from year to year. For example, water evaporates during the cooling of production plants, and waste is produced in a liquid state, when we dispose of it. Around 13 percent of our water consumption is tied up in our products; 14 percent is used in cooling processes and evaporates. The remaining 73 percent ends up in wastewater systems or is disposed of as liquid waste.

At our production site in Bhiwadi (India), we added a water recovery system to the facility's wastewater treatment system in the reporting year. This expansion will recover around 200,000 liters of process water, most of which would have been discharged into the sewage system. We use extracted groundwater to manufacture our products most of the time. The recovered water is reused for internal processes to conserve groundwater resources.

Water use

	2021	2022	2023	Change to 2022 in percent
Water withdrawal (in thousands of cubic meters)	6,851.0	6,760.9	6,489.3	-4.0
Wastewater discharge (in percent)	75.3	72.6	72.7	0.1
Water consumption (in percent)	24.7	27.4	27.3	-0.1

Resource use and the circular economy

Purchasing volume

We take care to minimize the amount of raw materials we use by handling them efficiently and responsibly. The primary raw materials for the manufacture of our products are water, plastic granulate, minerals, nutrients, and metals. Generally, the amount of primary raw materials we use is closely related to production volume and is subject to annual fluctuations. We purchased less metal in the reporting year compared to previous years as a result of planned safety stock reductions and the shutdown of scalpel blade production in Malaysia. Consumption of minerals and nutrients normalized in the reporting year following a drop in demand. Plastic granulate was purchased in about the same volume as in the previous year.

Purchasing volume of raw material

in metric kilotons

	2021	2022	2023	Change to 2022 in percent
Plastic granulates (PS, SB, ABS, PE, PP, PVC)	71.2	69.3	69.1	-0.3
Minerals and nutrients (salts, amino acids, proteins, carbohydrate compounds)	56.3	62.2	60.2	-3.2
Metals (ferrous, non-ferrous)	5.1	4.3	3.5	-18.6

We spend a large part of our purchasing volume in the countries in which we operate. The national purchasing volume in the Group was 79 percent in 2023. This varied in individual countries between 37 percent and 100 percent depending on the size, location, and raw materials situation of each country. With this purchasing policy, we shorten transportation routes, save on costs, conserve the environment and boost regional economic power.

We also take steps to preserve the environment when it comes to packaging our products. First, we use as much of the packaging volume as possible in order to keep excess packaging as low as we can. Second, we use environmentally friendly materials wherever possible. We successfully developed a new sustainable packaging guideline in the reporting year to help project teams develop more sustainable packaging components and systems.

Purchasing volume of packaging materials

	2021	2022	2023	Change to 2022 in percent
Paper (in millions of linear meters)	85.7	83.8	79.1	-5.6
Corrugated cardboard boxes (in millions of units)	149.7	155.3	142.1	-8.5
Plastic film (in millions of linear meters)	182.2	197.0	191.4	-2.9

In every European country, licensed service providers take back B. Braun packaging and recycle or dispose of it. Generally, the amount of packaging material we use is also closely related to production volume and is subject to annual fluctuations. Due to stock reductions, we purchased less product packaging material overall in the reporting year.

Sustainable products and services
When developing sustainable products and services, we incorporate new technologies and observe uniform standards. This is why we developed our packaging guideline, as well as our life cycle assessment (LCA) guideline in the reporting year, we will roll both guidelines out globally following a piloting phase.

Product LCAs provide information on where the best opportunities for optimization are, pointing the way toward the use of new technologies. Our focus here is on products used in large quantities. We strive for sustainability in our products along their entire life cycle from the procurement and manufacture to the use, recovery, and processing, to the recycling and reuse of materials.

The AESCULAP Aicon® sterile container is a reusable sterile container system for transporting sterilized surgical instruments to the operating room and safely transporting contaminated instruments back to the sterile processing department after the surgical procedure. This packaging system helps make operating room and sterile processing department processes safe and sustainable. Compared to single-use packaging, the Aesculap sterile container system generates 95 percent less plastic waste. This allows hospitals to significantly reduce their single-use packaging waste stream, and in a medium-sized facility, for example, to save over 3.1 metric tons of waste every year.

Other examples include the use of environmentally friendly packaging for our single-use products as well as the recycling of plastic waste through regranulation. At our locations in Brazil, Germany, India, Kenya, Malaysia and Spain, we regranulate the polyethylene waste generated by the production of the Ecoflac® IV container into a raw material that can be reused. Regranulate and new granulate can be mixed at a maximum ratio of 30:70 without reducing the quality of the final product, making it possible for our production sites to save over 29 metric tons of granulate every work day in 2023.

At our location in Tuttlingen (Germany), we operate a recycling and disposal station for metal shavings left over from the manufacturing process. We recycle the shavings and recover (precious) metals in order to integrate them into a sustainable circular economy. Water-based cooling lubricant solutions and effluent from cleaning processes are purified in an internal treatment plant, which reduces the Tuttlingen location's emissions by 489 metric tons of CO_2 equivalent per year compared to primary material production.

Sustainability aspects can also influence product design. After use, our Introcan Safety® 2 intravenous catheter joins a specific medical waste category and must be collected in special containers for disposal. Thanks to its design, the Introcan Safety® 2 weighs up to three-quarters less than conventional intravenous catheters, which reduces waste. When it comes to disposal, this means the sharps container can be filled as efficiently as possible and, as a result, fewer of these containers are used.

The newly developed Sol-Can® A, a hemodialysis concentrate container, contributes to greater sustainability in dialysis treatment thanks to improved production processes, which reduce its carbon footprint by 17 percent compared to our conventional container when calculated according to ISO 14067. By switching to PET, the product is completely recyclable, reducing the risk of plastic being released into the environment. Sol-Can® A is also 56 grams lighter than its predecessor, which means an average renal care center treating 100 patients can save over 800 kilograms of plastic waste in a year.

B. Braun's Technical Service also makes an important contribution to sustainability in health care through preventive and corrective measures that ensure medical devices continue to function in hospitals worldwide. One example is the RapidSet Refit service concept for surgical instruments, where Technical Service replaces existing inventory with repaired instruments. Our specialists inspect and repair the used instruments and then add them to the instrument pool. This concept kept over 80,000 surgical instruments in the sterile supply cycle in Germany in 2023.

Innovation for greater sustainability
Since 2017, our Accelerator program has promoted collaboration with startups in order to drive innovation and accelerate implementation. The program focused on sustainability in 2022 and 2023. Together with partners and young companies, we generated novel ideas and innovative approaches while adapting existing solutions to help B. Braun meet its sustainability goals. Specifically, we worked on improving energy efficiency in manufacturing, reducing packaging and product waste, and making the work environment more sustainable. We also added sustainability as a category in the B. Braun Group's internal ideas competition, the B. Braun Innovation Award, and have already given out three awards to employees for sustainable product ideas.

Waste
We consider waste to be valuable materials that we separate, recycle as often as possible, and return to the value creation cycle. The total volume of waste generated in the reporting year fell by around 1.6 percent compared to 2022. On average, 61.7 percent of waste is recycled, meaning that separately collected materials are reused according to their material properties. Adding waste that is incinerated in order to use its energy to generate heat and electricity results in a recycling rate to 88.4 percent in 2023. The slight decrease compared to the previous year can be explained by fluctuating rinse water volumes.

Our total volume of waste depends largely on how much liquid waste results from batch changes or rejected finished solutions at our production sites for IV solutions, disinfectants, and dialysis concentrates.

Smaller batches resulting in frequent product variant changeovers on the production lines generate more liquid waste compared to total production quantity—that waste must be treated before it is returned to the water cycle. We collect the plastic waste generated during production separately and send it off for high-quality recycling. Plastic waste containing many different types of plastic cannot be recycled together, so it is sent off for thermal recycling.

Our waste management distinguishes between hazardous and non-hazardous waste. The amount of hazardous waste we produced in the reporting year was 15.3 percent, with nonhazardous waste accounting for 84.7 percent of total waste. Around 70 percent of hazardous waste is generated by cleaning and rinsing processes at our production sites for disinfectants and water-intensive products. The percentage of total generated waste that is hazardous fell 1.7 percent in 2023. Waste that is not suitable for either material or thermal recycling — just 11.6 percent of total waste — is disposed of by specialized disposal companies.

Proportion of the accumulated waste

	2021	2022	2023	Change to 2022 in percent
Hazardous waste (in metric kilotons)	8.2	10.0	8,.8	-11.5
Non-hazardous waste (in metric kilotons)	52.1	48.6	49.0	0.5
Total waste (in metric kilotons)	**60.3**	**58.6**	**57.7**	**-1.6**
Reuse ratio (in percent)	91.9	91.1	88.4	-2.7
Recycling ratio (in percent)	65.7	67.9	61.7	-6.2

Social responsibility

Management approach

Our employees are the driving force behind B. Braun's corporate success. Their expertise, passion and capabilities are our greatest strengths. To continue to foster this, we promote a culture characterized by trust, accountability, and diversity. We are shaping the future with openness, flexibility and the courage to change in order to continue to remain successful in a demanding and highly dynamic environment.

The joint commitment of all employees to the values and goals of B. Braun is essential to our corporate success. In our strategic transformation into a leading medical technology company, we promote a high-level culture of leadership and cooperation based on our competence model. We are constantly developing our leadership culture to create change for greater progress, and we value a variety of perspectives, which is also why we continue to increase the proportion of women in leadership positions.

All employees should be able to work in a safe and healthy environment. This is why we continue to focus on strengthening our culture of health and safety. Another core element of our social responsibility is protecting human rights. To back up this commitment, the B. Braun Group has introduced a corporate declaration of respect for human rights.

To us, social responsibility also means ensuring the highest possible patient and user safety for our products and services, which we accomplish using extensive quality management in addition to integrated and comprehensive risk management throughout the product cycle. Beyond our core business, as a family-owned company we are committed to society worldwide and in the long term. We base our choice of donations and sponsorship projects on our strategic focus areas of health, education, and diversity, and we get engaged in the regions in which we operate.

Modern and respectful corporate culture

Cultural change

Three years ago, we established our strategic framework for becoming a leading medical technology company by 2030, we called it "B. Braun – the next decade". We want to continue to grow toward this goal and utilize the many different perspectives, experiences, and backgrounds of our employees from all over the world. To do so, we promote interdepartmental and international cooperation, and have created a competence model that is binding for all employees. This model is a guide to how our values of trust, accountability and diversity can promote cultural transformation in the recruitment, leadership, development, and evaluation of our employees.

Balancing work and family

As a family-owned company, it is particularly important for us to support our employees balance family and work. B. Braun offers individualized working models for families in many country organizations. In the reporting year, 1,614 employees in ten countries went on part-time family leave. The percentage of men taking part-time family leave has continued to increase in recent years. In 2023, a total of 2,859 employees took parental leave.

Supplementary retirement pension

It is essential that our employees and their families are well provided for even after they retire. This is why we support employees beyond the statutory pension amounts. As of December 31, 2023, the B. Braun Group has established provisions for pensions and similar obligations in the amount of about € 1.2 billion. More than half of our employees in the reporting countries are covered by a supplementary retirement pension.

Employee co-determination

B. Braun is committed to social partnership as an active supporter of labor laws and developer of guidelines. Cooperation between corporate management and employee representatives is characterized by a long tradition of mutual trust. B. Braun secures the right of employees to freedom of association and coalition and collective bargaining, and their right to conclude joint agreements to shape our working conditions.

Our drivers for cultural transformation until 2026

Protecting long-term employment is also part of our understanding of sustainability as a family-owned company. This means that 88 percent of our European employees and over 42 percent of all employees in our reporting countries worldwide are part of collective bargaining agreements.

Digitalization
We also aim to modernize our HR management processes. One important milestone for us in this endeavor is to digitally transform HR with standardize processes and clearly defined roles. We have achieved important milestones on the path to the digital transformation of HR management with the deployment of a cloud-based HR software program and the continued growth of our standardized HR administration and personal development. Extended self-service programs give employees greater flexibility and transparency when it comes to their stored personal data and allow them to access and update much of their own human resources data in the system themselves.

To facilitate the application process and new employee orientation in the future, we are currently preparing to launch these applications in the countries with the most employees. Since the reporting year, all employees worldwide have had access to learning content through an online learning portal, where country-specific content and requirements are being added. This ensures that the completion of legally relevant learning content and standardized processes is automatically assigned to and verified for defined target audiences.

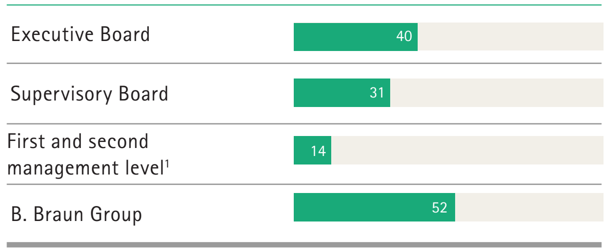
Diversity, equal opportunity, and inclusion

It is our culture of trust, accountability and diversity that makes B. Braun a true partner for our employees and customers. By strengthening an appreciative, inclusive and equitable work environment, we unleash the full potential of every single one of our employees. They drive advancements in health care with their different perspectives, experiences, and backgrounds. As a symbol of this belief, B. Braun signed the Charta der Vielfalt, a diversity charter signed by 5,000 other companies in Germany. We are aware of the advantages of a mixed-age workforce that contributes different professional experiences and expertise across generations.

In our corporate declaration of respect for human rights, we state that we give everyone at our company the same career and growth opportunities. The proportion of female employees at B. Braun was 52 percent in 2023. Of the five members of the Executive Board, two were women in 2023, and five of the 16 members of the Supervisory Board were women. This allowed us to meet the targets we set in 2017 of not falling below a proportion of 28 percent for women on the Executive Board and of increasing the proportion of women members on the Supervisory Board to 30 percent or having at least two women Supervisory Board members each on the employer and employee side. The proportion of women serving on these boards in 2023 is 40 percent and 31 percent, respectively.

We are consistently working towards our goal of continuing to increase the proportion of women in leadership positions in the company. By 2026, we aim to have 17 percent of positions in the first and second management levels below the Executive Board held by women. Currently, it is over 14 percent[1]. We started the women's mentoring program in 2021, female employees from different departments participated, and we continued it for a second round in the reporting year. In addition to personal development, this mentoring program especially helped the women further strengthen their management skills.

Proportion of women
2023, in percent



We rely on the skills and expertise of our employees, including those with physical and/or intellectual disabilities and/or psychological impairments. In order to make inclusion successful, we are committed to an accessible and open-minded work environment. This includes work areas and workplaces that are accessible to people with disabilities. The proportion of employees with disabilities in the reporting countries totaled around three percent in 2023—around seven percent in Germany and six percent in France.

Since 2018, our 4Diversity network has raised global awareness of diversity, equal opportunity, and inclusion (DE&I) at B. Braun. The network consists of B. Braun employees from all departments and hierarchy levels, and is committed to fostering a respectful, inclusive, and equitable work environment through the different perspectives of volunteers and 4Diversity ambassadors. Every year, the network organizes a week of events, presentations, workshops, and discussions on various DE&I topics.

Learning and continuous development

B. Braun offers a wide range of training and development options for individual career paths. Being successful in a dynamic environment means our employees need to adopt new ways of learning. We provide learning content for successful continuous development and strengthen our learning culture with a customized and motivating learning ecosystem for our employees. This includes learning units that specifically focus on cultural change within the company as well as apps that expand employees' knowledge.

B. Braun employees spent an average of three days on professional development in the reporting year. Most of our training and development programs are provided as part of the B. Braun Business School and offer something for every employee group. Over 38,000 employees attended 1,548 courses in 2023.

With the B. Braun Talent & Succession Program, we seek to identify the individual competencies of our employees early on, develop those skills and then make good use of them later on in key positions. We routinely identify critical positions and specific target profiles, identify employee potential in our talent reviews and then develop career paths for these talented individuals. To ensure employee development, we will soon place greater focus on performance management, which is designed to allow employees to take ownership of their personal and professional development, actively supported by their managers using regular feedback and coaching. These processes were mapped to a digital platform in 38 countries in the reporting year, and that is yet another step towards our digital transformation, facilitating efficient implementation at all B. Braun locations worldwide. This process will launch in other B. Braun countries in 2024.

Since 2012, B. Braun has been part of the AFRIKA KOMMT! initiative, a development program for African managers. We also use networks such as this to hire talent for key positions in new markets so we can set ourselves up with employees in the future.

The qualification of junior employees is a key component of our HR strategy. B. Braun offers these employees vocational training followed, in many cases, by direct employment. Here, too, we are specifically strengthening digital skills in both new and well-established apprenticeships. In 2023, a total of 1,076 young people were enrolled in vocational training.

Occupational safety and health

Occupational safety

As a company in the health care sector, we are responsible for health care workers, patients, and our own employees. We take a preventive approach in order to keep work-related injuries and illnesses to a minimum. Occupational safety is achieved by example and through employees' willingness to be accountable in all departments in the company. The number of lost-time accidents in the reporting year dropped by 7.5 percent; we attribute this to various activities designed to raise employee awareness. This is how we continue to reach towards our goal of reducing the total number of accidents every year. We analyze every accident to determine the underlying cause and derive corrective and preventive measures. We communicate the circumstances and cause of the accident to all locations to prevent similar accidents elsewhere in the company.

In the reporting year, 70 percent of all work-related injuries at B. Braun were attributed to human error. We respond to this with safety training as well as meetings with those involved to review the accident. All other work-related injuries have either technical causes (16 percent) or organizational causes (14 percent). Here, too, we derive appropriate preventive measures by reviewing the accident. In the reporting year, we came to an agreement with our locations on standardized occupational safety indicators. This guarantees a uniform understanding of the definition of a work-related injury and allows us to compare and evaluate locations more objectively. One of these indicators is the lost time injury rate (LTIR), which is the number of work-related injuries with at least one lost time case per million hours worked.

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[1] including B. Braun Service SE & Co. KG.

All employees receive regular training in occupational safety, first aid and what to do in case of a fire, based on their positions in the company. Occupational safety experts at the production sites meet with the employees in each job to conduct assessments of all potential risks. In particular, the technical departments of our company are subject to a variety of legislative and regulatory requirements. B. Braun relies on the globally recognized ISO 45001 standard in order to harmonize and continue to develop its occupational health and safety processes and standards. In the reporting year, we successfully rolled out our global occupational safety management standard at our production sites. The managers at these sites are responsible for implementing this standard, and more than 67 percent of the facilities in our reporting countries have already done so and are now ISO-certified. Our production site in Bhiwadi (India) was certified for the first time under ISO 45001 in the reporting year.

We have also defined clear occupational safety regulations for employees from external service providers, and they are included in our contracts with them. Coordinators conduct safety briefings with outside employees prior to the start of work and supervise them to avoid any potential hazardous situations. We have strengthened our preventive approach to occupational safety with a program to report all near misses or unsafe acts. This allows a manager to intervene before a work-related injury occurs.

We also conduct awareness campaigns every year at our production sites in Asia to improve occupational safety. A total of nine sites in seven countries participated in 2023. One of the main topics was how to avoid trip and fall accidents, which account for an appreciable percentage of work-related injuries. Awareness-raising among managers and employees also reduced work-related injuries at other production sites, such as Berlin-Mistelweg (Germany), Nogent (France), Nowy Tomyśl (Poland) and Penang (Malaysia), by at least 20 percent compared to the previous year.

Occupational accidents

	2021	2022	2023	Change to 2022 in percent
Number of occupational accidents	598	440	407	-7.5

Occupational health
Protecting the health of our employees is critical. This is why our corporate health management does not just focus on physical health, but on mental health, as well. We focus on a broad range of preventive measures with a holistic approach that ranges from preventive medicine and physical fitness to mental health and nutrition tips. In countries with less effective health care systems, we offer our employees medical screenings, nutritional advice and dental examinations.

In the case of an illness or accident, it is important that the affected employee not only receive medical care but also the best possible financial protection. In many reporting countries, we take out accident or disability insurance for employees to cover the financial consequences of an accident at work or during their commute. In some countries, we offer our employees life insurance and income protection insurance or cover part of an employee's health insurance costs. If an employee experiences a prolonged illness, the company supports them after recovery by reintegrating them into everyday work life.

Human rights

As a family-owned company, we acknowledge our responsibility to protect and promote human rights as well as our obligation to society to preserve the environment.

Our commitment to respecting human rights is based on the United Nations' Universal Declaration of Human Rights as well as the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We also base our commitment on the UN's Guiding Principles on Business and Human Rights. We are committed to respecting internationally recognized human rights in our business activities and throughout our value chain, particularly prohibiting child and forced labor, prohibiting slavery and discrimination in all its forms, and strengthening freedom of association.

We also are committed to providing a safe work environment, paying adequate wages, and prohibiting pollution, forced eviction and the deployment of security forces where such deployment poses the danger of becoming a human rights abuse or restriction.

Our Code of Conduct illustrates our general commitment to respecting human rights and protecting the environment. To back up this expectation, B. Braun renewed its B. Braun Code of Conduct effective October 1, 2022 and began issuing a corporate declaration of respect for human rights that includes all our business units as well as our global supply chains. This declaration covers the major areas of human rights risks for workers in global supply chains. Experts from B. Braun are leading cross-sector dialogs on current human rights topics in organizations such as the MedTech Europe trade association.

Product quality and safety

B. Braun operates an extensive and networked quality management system certified by accredited bodies and authorities. These systems meet international requirements, regulations and laws for medical devices and medicinal products while also meeting applicable product, process, and risk management standards. Other requirements regarding environmental protection and occupational safety have also been combined into an integrated management system. This allows us to meet ISO 13485 criteria at all our reporting locations that manufacture medical devices. This standard describes the requirements for a comprehensive quality management system for design, manufacture, storage, and distribution of medical devices with the goal of ensuring product safety and effectiveness.

In addition to ISO 13485, we also meet various requirements and regulations in our target markets, such as in Australia, Brazil, Canada, China, Japan, and the USA. These legal standards include the EU's Medical Devices Directive (MDR). With the implementation of the EU's Falsified Medicines Directive, we can transmit the serial numbers of all the medicines produced on a total of 30 production lines in Europe and North America to a central EU database in compliance with track and trace requirements to fight counterfeiting.

The requirements of the revised Annex 1 to the EU's good manufacturing practice (GMP) guidelines for medicinal products for human and veterinary use were also implemented. The application of a better understanding of processes through the use of innovative tools, such as that described in ICH guidelines Q9 (Quality Risk Management) and Q10 (Pharmaceutical Quality System), will play a significant role here. Special attention is paid to controls throughout the entire life cycle in order to avoid possible contamination of medicinal products.

We identify the potential risks of medical devices or even medical services early on during the product life cycle – from the initial idea to product application by patients at home, or in the hospital setting. Our goal is to ensure the greatest possible safety through comprehensive risk management. We are also constantly improving the design of our products and packaging based on user studies as a part of our safety concept. Easily visible, harmonized color codes indicate the size of the product or the material that is used to manufacture it. Special labels with clear, differentiating colors and shapes make it easier to select the proper dose of medications and make the packaging more noticeable, which is particularly important when it comes to critical substances.

B. Braun is actively working in the German Medical Technology Association (BV Med), the European Medical Technology Association (MedTech Europe) and the Asia Pacific Medical Technology Association (APACMed) on new medical standards and rules.

Access to health care

One particular concern of ours is to make it easier for people around the world to access health care. In recent years, we have continually expanded our commitment with our partners to improving infrastructure and health care, such as long-term support for building and upgrading of health care systems in developing countries, especially on the African continent.

As part of the develoPPP program, an initiative of Germany's Federal Ministry for Economic Cooperation and Development (BMZ), we combine various activities in Africa in order to build infrastructure and health care, including cooperating with the German Association for International Cooperation (GIZ) and other partners in industry and science to establish a degree program in applied biomedical technology in Kenya, Senegal, and Ghana as well as to qualify medical staff in dialysis treatment.

We came one step closer toward the strategic goal of our development partnerships in Africa in the reporting year by teaming up with the GIZ and other partners in industry to expand the biomedical technology education initiative of the BMZ's develoPPP program to Ghana in April 2023. There, the corresponding bachelor programs at two public universities are being revised and more practical, market-oriented educational content will be offered. This also includes setting up training labs and supplying them with the necessary medical equipment. The labs can also be used by health care professionals as a training center for continuous professional development. This is how qualified medical professionals can be trained, which is a major contribution to improving health care in Ghana.

With the help of the German Investment Corporation and as part of the BMZ's develoPPP program, B. Braun is also training medical and technical professionals in Cameroon and other African countries in order to expand local dialysis clinic capacity to protect and improve the health of people with kidney disease. With these approaches, we are improving the quality of local health care and the quality of life of the patients while also supporting stable employment for people working in the local economy.

A person's ancestry, ethnicity, socioeconomic status, or other differences should have no impact on their ability to get access to the individual and specific treatment they need. This is why we develop innovative programs and technologies for improving health outcomes and work with leading health organizations such as the Association for Vascular Access (AVA) to promote better care standards for all patients.

Donations and sponsorships

As a family-owned company, B. Braun is a long-standing advocate for social issues beyond the scope of its core business. In the reporting year, we revised our donation and sponsorship strategy and identified the strategic focus areas of health, education, and diversity, which we aim to increase our commitment to on behalf of society in the future. This includes supporting projects that have a local impact in the regions where we operate. Additionally, our support only goes to registered charitable organizations and groups whose projects affect at least 25 people.

In 2023, we sponsored over 170 projects in our focus areas of health, education, and diversity at our locations in 32 countries around the world, supporting approximately 66,000 people. These were selected at the discretion of the respective country organizations because they know the local situation best and can manage projects there in a more concerted way.

Health
As a leading medical technology company, we are committed to projects focused on health care. In particular, we concentrate on exercise, nutrition, and medical care in structurally weak regions.

B. Braun employees at our biggest locations in Germany can volunteer to donate the leftover cent amounts of their monthly salary to social projects. In the reporting year, the funds from this program helped an aid organization provide humanitarian aid to Turkey and Syria after the major earthquake that struck there. Additional aid also went to the region in the form of medical products with a value of approximately € 500,000.

The B. Braun Foundation has been dedicated to promoting education, science, and research, as well as public health, in human medicine for almost 60 years. It was founded by the entrepreneurs Otto and Dr. Bernd Braun in 1966. Through its own programs, it sponsors people in the health care industry, which makes a contribution to improving health. The B. Braun Foundation is a modern medical foundation that has awarded over 16,000 grants totaling roughly € 20 million.

Education
We believe that education is the key to people being able to determine the course of their own lives. This is why we advocate equal opportunity and focus our support on projects that promote education in natural sciences, technology, and digital literacy.

Through our efforts, a total of 830 students aged 4 to 18 were able to get an exciting look at the diverse fields of application for technology and the natural sciences during Youth Week at our headquarter in Melsungen, Germany. Attendees were exposed to a multifaceted range of possible applications in new career fields, above all those made possible by the use of AI.

Our education initiatives are also focusing on Asia: in Penang, Malaysia, B. Braun is a sponsor of the Penang International Science Fair, an event geared toward getting mostly young people excited about natural science, technology, and mathematics. The emphasis in 2023 was on teaching about CO_2 footprints and ways to reduce our own.

Diversity
At B. Braun, diversity is deeply rooted in the company's values. We foster different perspectives, thoughts, experiences and backgrounds, which is why we are especially committed to social, cultural and ethnic diversity.

One way we show our commitment is by supporting the "Offen für Vielfalt - Geschlossen gegen Ausgrenzung" (Open to Diversity - Together against Exclusion coalition), which is active in the area of our corporate headquarters in Melsungen (Germany) in promoting diversity in all its forms and fighting any and all marginalization of people in society and the workplace.

At our location in Brazil, we are setting an example for social diversity by teaming up with the association Senai São Gonçalo to help young people from disadvantaged backgrounds find a career path. This partnership has given five young women the opportunity to complete an apprenticeship at B. Braun—these young women recently won an award at an international competition for using design skills and AI to make science more easily accessible to children and young people.

We will continue to support development partnerships and social projects in our focus areas of health, education, and diversity, which we see as the greatest value added by our social progress activities. They also bring us one step closer to our goal as a company: protecting and improving the health of people around the world.

Governance

Management approach

Responsible corporate governance is the foundation of our corporate culture. The legal and ethical conduct of our employees is an integral part of our value system. For the B. Braun Group, compliance does not mean just conforming with legal standards, it also includes ethical values such as integrity, fairness, and sustainability, which we embody both internally and externally with full transparency. Our Code of Conduct establishes a binding framework for our activities around the world and stipulates our expectations regarding ethical conduct among our employees. Even when selecting and qualifying our business partners and suppliers, we ensure that they meet the required quality standards and standards for sustainability, are open to innovation, and can guarantee a reliable supply. To this end, we are continuously expanding our current supplier management approaches and have rooted them in our strategy. As of December 31, 2023, we have been able to rate around 80 percent of our yearly procurement volume through independent providers in terms of sustainability.

Our supply chain is characterized by a very high level of internal value creation. We generate over 90 percent of our sales from goods and services from B. Braun's own production and distribution centers. Wherever possible, we source raw materials and goods for a location from their surrounding region in order to process or distribute them immediately on site. Our goal is to bolster the economic areas where we do business.

Compliance and Code of Conduct

Strong corporate governance combined with a culture of accountability has the potential to increase the value of our company and promote sustainable growth by responding to risks and reacting to business opportunities.

With our worldwide compliance management system, we ensure that our employees conduct themselves according to uniform, ethical standards. Our compliance officers in the national organizations report directly to their respective management and work together with the Group Compliance Office on the further development of the system. Their network stretches across every continent and currently comprises 69 specialists. All B. Braun employees are expected to adhere to our rules. We convey these contents in classroom training and e-learning as well as through coaching. Our compliance officers also regularly train and advise our employees on special topics.

We also expect our supply chain partners to respect human rights and enforce them in their own business activities. To back up this commitment, the B. Braun Group has begun issuing a corporate declaration of respect for human rights that includes all our business units as well as our global supply chains. It covers the most important human rights risks for workers in global supply chains. The declaration was formulated by an interdepartmental team at the B. Braun Group and is modeled closely on international human rights standards and principles.

The 2023 financial year saw a substantial increase in regulatory requirements. With the ongoing deployment of technology, adapting our strategies and steadily promoting a strong culture of compliance, we can continue to meet these new regulations and ensure long-term, sustainable growth in a constantly evolving environment.

Responsible supply chain

In the reporting year, we developed a framework for compliance with minimum standards in our supply chains that establishes our expectations from suppliers and the consequences of noncompliance. With this, we comply with the German law on corporate due diligence in supply chains that took effect in 2023 and requires B. Braun to transparently implement due diligence in the supply chain with regard to human rights and the environment.

Our ESG standard for suppliers is an essential part of our supplier contracts and requires suppliers to meet the standards set forth in that standard. This also makes it clear to our suppliers that we only want to buy products and services from responsible subcontractors. These requirements are monitored through performance controls such as supplier evaluations and audits.

Integrated software solutions for supplier qualification and monitoring help us gain more transparency across our supply chains. We obtain relevant information on the sustainability efforts of our suppliers and take specific actions when needed. We also conduct annual reviews where we can address compliance with required standards with them and strengthen our dialog. This allows us to purposefully help them continue to refine their sustainability efforts. Our dialog with our suppliers is based on internal training that raises the awareness of employees involved in purchasing with regard to sustainable procurement.

B. Braun's goal is to use our comprehensive risk management system to help identify, document, evaluate and minimize actual and potential risks that may arise in our own business operations and in global supply chains early on. As a result, we implemented a supplier risk management process valid across our entire purchasing volume through the end of 2024. Supplier risk is determined using real-time data from an independent service provider, which allows us to continuously monitor and control risks in our own supply chain.

We also compel our business partners to conserve resources and reduce the impact of their activities on the environment as much as possible. For example, they must keep track of their CO_2eq emissions, use modern powertrain technologies and maintain or introduce environmental management systems.

Thus, our Code of Conduct, corporate declaration of respect for human rights and ESG standards for suppliers form the basis of every partnership with B. Braun and are a major component in selecting and evaluating subcontractors.

As part of the "Chemie³" initiative, we are engaging with partners Germany's chemical industry to link economic success with social justice and environmental compatibility. The initiative is supported by the German Chemical Industry Association (VCI), the German Industrial Union for Mining, Chemicals and Energy (IG BCE), and the German Federal Employer's Association for the Chemical Industry (BAVC).

Data protection and information security

Data protection

Our data protection department establishes the B. Braun data protection strategy, defines goals and establishes standard processes. It is based on the EU's General Data Protection Regulation, which governs the processing of personal data for all of Europe. We have implemented these legal requirements and internal standards at all European B. Braun locations. Outside Europe, each country's data protection requirements are observed.

B. Braun's data protection experts ensure global compliance with legal requirements and internal standards. They are supported by other data protection officers and data protection coordinators. This department organizes regular employee training sessions, consults on the drafting of contracts or marketing activities, and operates a comprehensive data protection information center. At regular events, the data protection department, data protection officers and data protection coordinators meet to discuss current developments in data protection.

Information security

Information technology is an integral aspect of our lives, as it is in the health care industry. In addition to opportunities, increasing networking also poses risks for individuals, hospitals, and manufacturing companies. Lawmakers in Germany have responded to these developments with binding regulations, including, in particular, the IT Security Act and the Federal Office for Information Security Act, which require operators of critical infrastructure such as electricity and water utilities as well as food producers to implement appropriate security measures. Areas of B. Braun have also been classified as critical and must regularly demonstrate appropriate safety procedures.

Confidence in the security of our systems and data as well as their resilience against manipulative interference are crucial to us. This is why we have taken a series of steps to ensure both our own security interests and legal requirements are assured. We have launched a Group-wide information security management system (ISMS) based on the international standard ISO/IEC 27001, which we regularly audit and continuously improve. The ISMS identifies the protection requirements of information and information-processing facilities, systematically records the risks to which they are exposed, and takes the necessary steps to mitigate those risks. The system encompasses all relevant aspects of information security, such as cybersecurity and employee training. In addition, we work with teams of experts to continuously optimize the protection of end devices, IT security in production networks and 24/7 monitoring for cyberattacks.

An interdisciplinary unit coordinates Group-wide cybersecurity for our products, identifies possible cyber risks and takes extensive measures to prevent data loss or abuse in our products. B. Braun is involved in various organizations to continue developing global security standards for medical devices and health care IT solutions.

B. Braun is one of the world's leading medical technology companies. As a true partner, we develop smart solutions and set standards to improve health care. We manufacture over 5,000 medical devices and pharmaceutical products.

Group management report

We improve processes at hospitals, in ambulatory treatment and for home health care that increase both quality and safety for medical professionals and patients. We are committed to integrating new technologies at the customer's site. We utilize the latest technology to enhance the benefits of our core medical products with other products, services and digital systems. Our integrated solutions aim to make medical treatment more innovative, more efficient and more sustainable.

Five-year overview

	2019 € million	2020 € million	2021 € million	2022 € million	2023 € million
Sales	**7,471.3**	**7,426.3**	**7,859.8**	**8,499.8**	**8,755.0**
Cost of goods sold	**4,444.9**	**4,503.2**	**4,799.0**	**5,268.6**	**5,432.6**
Functional expenses	**2,551.1**	**2,428.1**	**2,599.2**	**2,901.8**	**2,887.6**
Selling, general and administrative expenses	2,186.6	2,058.2	2,182.4	2,360.5	2,403.0
Research and development expenses	364.5	369.8	416.9	541.2	484.6
Interim profit	**475.4**	**495.0**	**461.5**	**329.4**	**434.8**
Operating profit	**434.8**	**461.2**	**450.5**	**234.2**	**296.7**
Profit before taxes	**309.0**	**416.1**	**408.6**	**178.7**	**206.0**
Consolidated net income	**197.3**	**301.5**	**300.1**	**142.2**	**125.2**
EBIT	**388.8**	**481.8**	**471.7**	**247.9**	**316.2**
EBITDA	**1,079.1**	**1,103.2**	**1,101.9**	**997.2**	**1,019.4**
Assets	**10,088.4**	**9,720.1**	**10,206.2***	**10,566.6**	**10,372.6**
Intangible assets (inclusive goodwill)	854.5	831.8	831.5	729.1	667.3
Property, plant, and equipment	5,244.1	5,150.0	5,451.3	5,520.6*	5,388.6
Other financial investments	68.0	65.1	87.8	106.1	80.2
Inventories	1,370.2	1,450.2	1,639.7	1,908.6	1,843.7
Trade receivables	1,240.0	1,182.9	1,220.7	1,315.2	1,379.8
Equity	**3,720.6**	**3,641.0**	**4,158.4***	**4,839.7**	**4,702.1**
Liabilities	**6,367.8**	**6,079.1**	**6,047.8**	**5,726.9**	**5,670.5**
Pension obligations	1,580.0	1,728.2	1,645.5	1,052.8	1,223.3
Financial liabilities	3,034.2	2,687.0	2,542.4	2,543.6	2,406.1
Trade accounts payable	527.0	450.3	520.1	642.2	584.9
Investments in property, plant, and equipment, intangible assets and financial investments inclusive business acquisitions	**894.6**	**782.8**	**799.7**	**647.0**	**698.5**
Depreciation and amortization of property, plant, and equipment and intangible assets	**599.2**	**712.6**	**630.2**	**749.3**	**703.2**
Personnel expenditures	**2,828.9**	**2,855.4**	**2,972.1**	**3,201.4**	**3,266.1**
Employees (annual average)	**64,210**	**64,217**	**65,832**	**65,999**	**63,919**
Employees (as of December 31)	**64,585**	**64,317**	**66,778**	**65,055**	**63,011**

*Adjustments due to application of Standard IAS 29 "Financial Reporting in Hyperinflationary Economies"

About the B. Braun Group

Business activity

We divide our business into three divisions: Hospital Care, Aesculap and Avitum.

Hospital Care
Hospital Care uses integrated solutions to improve medical care at the hospital and beyond. Our products help give medical professionals more time to care for patients.

A central element in the medication process is automated infusion systems. By linking our Space^{plus} pump system to hospital information systems, we make it possible to exchange treatment data, reduce manual documentation and improve other processes in the therapeutic area. Safe vascular access products, infusions and nutritional solutions and pharmaceuticals, as well as a portfolio for their preparation and administration complete our range. We have been a leader in regional anesthesia with our innovative products for peripheral nerve block for years.

Our ready-to-use pharmaceutical products and prepared parenteral nutrition in multi-chamber bags help us make clinical processes safer and more efficient. We offer products for the automated production of customized patient medication and nutrition for seriously ill patients, together with software solutions. User training in peripheral vascular access and anesthesia help optimize processes and treatment outcomes in the hospital setting.

Aesculap
Surgery and other interventional medical procedures have advanced fundamentally—they now require less recovery time, meaning patients heal faster and can get back to their lives sooner. With innovative medical technology, Aesculap improves patient treatment in the OR and the cardiac catheter laboratory: through lifesaving vascular procedures, innovative joint replacement or complicated neurosurgery, just to name a few.

We possess a deep understanding of every surgical, interventional and supply-related process in the OR, catheter laboratory and central sterile services department (CSSD). By integrating new technologies into our core medical products, we can improve and automate our customers' processes, reduce risks and increase precision during procedures.

Our wide range of practical processes for basic surgical and interventional processes help medical professionals provide the best possible care for the patient. In addition, we empower OR professionals to treat patients according to their individual needs using data-centric digital applications. We also offer digitalization solutions for sterile goods management that are adapted to specialists and processes to achieve clinical excellence while lowering costs. With all these integrated solutions, we are driving advancement in the field of surgery and intervention.

Avitum
Avitum develops therapy systems for the needs of chronically ill patients. We use integrated solutions to make treatments simple and efficient while also improving quality of life and making work easier for medical professionals.

Nexadia, our integrated data management system, makes it possible for them to process medical dialysis treatment data for patients, machines and therapy sessions. This data can also be used to develop treatment recommendations, improve technical services or even warn nurses and doctors if a patient's inflammation parameters are elevated. With these integrated solutions, we are improving the quality of dialysis and relieving the burden on medical personnel.

For patients with other chronic conditions—such as chronic wounds, ostomies or urinary incontinence—we are refining our portfolio with products that are reliable and easy to use, even at home. Our focus on infection prevention and control is based on concepts that utilize advice and training to help reduce the risk of infection in all areas of medical treatment, wherever patient care takes place.

Sharing Expertise
The Aesculap Academy is our training forum. With the mission statement, Connect. Exchange. Enable., we offer scientific training as well as product-specific training and workshops in 43 countries, with e-learning playing an increasingly greater role in the transfer of knowledge. In total, we hosted 222,000 medical professionals in 2,500 courses in the reporting year.

The values of innovation, efficiency and sustainability are deeply rooted in our company. Our corporate culture is characterized by trust, accountability and diversity. As of December 31, 2023, we had 63,011 employees.

Corporate values

Innovation
We drive advancements.

Efficiency
We focus our energy.

Sustainability
We live responsibly.

Trust
We rely on each other.

Accountability
We take ownership.

Diversity
We value differences.

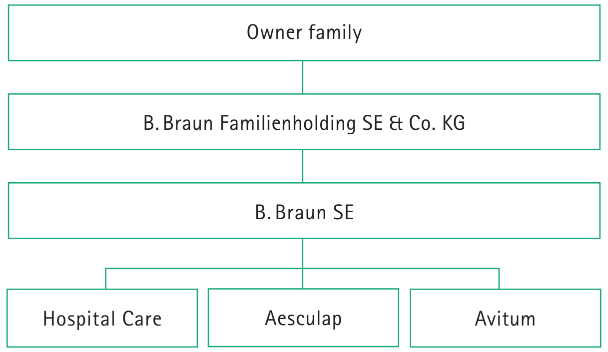
Our financial reporting includes our three divisions along with six regions: Germany, Europe (without Germany), North America, Asia–Pacific, Latin America, and Africa & the Middle East. Major production sites are located in Melsungen (headquarters), Bad Arolsen, Berlin, Denzlingen, Dresden, Glandorf, Tuttlingen (all Germany); Rubí (Spain); Nogent (France); Mirandola (Italy); Nowy Tomyśl (Poland); Gyöngyös (Hungary); Crissier, Escholzmatt, Sempach (all Switzerland); Allentown, PA, Daytona Beach, FL, Irvine, CA (all US); Suzhou (China); Tochigi (Japan); Penang (Malaysia); Hanoi (Vietnam); New Delhi (India); São Gonçalo (Brazil); and Johannesburg (South Africa).

Corporate management

Corporate structure

B. Braun Familienholding SE & Co. KG, the family-owned holding company for strategic management, includes the Group's accounting, controlling, tax, legal, internal auditing, human resources and communication departments. This family-owned holding company constitutes the link between the family and the organization. B. Braun SE is the operational parent company under the family-owned holding company that directly or indirectly holds all shares in B. Braun Melsungen AG (Hospital Care), Aesculap AG (Aesculap) and B. Braun Avitum AG (Avitum).

Corporate structure



The corporate bodies of B. Braun SE are the Executive Board, the Supervisory Board and the annual shareholders' meeting. The members of the Executive Board have clearly assigned areas of responsibility and are jointly responsible for the company's success.

The Supervisory Board of B. Braun SE appointed Ingrun Alsleben to the Executive Board of B. Braun SE effective January 1, 2024. She comes to us from the Bayer Group and most recently served as their CEO and CFO for Turkey and Iran. As of April 1, 2024, she will take over the position of Chief Financial Officer from Dr. Annette Beller, who plans to retire on March 31, 2024. Dr. Beller originally worked as an auditor before coming to B. Braun in 1995. In 2011, she joined the Executive Board as CFO.

Effective April 1, 2024, Dr. Jean-Claude Dubacher will join the Executive Board of B. Braun SE with responsibility for the Avitum division. He joined the B. Braun Group in 2019 and since then has been responsible for all US-based business. Dr. Dubacher will also be CEO for B. Braun Avitum AG. He will be taking over both positions from Anna Maria Braun, who was serving as acting CEO of the division in addition to her primary role as CEO of B. Braun SE.

The Supervisory Board of B. Braun SE consists of 16 members, half of whom are elected by the company's annual shareholders' meeting and the other half by employees. Committees have been established to efficiently support the work of the Supervisory Board. The Human Resources Committee is responsible for matters such as the Executive Board members' employment contracts and compensation. The Audit Committee monitors the company's systems of internal controls, the integrated compliance management system, accounting processes and financial statement audits.

In 2023, around 52 percent of B. Braun's workforce were women. On the Executive Board, two of the five members were women (40 percent; goal: at least 28 percent). On the Supervisory Board of B. Braun SE, five of the 16 members were women (31 percent; goal: at least 30 percent). The percentage of women in the first and second management levels below the Executive Board exceeded 14 percent in 2023 (including B. Braun SE & Co. KG). Our goal is to increase this proportion to 17 percent by 2026.

Through its subsidiaries and holdings, B. Braun operates in 64 countries. The B. Braun SE Group includes 286 (previous year: 290) fully consolidated companies. Of the holdings, 19 (previous year: 20) are consolidated using the equity method of accounting.

The B. Braun Group's strategic operational controlling parameters are sales, profit before taxes, EBITDA margin and return on operating assets (ROOA). These KPIs are also deciding factors in each senior manager's short-term incentives (STIs) and long-term incentives (LTIs), and they define our financial framework going into the future. Accordingly, we aim to increase sales by five to seven percent every year, our profit before taxes should increase by at least the same amount. In the long term, we are aiming for EBITDA margin of 14 percent and an ROOA of five percent. The key performance indicators interim profit and EBIT are primarily used to manage operations. In addition, we evaluate the development of working capital based on days sales outstanding (DSO), days payables outstanding (DPO) and coverage in weeks (CIW).

Compliance

As a family-owned company, we are committed to socially responsible and law-abiding corporate governance. We have established a global compliance management system in order to ensure compliance with laws and regulations. For the B. Braun Group, compliance does not mean just obeying the law, it also includes ethical values such as integrity, fairness and sustainability, which we embody both internally and externally with full transparency.

Our Code of Conduct establishes a binding framework for our activities around the world and defines the ethical conduct of our employees as defined by our global compliance management system. Every company in the B. Braun Group is required to enact binding minimum rules to this effect. We are continuously developing our compliance management system. The high level of digitalization in our business processes also contributes to increased compliance efficiency and helps us identify risks early and manage them effectively.

Strategy

The end of 2023 saw the close of the first three year phase of our strategic framework B. Braun–the next decade, which is slated for completion in 2030. In the beginning, we identified global trends—an aging population, an increase in chronic diseases, and increasing regulation—that are putting pressure on health care systems and our customers, and forcing us to review and realign our product portfolio and business models.

The demanding market environment that exists today validates the strategy we have been pursuing for three years now. Through Sharing Expertise and the power of new technology, we aim to continue to drive advancements in health care. To accomplish this, we are developing projects and solutions in our four strategic areas: through 1) joint commitment, 2) progressive technologies and 3) digital excellence, we seek to 4) align ourselves with our customers' needs even more consistently and offer them the right solutions for their daily health care challenges with speed and flexibility.

Our regions and divisions spent 2023 mapping their development plans for the next three year period, which ends in 2026. We want to grow using our own resources and increase our profitability across all regions.

Medical technology

Innovation is the driving force behind B. Braun's success. We develop the progressive technologies described in our strategy in centers of excellence (CoEs), where we combine research and development, licensing and production in certain specializations. The department experts at these CoEs work closely with one another. At our production sites, we utilize digital processes and work on our technology platforms including investments in automation, robotics, sensor technology and predictive maintenance. When developing new products, we make sure to use materials in a manner that conserves resources. In the reporting year, we invested 5.5 percent of our sales in research and development.

At Hospital Care, we focus on innovative concepts to increase efficiency at hospitals and in ambulatory settings. In order to continue to improve the use of infusion pumps, we are working on integrated solutions for medication management that make the process from prescription to administration safer and reduce the amount of documentation required.

We continue to refine products already established worldwide, such as peripheral safety IV catheters and infusion therapy devices. In the pharmaceutical products and parenteral nutrition business, we are focusing on ready-to-use solutions and application-based container systems. Digital solutions that improve customer and treatment processes are also gaining significance—particularly in critical treatment applications such as chemotherapy.

At Aesculap, we focus on the growing business in digitalization and robotics. We are systematically expanding our skills and resources to seamlessly integrate our products with digital solutions. One example of this interaction is the development of our instacount® data platform for efficient sterile goods management in hospitals in conjunction with sustainable OR supply based on our AESCULAP Aicon® sterile container system. In the Freiburg area (Germany), we are developing visualization solutions for robotic surgery. This will allow us to create new digitalized treatment methods, promote the exchange of knowledge and improve patient treatment outcomes.

We are also expanding our value proposition in orthopedics to include holistic, software-supported solutions for our customers and patients. The harmonization and standardization of health care processes leads to greater transparency, efficiency, quality and, of course, savings for our customers. Alongside our innovations, we are optimizing applications used to generate our technical documentation, consistently turning to digitalization in the development of our product life cycle management platform in order to continue to increase efficiency and quality.

At Avitum, we are focusing on advancing the efficiency and connectivity of our products so they can interact with other products and systems. We are continuously optimizing chronic dialysis therapy and expanding acute dialysis and apheresis therapies. In our digital innovation projects, we are working on harmonizing and standardizing the patient medical data that we record in our own renal care centers and home care facilities. The goal is to increase the quality of treatment for patients and make processes more efficient and more sustainable. We are also using artificial intelligence to work on predictive analytics applications for chronic diseases.

In order to make innovative ideas useful for B. Braun, we bring internal and external experts together through a number of initiatives and platforms. We are working on our own innovations with corporate startups and are a strong industry partner for young, creative enterprises. This allows us to create offers for external innovations and help develop novel ideas for the health care industry.

Economic report

Economic environment[1]

Global trends

The global economy continued to recover in 2023 from the economic downturn caused by the coronavirus pandemic and Russia's war against Ukraine. Economic output grew 3.1 percent, though still fell short of the growth in 2022 and remained below pre-pandemic levels. At the same time, countermeasures enacted by central banks reduced inflation from 8.7 to 6.9 percent.

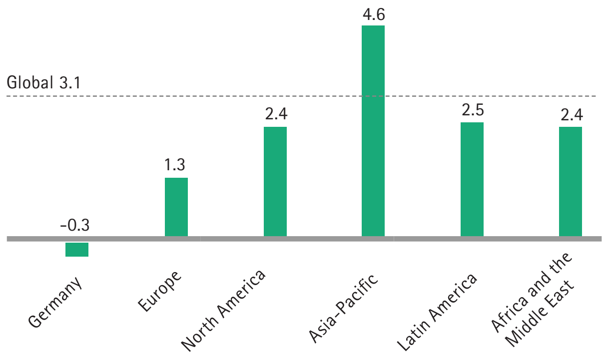
Global economic recovery slowed due to several factors: the long-term effects of pandemic and war along with an ever-growing protectionist sentiment in large national economies scaled back growth. The fiscal support provided to businesses in recent years also decreased and policy measures to counteract inflation slowed. The developed countries in particular were impacted by these factors, with growth slowing from 2.6 percent in 2022 to 1.5 percent in 2023.

Even globally operating medical technology companies felt the effects of trade restrictions caused by growing protectionism. Logistic costs in 2023 decreased slightly, though supply bottlenecks continued to hamper the secure supply in many health care markets. This was accompanied by an increased skills shortage in health care, which led to increased recruiting of foreign nurses, especially in developed countries.

Nevertheless, the medical technology market in 2023 saw above-average growth of 4.6 percent compared to the previous year, coming in at approximately US$ 522 billion. The highest sales figures were in North America, followed by Asia–Pacific and Europe. The segments that saw the most sales were minimally invasive medicine and cardiology; anesthesia, imaging, orthopedics and wound care also saw strong sales.

Change in gross domestic product 2023

in percent



Regional trends

Germany was one of the few countries whose economic output declined in 2023. The country's export-based economy suffered, especially from overall poor global trade, and this also impacted medical technology companies, whose export quota in 2023 was 67 percent. Although the industry grew 4.8 percent from the previous year, income decreased due to high prices for logistics, raw materials and energy as well as growing regulatory expenditures and rising personnel costs. Consequently, research investments were increasingly relocated abroad. The German health care industry came under serious pressure in 2023, with the already tense financial situation of hospitals worsening.

Economic growth in Europe slowed by half in 2023 to 1.3 percent. The governments of many EU member states invested in the upgrading and digital transformation of their health care systems, supported in part by EU funding. Regulatory hurdles impeded the trade of medical devices between EU countries and Switzerland as well as their approval in the United Kingdom, though the Department of Health and Social Care released its first medical technology strategy in 2023 to speed up access to innovative technology. Even though medical devices were largely unaffected by EU sanctions against Russia, fewer European manufacturers sent them to Russia's health care industry.

[1] IMF: World Economic Outlook (January 2024) & Regional Outlooks (October–November 2023); OECD: Economic Outlook (October 2023); ifo: Economic Forecast (September 2023); BVMed: Autumn Survey (10/17/2023) and MedTech Market Presentation (11/13/2023); Roland Berger: Hospital Study 2023 (10/28/2023); German Hospital Federation (07/18/2023, 10/09/2023); Ärzteblatt (06/23/2023, 09/29/2023); GTAI (06/13/2022, 12/05/2022, 12/19/2022, 02/16/2023, 05/26/2023, 06/16/2023, 07/25/2023, 07/28/2023, 09/18/2023, 10/06/2023, 10/18/2023); MEDTECH News: UK MedTech Innovation Strategy (02/06/2023), CMS: US Inflation Reduction Act (09/12/2023), Regulatory Focus: Regulatory Affairs in India (10/16/2023).

In the US economic growth remained stable in 2023. The federal government bolstered the economy and the population with major infrastructure and economic programs. Tax breaks stimulated investment and consumption. The Inflation Reduction Act also partly lowered insurance premiums and copays and drug costs. Rising patient numbers improved hospital incomes, but these remained strained by supply bottlenecks, high labor costs and skilled employee shortages.

The Asia–Pacific region continued to be the most dynamic economic region in 2023, with a growth of 4.6 percent. The two most populous countries, India and China, accounted for half of all global growth despite some structural problems. Demand for modern medical technology remained high in the region and was met in Japan, South Korea and the ASEAN countries primarily by imports. The Chinese government gave preference to domestic manufacturers in approval processes and public procurement as part of its “Buy China” policy. The government’s centralized procurement and resulting high purchasing volume increased price pressure on medical devices and drugs. In India, the regulation for all medical devices moved forward, meaning extra costs for foreign manufacturers.

Latin America’s growth trend declined in 2023 compared to the previous year, though not across the board. While Argentina and Chile slid into a recession, the largest national economies, Brazil and Mexico, exceeded economic expectations. Chronic diseases in particular increased in the region due to rising life expectancy. National governments responded by expanding health care, which also drove demand for medical devices. Economic growth in the Africa and the Middle East region decreased in 2023 due to factors such as the curbing of high inflation, natural disasters, power failures and the throttling of oil exports. South Africa’s government passed a national health insurance law intended to make care affordable for the general population starting in 2026.

Key performance indicators

	2022	2023	Change in percent
Sales (in € million)	8,499.8	8,755.0	3.0
Gross margin (in percent)	38.0	37.9	
Net profit margin after taxes (in percent)	1.7	1.4	
Interim profit (in € million)	329.4	434.8	32.0
Profit before taxes (in € million)	178.7	206.0	15.3
Consolidated net income (in € million)	142.2	125.2	-12.0
EBIT (in € million)	247.9	316.2	27.5
EBITDA (in € million)	997.2	1,019.4	2.2
EBITDA margin (in percent)	11.7	11.6	
Equity ratio (in percent)	45.8	45.3	
Equity ratio including loans from shareholders (in percent)	46.6	46.1	
Equity ratio net of effects of IAS 19 (in percent)	46.4	46.9	
Net financial debt (in € million)	2,430.1	2,300.3	-5.3
Debt-equity ratio (Net financial debt / EBITDA)	2.4	2.3	
Research and development expenses (in € million)	541.2	484.6	-10.5
Investments in property, plant, and equipment, intangible assets and financial investments (in € million)	647.0	698.5	8.0
Depreciation and amortization of property, plant, and equipment and intangible assets (in € million)	749.3	703.2	-6.2
Net working capital (in € million)	2,557.2	2,615.4	2.3
Personnel expenditures (in € million)	3,201.4	3,266.1	2.0
Employees (as of December 31)	65,055	63,011	-3.1

Performance and financial position

Business performance

In the 2023 fiscal year, B. Braun sales grew 6.5 percent at constant exchange rates. We maintained our long-term growth strategy and met our strategic target corridor of five to seven percent in an environment that continues to be demanding. Sales in the reporting currency increased 3.0 percent to € 8.8 billion (previous year: € 8.5 billion).

Hospital Care benefited the most from price effects on the market in the fiscal year. The sharp decline in CAPS business in the US, which includes patient-specific drug compounding, could be offset by sales in other product areas. The Aesculap division saw strong sales growth, especially in surgical instruments, hip and knee implants, imaging systems and suture materials. Avitum generated sales growth mainly in the extracorporeal blood treatment therapy range as well as in wound and ostomy care products and from renal care centers, where patient numbers reached the previous year’s level, at over 27,000. Sales of PPE and gloves declined.

We saw stable growth in Germany in 2023. In Europe, strong results were recorded in local currencies in the United Kingdom, Poland, Benelux and Southeastern Europe. We also achieved good growth rates in Spain and Portugal. With the aid of positive currency effects, we saw stable growth in North America and were able to offset the decline in CAPS business. The Asia–Pacific region showed positive growth overall at constant exchange rates, although sales in the largest market, China, declined due to distributor inventory reductions, volume-based procurement and political restrictions. Our highest growth rates came from India and Southeast Asia. Our business in Latin America saw significant growth in 2023, with all countries achieving double-digit growth at constant exchange rates. However, sales in Argentina in the reporting currency decreased due to persistent hyperinflation and the national currency’s corresponding decline against the euro. We also saw double-digit currency-adjusted growth in the Africa and the Middle East region.

We continued targeted measures to increase profit during the reporting year, many of which were successful and able to partially offset negative effects. Despite considerably higher prices for raw materials and energy combined with negative currency effects as well as one-off effects in the US, we were able to keep our gross margin virtually unchanged (-0.1 percentage points). Normalized freight costs allowed for a substantially improved ratio of selling expenses to sales. Administrative costs in the reporting currency grew due to rising personnel expenditures as well as higher expenditures for energy, software licenses and consulting services. Expenditures to meet regulatory requirements and for new development projects increased spending on research and development, as expected, though an unscheduled amortization in the area of biologics in 2022 meant lower expenditures for research and development overall. Operating profit improved from the previous year thanks to some successfully implemented measures.

The one-time effects at our US location in Daytona, the impact of the recall and temporary production pause of our CAPS business in the US, negative currency effects and the subsequent effects on other expenses reported later prevented us from reaching our EBIT target of € 480 million to € 520 million (actual: interim profit of € 434.8 million and EBIT of € 316.2 million).

The EBITDA margin in the reporting year remained virtually unchanged at 11.6 percent (previous year 11.7 percent). DSO remained at a low level (62 days), though inventory coverage decreased by 1.2 weeks to 17.6 weeks. This is above our strategic goal of 16 weeks, with raw material inventories being higher to guarantee supply to the health care industry and hedge against potential supply chain disruptions. Profit is satisfactory given overall political trends.

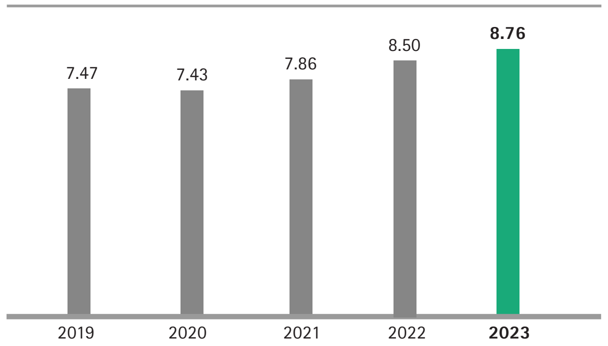
Overall, the B. Braun Group’s good market position in 2023 allowed for steady sales growth and the Group finds itself in good and stable economic health despite the persistently demanding global environment. We currently do not identify any significant deterioration in B. Braun’s economic stability.

Earnings

B. Braun Group’s sales growth

In the 2023 fiscal year, the B. Braun Group earned € 8,755.0 million in sales (previous year: € 8,499.8 million), or 3.0 percent higher sales than the previous year (6.5 percent at constant exchange rates).

Sales development
in € billion



Business performance of the Hospital Care division

The Hospital Care division increased sales by 3.4 percent (7.0 percent at constant exchange rates) to € 4,694.3 million (previous year: € 4,541.6 million). For the 2023 fiscal year, growth was driven primarily by Western Europe and Latin America. An FDA inspection of our CAPS business in the US led to a recall and temporary production pause, resulting in a significant drop in sales. This could be offset by other product ranges, however, so the previous year's sales in North America were slightly exceeded. Price effects on the market were generally positive in all product ranges and regions. Aside from price adjustments due to inflation and without the effect from CAPS, the division saw stable volume growth, although exchange rate fluctuations weighed down sales in the reporting currency. In terms of products, the division recorded sales growth mostly in IV solutions, single-use products for automatic infusion systems, IV sets and accessories as well as in IV catheters and the regional anesthesia range.

Business performance of the Aesculap division

In the last fiscal year, the Aesculap division reported sales of € 2,164.3 million (previous year: € 2,056.4 million), increasing 5.2 percent (8.7 percent at constant exchange rates) over the previous year. The division generated clear sales growth in Europe, the US, and some countries in Latin America. China was the only market in which sales declined, and this was due to distributor inventory reductions and volume-based procurement. With the exception of the areas neurosurgery and biologics, the division recorded substantial volume growth in all other product ranges. Demand grew especially for knee and hip implants, surgical instruments, imaging systems and suture material. Only sales of coronary angioplasty products declined due to business performance in Japan. Overall, we were able to increase market prices across most of the portfolio.

Business performance of the Avitum division

Sales in the Avitum division remained virtually unchanged at -0.7 percent in the reporting year (2.7 percent at constant exchange rates), totaling € 1,849.5 million (previous year: € 1,861.9 million). This was caused by a decrease in the infection prevention and control range due to higher sales of gloves and masks in the previous year as a result of the coronavirus pandemic. Sales of extracorporeal blood treatment products increased slightly in 2023. We were able to offset slowed growth in China in the second half of the year with expanding markets in Brazil, Mexico and the US. Our provider business reported solid growth due to stable treatment numbers, especially in the centers in Hungary, France and Czechia. Unextended contracts in the Philippines and United Kingdom as well as the sale of a dialysis clinic in Sweden had no relevant effect on sales. Wound care, ostomy care and continence care experienced strong growth compared to 2022, especially in Italy, France, Poland and the United Kingdom.

Development of gross profit

Gross profit in the 2023 reporting year increased 2.8 percent to € 3,322.4 million (previous year: € 3,231.2 million). Our gross margin declined by 0.1 percentage points to 37.9 percent (previous year: 38.0 percent), strained by rising purchase prices for energy and raw materials along with increased personnel expenditures and unscheduled amortizations. An impairment test on assets under construction to increase capacity for bagged irrigation solutions at the US location in Daytona resulted in an unscheduled amortization. Together with the effect of the CAPS production stoppage, the amortization resulted in a loss of gross profit in the high double-digit million range. A strong euro also reduced our gross margin by 1.3 percent in relation to sales.

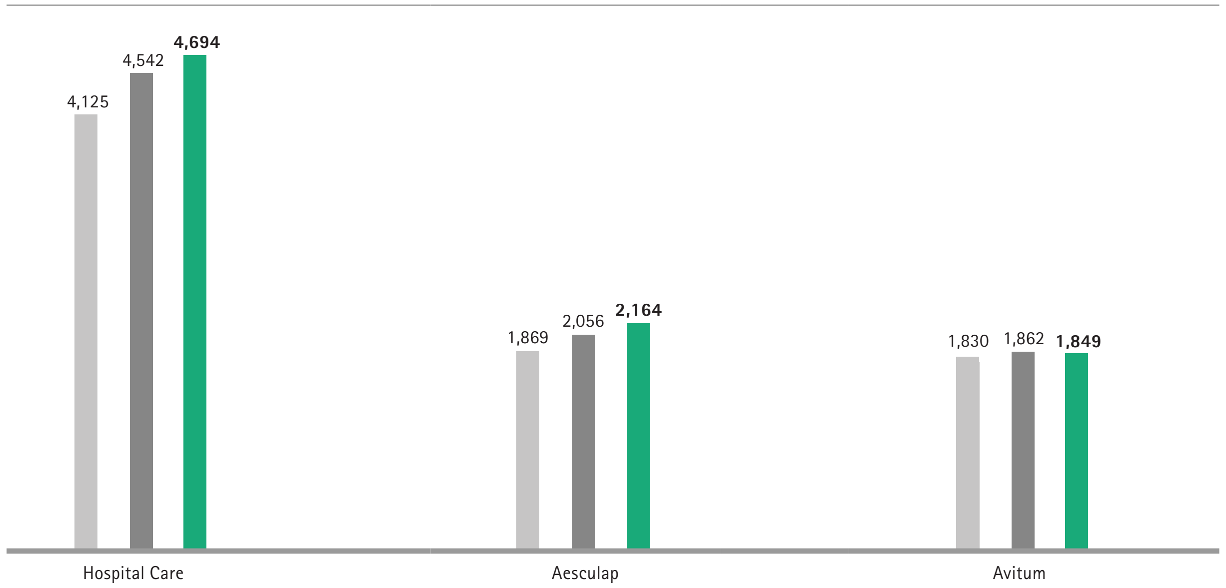
Development of functional expenses

Selling expenses increased 0.4 percent to € 1,947.7 million (previous year: € 1,940.6 million). Volume-based freight costs significantly decreased from the previous year due to better rates. We were able to offset a rise in other selling expenses caused by higher HR expenditures and marketing activities through disciplined cost management and efficiency.

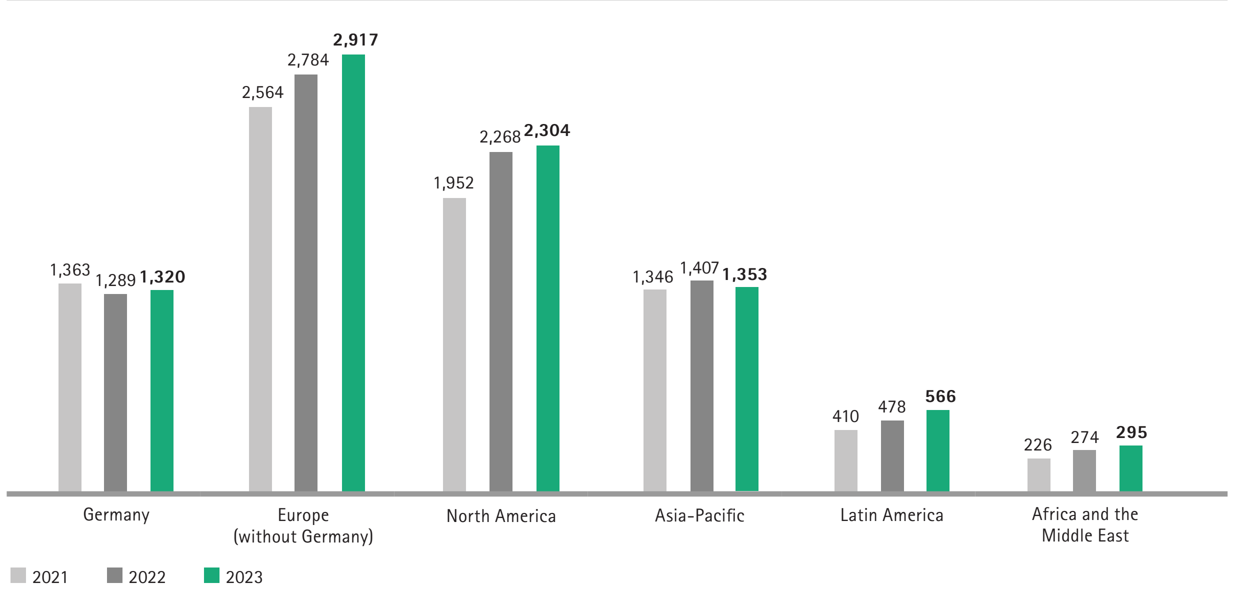
Administrative expenses in the fiscal year came to € 455.3 million (previous year: € 420.0 million), for an increase of 8.4 percent over the previous year. The cost increase was caused primarily by rising HR and energy expenditures as well as rising costs for hardware, software licenses and consulting for our strategic digitalization projects.

Expenditures for research and development declined 10.5 percent to € 484.6 million (previous year: € 541.2 million) in the reporting year. This cost reduction was mainly due to an unscheduled amortization in biologics the previous year. The adjusted cost volume came to the same level as the previous year, which is within our long-term strategic framework.

Sales by division
in € million



Sales by region
in € million



Development of investments

In the 2023 reporting year, total additions to property, plant and equipment, intangible assets and financial assets, and additions to investments in associated companies and acquisitions of fully consolidated companies amounted to € 698.5 million (previous year: € 647.0 million). Of that total, € 160.1 million (previous year: € 66.3 million) was attributable to additions to right-of-use assets under IFRS 16 for the extension of existing as well as the signing of new lease agreements. Investments were offset by amortization and depreciation totaling € 703.2 million (previous year: € 749.3 million).

The Hospital Care division continued construction of a new medical manufacturing plant in Melsungen, Germany, on schedule in 2023. At that same location, we began investing in relocating production lines for propofol, amino acids and lipid emulsions. We also continued a forward-looking project on automating infusion pump production. At the Bad Arolsen location in Germany, we invested in the expansion and modernization of our syringe production. At the locations in Daytona Beach, FL and Allentown, PA in the US, we have almost completed our major investment programs. Here, we produce large-volume IV solutions and medical devices, including those for infusion therapy.

The Aesculap division continued its investment projects to increase sterilization capacity at our production plant in Poland and expand the packaging technologies and capacity for our suture material plant in Rubí, Spain. In Malaysia, we completed a third production line for high pressure-resistant safety-engineered port access needles. We also invested in maintaining and optimizing production processes.

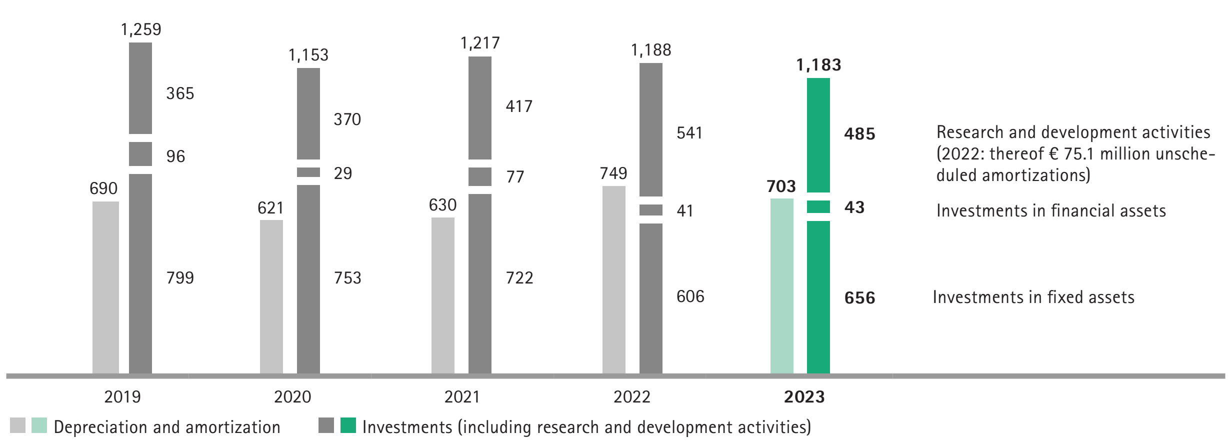
At the location in Sempach, Switzerland, the Avitum division completed construction of a new plant for disinfection products. Construction also began to expand the Am Buschberg plant in Melsungen, Germany. In Italy, we continued to invest in the expansion of our production plant in Nibbia so that we can manufacture medical-grade plastic film for key product groups ourselves. In Hanoi, Vietnam, a modern factory was built to produce hemodialysis concentrates to supply the local market. We also invested in new production equipment in Saint Jean de Luz, France, in order to safeguard and modernize the manufacture of ostomy bags.

As of the reporting date, investment commitments totaled € 196.2 million. These investments are largely part of ongoing replacement and expansion investments in the above-mentioned locations.

Development of other operating income and expenses

The balance from other operating income and expenses for the reporting year came to € -138.1 million (previous year: € -95.2 million), a decrease of € 42.8 million. Our negative currency result from the previous year increased by € 23.7 million to € -52.5 million (previous year: € -28.8 million) due to the valuation of receivables in foreign currencies. Other significant negative effects in other operating income and expenses were the result of legal costs and provisions for various legal proceedings in the US (€ -56.4 million), accruals for risks in Russia (€ -22.6 million) and write-downs (€ -28.9 million). In contrast, the transfer of the shares of a non-core subsidiary to B. Braun Holding GmbH & Co. KG resulted in income totaling € 17.8 million.

Investments in financial assets, property, plant, and equipment, and research and development
in € million



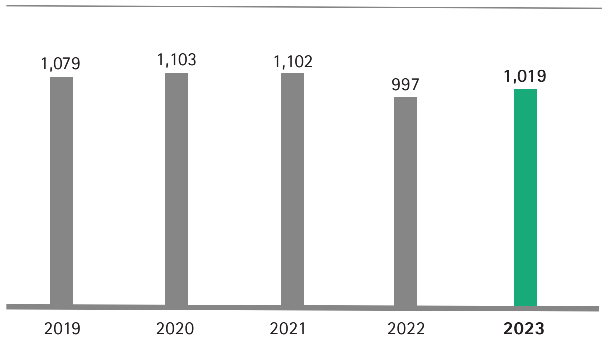
Development of net financial income

Negative net financial income rose in fiscal year 2023 by 63.6 percent to € -90.8 million (previous year: € -55.5 million). Interest expenses totaled € 76.6 million, increasing € 24.1 million from the previous year (€ 52.5 million), primarily due to higher interest for pensions. Interest income amounted to € 10.3 million (previous year: € 8.0 million). Profit from investments amounted to € 19.6 million (previous year: € 14.3 million), including dividends paid from an investment fund.

Development of earnings figure

Interim profit was € 434.8 million, an increase of 32.0 percent (previous year: € 329.4 million). EBIT in the reporting year reached € 316.2 million (previous year: € 247.9 million), € 68.3 million above the previous year's level. Depreciation declined to € 703.2 million (previous year: € 749.3 million), for an EBITDA of € 1,019.4 million (previous year: € 997.2 million). The EBITDA margin decreased by 0.1 percentage points to 11.6 percent of sales (previous year: 11.7 percent of sales).

EBITDA
in € million



Profit before taxes improved 15.3 percent, reaching € 206.0 million (previous year: € 178.7 million). Income taxes for the fiscal year amounted to € 80.8 million, up € 44.3 million from the previous year (€ 36.5 million). The clear increase in the Group's tax rate was due to lower tax income from the capitalization of tax credits as well as write-downs of losses carried forward. Payment of back taxes and provisions due to external tax audits in various countries also led to an increase in tax expenditure. Consolidated net income was € 125.2 million (previous year: € 142.2 million).

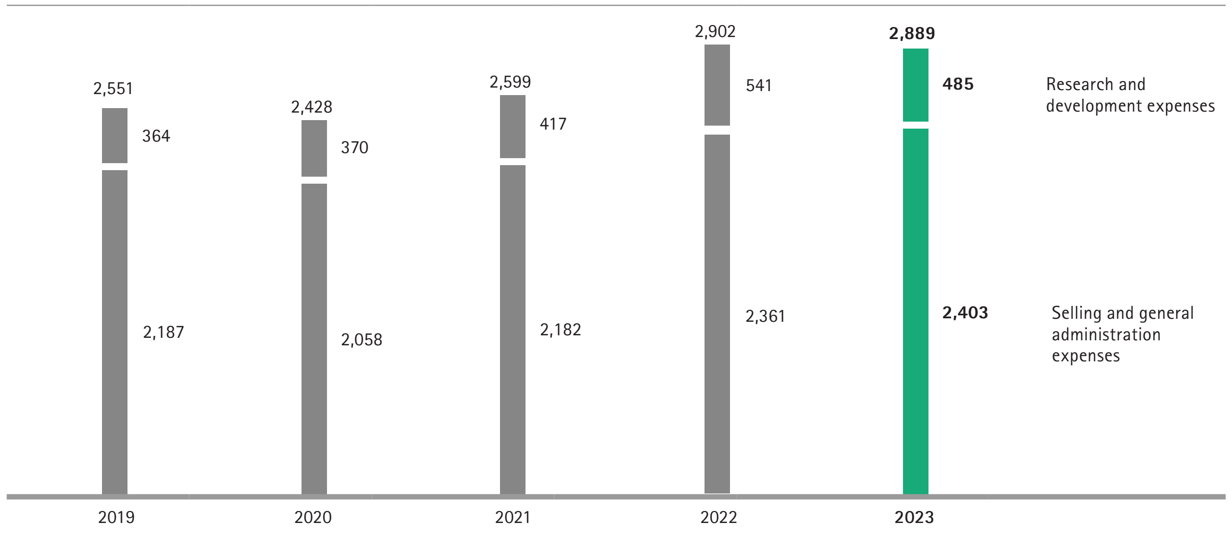
ROOA came in at 1.4 percent, which represents a reduction compared to the previous year's 1.6 percent, due to lower consolidated annual net income.

Financial position

Liquidity

Operating cash flow totaled € 719.0 million (previous year: € 718.9 million), up by € 0.1 million from the previous year. Cash outflow from investing[2] was low-

Functional expenses
in € million



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[2] The difference between additions to fixed assets and cash outflow from investing is the product of cash-relevant investments and currency translation effects.

er by € 99.8 million to € 465.4 million in the reporting year (previous year: € 565.1 million). This was mainly due to an influx of € 37.2 million from the sale of shares in two Group companies. The reporting year saw a positive free cash flow of € 253.6 million (previous year: € 153.8 million). Accordingly, cash flow for investments in plant, property and equipment as well as intangible assets totaled € 519.9 million (previous year: € 549.0 million) and € 47.8 million (previous year: € 43.9 million) for investments in financial assets and business acquisitions. At the same time, B. Braun received dividends and dividend equivalents in the amount of € 24.3 million (previous year: € 18.0 million). Net loan repayments for the reporting year totaled € -252.3 million (previous year: net loan repayments of € -69.7 million). Overall, cash and cash equivalents declined by € 7.7 million as of the reporting date to € 105.8 million (previous year: € 113.5 million). Of this amount, € 14.6 million are subject to disposal restrictions (previous year: € 17.7 million restricted) due to local foreign exchange and capital transfer controls. Stable cash flow from operations in conjunction with open, firmly committed credit lines gives B. Braun adequate liquidity at all times.

Asset structure

As of December 31, 2023, the total assets of the B. Braun Group decreased to € 10,372.7 million (previous year: € 10,566.6 million). This corresponds to a decrease of 1.8 percent. At constant exchange rates, total assets increased 0.8 percent.

Non-current financial liabilities decreased 3.3 percent to € 6,569.7 million (previous year: € 6,794.0 million). Property, plant and equipment decreased 2.4 percent to € 5,388.6 million (previous year: € 5,520.6 million). This decrease was largely the result of translation effects.

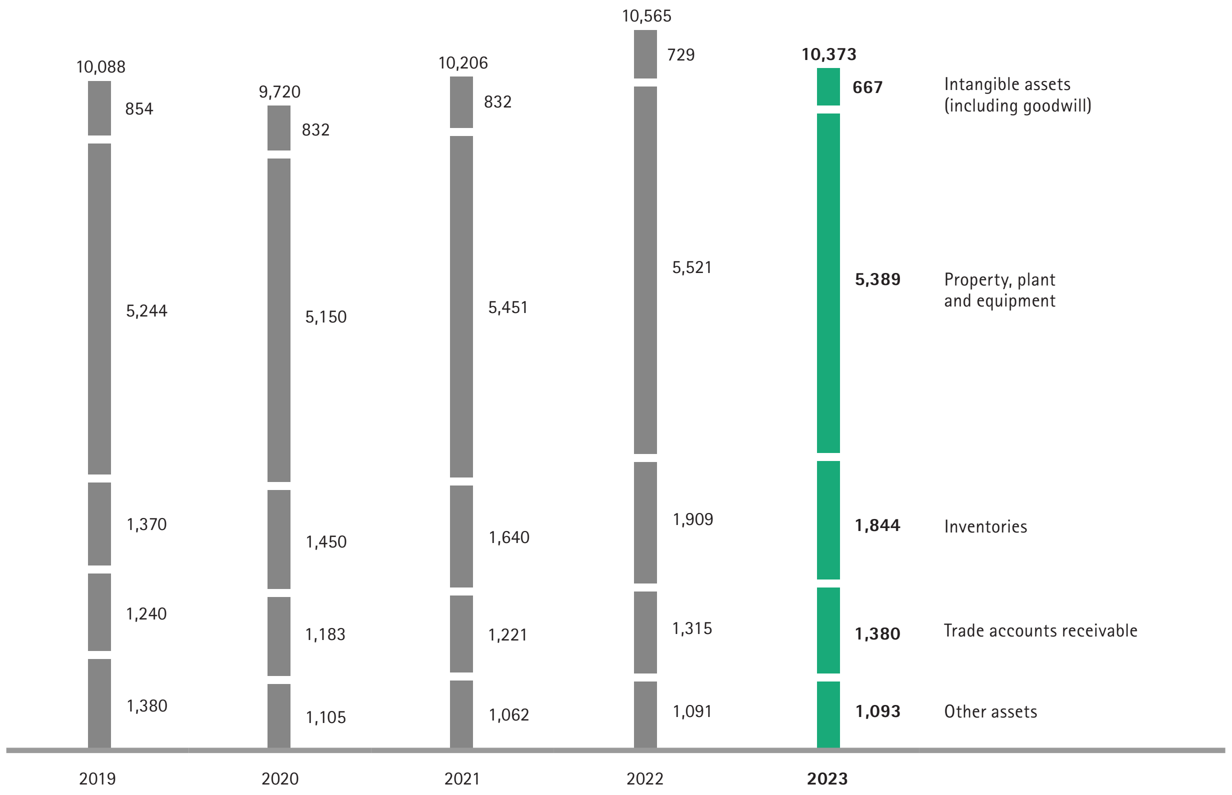
Inventories as of the reporting date amounted to € 1,843.7 million, 3.4 percent (0.3 percent at constant exchange rates) below the previous year (€ 1,908.6 million). Inventory coverage was 17.6 weeks (previous year: 18.8 weeks). When adjusted for currency fluctuations, inventories were kept constant with growing business volume. We also keep more raw material in inventory to guarantee supply and hedge against potential supply chain disruptions. Trade receivables increased by 4.9 percent (9.0 percent at constant exchange rates) to € 1,379.8 million (previous year: € 1,315.2 million). Trade receivables DSO increased by one day to 62 days.

Financing structure

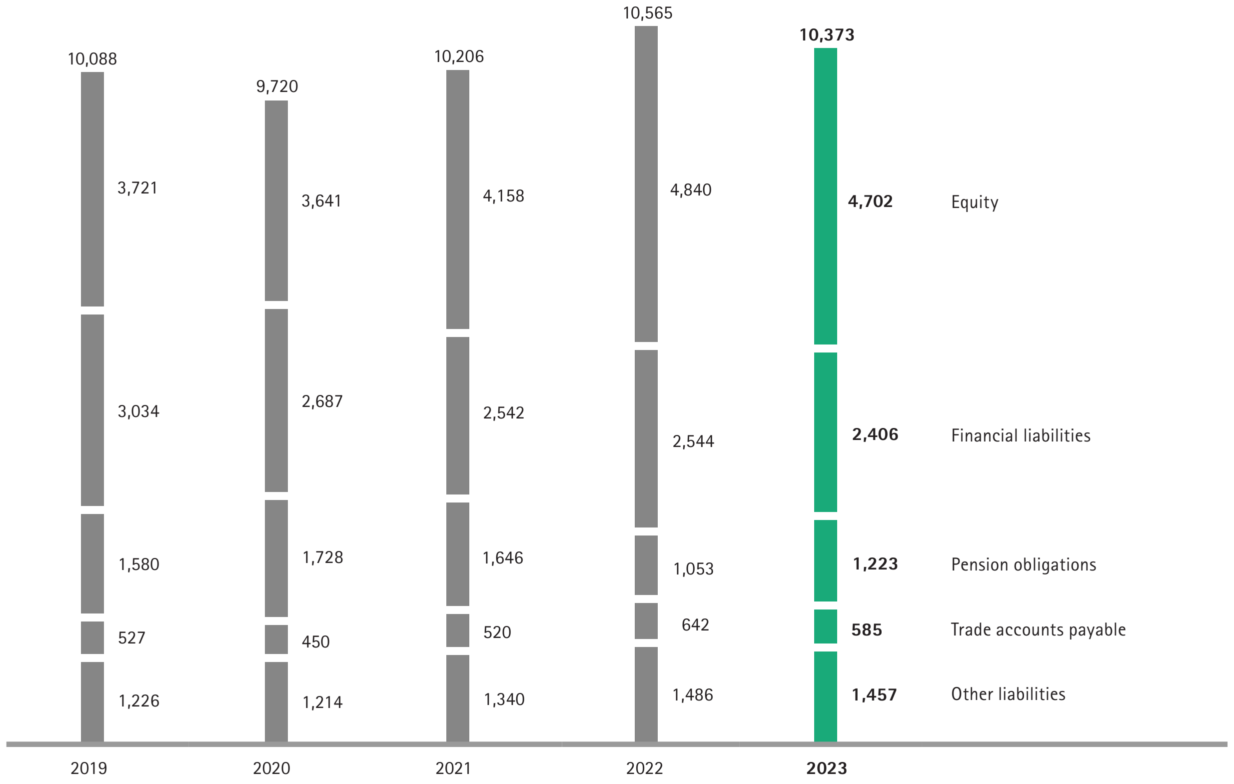
Equity decreased by 2.8 percent (-1.1 percent at constant exchange rates) to € 4,702.1 million (previous year: € 4,839.7 million). The equity ratio was 45.3 percent (45.0 percent at constant exchange rates), 0.5 percentage points lower than the previous year's level (45.8 percent). This means we reached our strategic target level of 45 percent. When factoring in shareholder loans, the equity ratio was 46.1 percent. In the reporting year, the actuarial interest rate for pension provisions declined to 3.5 percent (previous year: 4.1 percent); therefore, actuarial losses rose € 137.2 million. Accordingly, total provisions for pensions and similar commitments increased by 16.2 percent to € 1,223.3 million (previous year: € 1,052.8 million). Our net financial liabilities (including IFRS 16) decreased by € 129.8 million to € 2,300.3 million (previous year: € 2,430.1 million). Financial liabilities totaled € 2,406.1 million, coming in below the previous year's level (€ 2,543.6 million). Non-current financial liabilities increased 3.9 percent to € 1,707.9 million (previous year: € 1,644.3 million). Current financial liabilities, in contrast, decreased 22.4 percent to € 698.2 million (previous year: € 899.3 million). Financial liabilities from leasing rose in the fiscal year by € 32.2 million to € 423.7 million (previous year: € 391.5 million). Most Group financing is conducted in euros; however, there are also small loans in various foreign currencies. As of the reporting date, 50.0 percent (previous year: 54.6 percent) of financial liabilities to banks and insurance providers carried a fixed interest rate. Trade accounts payable declined 8.9 percent to € 584.9 million (previous year: € 642.2 million). Trade payables DPO decreased by 4 days to 45 days (previous year: 49 days).

In 2023, we were able to refinance maturing loans mainly through available credit lines or settle them out of free cash flow. As of the reporting date, the B. Braun Group had € 1,132 million (previous year: € 1,330 million) in unused credit lines. The asset-backed securities program was largely financed by the backup line of credit during the reporting year. All key performance indicators agreed with the banks were met. The B. Braun Group's financial position in 2023 was stable.

Structure of statement of financial position: Assets
in € million



Structure of statement of financial position: Equity and liabilities
in € million



Risk and opportunities report

Risk management and controlling

All strategic and operational decisions at B. Braun are made with consideration of the risks and opportunities involved. We have a fundamentally cautious corporate strategy and avoid any uncontrollable potential risks. Risk management and controlling are key management tasks and are an essential part of Group management. Our risk management ensures that risks are identified, documented, assessed, monitored and managed. Risks resulting directly from business operations are promptly identified and assessed by our Group-wide controlling processes. We also identify and manage risks that do not result directly from business operations. The divisional and Group risk committees assess these risks and document appropriate countermeasures. Our risk management is rounded out by an internal audit department and ultimately by the annual audit of financial statements.

Risks

The risks identified here do not constitute every risk to which B. Braun is or may be exposed to. Risks that are not known or are considered to be insignificant at the time this annual report was prepared may also impact the earnings and financial position of the B. Braun Group.

Macroeconomic risk

High prices for raw materials, energy and food as well as supply chain disruptions and protectionism are risks that have been present since the pandemic. The extent of these risks in the coming years will continue to be influenced by the impact of inflation, which remains at a high level.

In general, we believe B. Braun is in a stable position in the face of economic factors. Capital goods may be negatively affected.

In 2023, inflation led to a further tightening of monetary policy in the developed economies. Forecasts show that the inflation rate in 2024 in the eurozone will move toward the target range of 2 percent as defined by the European Central Bank. The high inflation of over 8 percent in emerging and developing countries is not expected to ease in 2024 and could put individual countries under enormous financial pressure.

Many countries have very high debt levels from support packages during and after the pandemic, which are accompanied by rising financing costs. These countries will be forced to continue to reduce relief packages supporting the economy and population, which might make them more susceptible to an economic crisis.

The global economy would also be destabilized by geo-economic and geopolitical uncertainty. Exacerbation of the real estate crisis in China could lead to a banking crisis. If the conflict between Israel and the Palestinian territories that broke out again in October 2023 spills over into neighboring areas, it has the potential of driving already high oil prices even further upward. An escalation of Russia's war against Ukraine could further increase prices for raw materials, energy and food. We currently view our energy supply as secure in general as well as due to actions taken at our production sites. An increase in protectionist aspirations could have a considerable impact on the global flow of goods.

The sanctions against Russia restrict the business activity of foreign companies in Russia. The US imposed sanctions on a considerable number of specific medical technologies. In contrast, the EU has included only a few medical devices in its sanctions. We currently believe that the B. Braun product portfolio will not be affected by such restrictions even in the future. Within the legally permissible limits, we have maintained our business activity in Russia at a level necessary for patient care. Depending on the course of the war, there is a risk that B. Braun will lose business in Russia and suffer a one-off impact on profit in the lower three-digit million-euro range. To mitigate part of this risk, a provision was set up in the fiscal year in the lower tens of millions. Furthermore, some of these risks are hedged by export guarantees from Germany's federal government. We currently see no fundamental risk regarding the availability of cash and cash equivalents, although there are stipulations for capital transfer, including principal and interest as well as dividend payments.

Industry risk

The long-term trend toward protectionist health care markets has accelerated due to pandemic and geopolitical conflict. Companies in the health care industry are forced to establish local production in countries such as China and Indonesia in order to be an eligible tenderer and receive approval for medical devices sooner.

Companies in the health care industry are particularly affected by high inflation. Heavy price increases for input materials, high energy costs and rising personnel costs usually cannot be passed on to the customer to the same extent, which decreases profitability. Medical facilities are also under serious financial pressure, which can lead to late payments or even default.

The structural risks for companies in the health care industry may impact B. Braun's profit.

Regulatory risks

The high concentration of regulatory developments and the administrative burdens involved are putting increasing strain on companies, including those in the health industry. The EU's Medical Device Regulation (MDR) continues to complicate the approval process and delay access to innovation.

Impending regulations at the EU level may constitute additional economic risk for the industry. A new product liability directive could subject medical device manufacturers to stricter liability rules, such as an elevated risk in development and liability brought about by the reversal of the burden of proof.

A European regulation on artificial intelligence (AI) could also result in additional regulatory requirements, although these will be partly mitigated by the use of existing approval processes under the MDR and its expansion to cover AI aspects. Implementation of the EU's regulation on health technology assessments is associated with uncertainty for companies in the health industry in terms of affected products as well as the timing and impact of the assessment.

Implementation of legal requirements under the EU Green Deal places a significant bureaucratic burden on companies, particularly the documentation and reporting requirements of the Corporate Sustainability Reporting Directive (CSRD) as well as the supply chain due diligence requirements, all of which require significant resources to fulfill. Expanded data requirements and material use restrictions under the EU's chemical strategy for sustainability also have an impact on the health care industry.

In order not to jeopardize their competitiveness, companies need to analyze, assess, meet and document all of these requirements in a systematic and structured manner. The European Commission's initiative to reduce administrative burden and streamline reporting requirements could have an appropriate mitigating effect.

Legal risk

B. Braun is exposed to risks from legal disputes, which can include present or future proceedings. Possible violations of laws or regulations can result in sanctions that can have a negative effect on our reputation and earnings. Violations may also result in the payment of out-of-court settlements. We have established a global compliance management system in order to ensure compliance with laws and regulations.

Lawsuits have been filed against B. Braun companies in the United States in relation to the ethylene oxide sterilization process in Allentown, PA (United States). In 2020, a class-action lawsuit was filed claiming residents were at higher risk of cancer, though the case had not been adjudicated as of the reporting date. As of December 31, 2023, a total of 91 civil suits were ongoing in the US. Proceedings for the first of these suits may begin in June 2024. These suits allege that emissions from the facility have caused personal injury to the plaintiffs. B. Braun considers these allegations unfounded.

There are currently no risks arising from ongoing proceedings or known circumstances that could jeopardize the company's continued existence.

IT security risks

A failure of key IT systems or the loss, unauthorized alteration or disclosure of data can have serious consequences, including interruptions in business operations, loss of reputation, fines and legal claims.

To mitigate these risks, we have put in place various organizational and technical security measures, such as a global system for detecting and warding off cyberattacks, authorization concepts based on the principle of least privilege, redundancies in infrastructure and employee training. We continue to standardize our production networks and continuously monitor them with systems that identify weaknesses.

We have also implemented an information security management system (ISMS) according to international standard ISO/IEC 27001 and continue to refine it. We use an established plan–do–check–act cycle to ensure that the system's maturity level develops in line with requirements. In an environment of advancing digitalization and a constantly changing threat situation, for example from ransomware Trojans, we are constantly reviewing and implementing new security measures. Reducing security risks will remain one of the fundamental tasks for guaranteeing the smooth running of processes within the Group in the future.

Many countries have also expanded legal requirements on cybersecurity due to increasing cyberattacks on critical infrastructure such as hospitals and other medical facilities. In 2024, the EU's NIS2 Directive will be transposed into national law at member state level, requiring companies to address cybersecurity with a similar degree of regulation as data protection. This is why we regularly evaluate the relevant standards and apply the results to our development processes.

IT risks will also grow for companies in the health care industry in the coming years. B. Braun continually develops and refines its security measures and ISMS in order to detect risks early and defend against cyberattacks.

Product risk

We address risks arising from the use of our products with quality management systems within our divisions. These are based on international standards to assure that all regulatory requirements are observed. Regular reviews of our quality management systems using internal and external audits, together with continuous employee training, round out our quality management.

To minimize risks from product liability, we have in place an international liability insurance program with a consortium of eight primary insurers. Our global Product Security Office, created in 2022, routinely reviews the relevant standards for B. Braun products and ensures that the products fulfill them.

Potential risks from our products can harm B. Braun's profit but can easily be minimized by the existing quality management systems and the established Product Security Policy. Appropriate structures and processes for proactively monitoring for potential cyberattacks, dangers and risks guarantee high product safety throughout the entire product life cycle.

Procurement risk

A shifting political and macroeconomic environment can result in more frequent instability and volatility on the procurement markets, including in the future. Risks can arise here that can affect price trends for raw materials and energy, availability, delivery times and supply chain reliability. Against the backdrop of escalating conflict in the Middle East, we currently consider the impact on delivery times to be manageable. Persistently high inflation rates will continue to affect prices. A potential economic downturn could, on the other hand, lead to a delayed softening of inflation. The materialization of these risks may impact production supply, thereby impacting B. Braun's supply capabilities. The regulatory risks indicated above will affect the growing requirements for supplier selection and the monitoring and development of existing suppliers.

Inadequate natural gas supply generally could also affect European production facilities, however, the last two years have shown that Europe can ensure an uninterrupted gas supply. For this reason, we do not expect any bottlenecks for B. Braun or its suppliers. We have also retrofitted major production facilities in Europe to use alternative energy sources so we can switch to these in the event of a gas shortage.

Thanks to prompt corrective action, such as the buildup of safety stocks and a uniform market approach, we have been able to ward off procurement risks so far and prevent any significant production delays or interruptions. Our long, trusting and fair cooperation with our suppliers was also a key factor.

We conduct regular risk assessments to minimize the risk of default. If a supplier is identified as a high default risk, we have a range of processes and instruments in place to ensure continuous supply. These include close communication with our key suppliers, disaster recovery plans, inventory buildup at B. Braun or at the supplier, multiple sourcing strategies, and a general diversification of our supply chains.

We anticipate no significant change in procurement risk in 2024. In light of current market trends, we are continuing to expand our risk management to reduce procurement risk. We believe isolated delivery delays are possible. We currently see no indication of a lasting disruption of our production and sales processes caused by procurement risk.

Human resources risk

The demographic trend toward an older population is rapidly changing society and the world of work, and is putting more pressure on companies to act. This is particularly evident in the shortage of skilled workers in IT, engineering, logistics, trades and nursing. This is why we are working on further improving our recruiting process, which means, above all, becoming more digital and, therefore, faster. At the same time, we are breaking new ground in recruiting new employees for the company, such as through active sourcing across various business networks.

Given the volatile market conditions and the cost pressure involved, the need for companies to act with even greater efficiency is growing. B. Braun is facing these changes with a profitability program launched in 2022, in which we are analyzing our current structures and optimizing our processes. At the same time, we are refraining from filling vacancies whenever we can compensate for the position with additional automation and improved processes.

At B. Braun, we offer attractive training opportunities, working conditions and terms that go beyond those found in collective bargaining agreements. We believe in developing our employees, with the goal of preparing them for digitalization and acquiring new skills for technically demanding roles at B. Braun. By doing this, we are enhancing our employees' qualifications in order to fill most vacancies from within.

A skilled worker shortage can overburden the existing workforce. With many countries raising their retirement age, all employees should be able to reach this point with their health still intact. This is why we believe in preventive health management that helps them to avoid both physical and mental illness.

Thanks to our continuously refined HR processes, we should to be able to cushion the impact of volatile market conditions and skills shortages, even if both trends should continue to intensify in the coming years.

Financial risk

B. Braun operates internationally and is exposed to currency risks, which we reduce through currency hedging transactions wherever possible and appropriate. The Group regularly hedges its net position from recognized receivables and payables against currency risks with foreign currency derivatives and borrowing in foreign currencies. In Brazil, we used layered hedging in isolated instances until mid-2023 to cover expected liabilities that were not yet recognized. Trading and management of derivative financial instruments are regulated by internal guidelines and are subject to continuous risk monitoring.

To manage liquidity risk, we maintain sufficient reserves of short and long-term committed credit lines. This especially includes a syndicated loan agreement for € 700 million, which we extended in the reporting year out to 2028. There is also the risk of a possible deterioration in the payment behavior of our customers or public payers. Limited financing options can have a negative impact on liquidity and an individual customer's ability to pay.

After the coronavirus pandemic, rising interest and inflation rates now pose an elevated risk of default in our receivables. Cost and price increases are further aggravating our customers' financial performance and financial position, which were already strained during the pandemic. In light of this, we expect a future trend toward consolidation in international health care industries despite stabilized supply chains.

During the reporting period, we noted a growing number of countries that restricted cross-border movement of capital and money. This can lead to production facilities located in one of the countries in question being cut off from their supply of raw materials, or sales organizations no longer able to be adequately supplied with finished products. This can also jeopardize the debt servicing of cross-border financing.

There is also a risk that our suppliers' liquidity situation could become strained and could, in the worst-case scenario, jeopardize the operations of some of them. Another increase in interest rates can also aggravate the financial situation of all parties.

Opportunities

In addition to risks, B. Braun regularly identifies and assesses opportunities for the company. Opportunities can generally arise from the advancement of our core medical products and integrated solutions or the launch of new products and services. Close dialog with our customers allows us to continue swiftly seizing potential and opening up new business prospects through innovation.

Opprtunities from our economic environment

Our statements on the future development of the Group are based on the economic environment as described in the forecast report. Should the health care economy perform better than currently expected, our sales, earnings and financial position may exceed our forecasts.

The best possible health care for a patient requires health data to be available and aggregated with a high degree of quality. This data is also the foundation of B. Braun's innovative power and global competitiveness as a medical technology company. Germany's Health Data Usage Act will soon govern the use of health data in Germany while also giving companies in the health care industry the right to request the use of this data.

Increased capacity enables us to share in the growing demand for medical technology. New, automated production processes further improve our competitiveness. In addition, our comprehensive portfolio and our years of experience enable us to offer integrated solutions for our customers. Should this increase demand more than expected, it could have a positive impact on our sales and earnings as well as our cash flow.

Opportunities from our international presence

With increasing protectionist measures in numerous health care markets in mind, our international presence offers opportunities for locally manufactured product portfolios. Numerous production sites also means we can shorten transport routes, helping to reduce our carbon footprint. B. Braun would also concretely benefit from the conclusion of additional free trade agreements, especially in countries where we have no local production. Improving business conditions in individual markets for international companies in the health care industry could sustainably strengthen our sales and earnings.

Opportunities from our employees

We seek to motivate employees to continue to grow and spend their career with the company. We invest in targeted training and continuing education to keep knowledge in the company and increase it in the true sense of Sharing Expertise. With regular talent and performance reviews, we plan the succession of management positions over the long term.

We continuously work on production site models that can be swiftly adapted and also refine overall conditions for employees in those shift models. We also would like to deploy personnel beyond individual locations with greater flexibility to head off production spikes.

At the same time, B. Braun supports a work culture characterized by trust, accountability and diversity. We promote a leadership style that motivates, values feedback and analyzes employee potential. At B. Braun, we value different perspectives that allow us to reach the best possible solution for our customers.

The successful implementation of various employee-related initiatives and support from our workforce can also improve our competitiveness and have a positive impact on our sales, earnings and cash flow.

Opportunities from innovation and technology

Our growth strategy is based on developing innovative technology platforms, therapy concepts, processes, products and services. In close partnership with our customers and users, we are working on new health care solutions that allow our customers to improve their care tasks and make them safer and easier.

Digital technologies, data analytics and artificial intelligence are swiftly changing health care. For customers, numerous business models open the door to optimizing individual patient care along a treatment pathway. At the same time, these technologies offer B. Braun numerous opportunities to optimize and automate processes, and increase productivity at the same time. This is based on data collected by B. Braun products through numerous channels, internally or from the customer. Afterwards this data is analyzed and processed into added value for various target groups.

B. Braun has begun its transition into a data-centric company and is expanding both its digital infrastructure as well as the skills and abilities of its employees in handling data and analytics. A consistent focus on data lays the groundwork for smart product, service and process digitalization—including solutions fully customized to the customer's requirements. Digital services and products (software) together with interconnected devices and smart single-use products (hardware) form integrated systems that enable data-driven, high quality and efficient health care, which is the foundation of other innovative business models.

In addition to digitalization, other technologies such as automation, new manufacturing technology or innovations in material sciences offer opportunities to improve patient treatment quality and make the customers' processes and B. Braun's more efficient and sustainable.

The use of new technologies has the potential to improve our sales and earnings. New possibilities for data processing and analysis can affect our production and sales processes. If we are able to achieve a quicker time to market for our research and develoment projects than is currently expected, this too could positively affect our sales and earnings.

Overall statement on the Group's risk and opportunity situation

At present, there are no identifiable risks or dependencies that could threaten the viability of the B. Braun Group for the foreseeable future. Given the current global geopolitical flashpoints and developments in the US, we believe that our net risk position has increased compared to the previous year. We were able to work out and implement countermeasures to offset potential negative developments for some risks, particularly with regard to energy shortages, especially natural gas from Russia.

Our extensive portfolio of products and services combined with our global presence also has a stabilizing effect, so we remain unaware of any risks that could jeopardize the company's continued existence. However, the conflict in the Middle East, which escalated into a war in October 2023, has a risk potential that cannot yet be estimated.

Therefore, we must expect the current volatility to persist in 2024. Current foreign exchange market trends and future interest trends remain difficult to predict, which means risks may arise here in the short term. A further increase in interest rates can exacerbate the financial situation for all stakeholders, even jeopardizing functional supply chains. B. Braun also faces the risk of being unable to pass on all inflation-related price increases to our customers.

An increase in cyber risks is likely. Advances in networking and digitalization, both on the user side as well as in production, will provoke more cyberattacks. B. Braun continues to refine its information security and IT crisis management processes and measures accordingly. In addition to focusing on greater resilience we are also working on detecting anomalies faster.

In general, we are convinced that the ever-present market risks will not have a substantial negative impact on the B. Braun Group's performance. Alongside these market risks are significant opportunities that may help the company continue to succeed.

Outlook

The statements made here on economic trends and company performance are forward-looking. Our expectations contain all material events that were known at the time this Group management report was prepared that could impact the business performance of the B. Braun Group. The actual events may vary significantly, in both positive and negative respects.

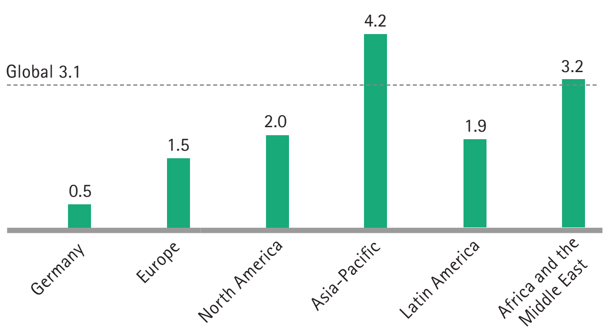
Expected economic environment

Global trends[3]
The International Monetary Fund expects the global economy's growth to remain stable in 2024 at 3.1 percent. Central bank interest rate policy is seen as one of the biggest factors for slowing growth by making investments more expensive. This is expected to reduce inflation from 6.9 to 5.8 percent, and to 2.6 percent in industrialized countries.

The global medical technology market is predicted to grow at an annual rate of 5.0 percent more than the overall economy. High cost pressure and the tight skilled workforce situation in many countries will force public, charitable and private health care entities to continue to optimize processes and look for other ways to increase efficiency. The continuing digitalization of processes and therapies remains a key issue and the demand for corresponding solutions for inpatient, ambulatory and in-home health care will continue to grow. AI will also play an increasingly important role here.

Regional trends
More changes are expected in Germany's health care industry in 2024: hospital bankruptcies and the shortage of skilled workers will require additional government action. The planned hospital reform is intended to detach financial incentives from health care, improve quality of treatment and reduce bureaucracy. The reform will be complemented by a transparency law aimed at publishing a transparency directory containing structural and performance data, as well as the classification of hospitals according to levels of care. New rules promoting digitalization, such as electronic patient records and the integration of digital health care applications, are now being implemented. The federal government's strategy to strengthen the pharmaceutical industry in Germany acknowledges the industry's importance to medical care and the country's economic performance. This strategy includes plans to simplify clinical trials, promote pharmaceutical manufacturing in Germany and amend EU public procurement law in favor of pharmaceuticals manufactured in Europe.

Forecasted change in the gross domestic product
in percent



The groundwork for a digital health care economy should also be laid in Europe in 2024 in the form of the European Health Data Space (EHDS) to interconnect health data collected at the national level. A European data space has the potential to improve a health care system's care, research and infrastructure. EU pharmaceutical legislation is also slated for fundamental reform, in order to facilitate innovation and better access to drugs. Economic sanctions on Russia are not likely to be lifted soon, though there is nothing to indicate that medical devices will be included in coming EU sanctions packages.

In the US, hospitals are expected to return to full capacity in 2024 or 2025 at the latest, which will likely result in an increase in investments, especially in health care facilities, software, surgical instruments and catheterization laboratory equipment.

Forecasts predict that the medical technology market in Asia Pacific will remain strong in the coming years and see an average annual growth rate of 7 percent. This growth is primarily being driven by China, whose government seeks to increase its global market share of the medical technology sector to 25 percent by 2030 and achieve a local manufacturing rate for high-quality medical devices of 95 percent. India's government also has ambitious growth targets in medical technology and plans to provide the industry with dedicated support to improve access, affordability, quality and innovation in public health care.

The medical technology markets in Latin America and Africa and the Middle East are growing by 5 to 7 percent per year. This is well above the growth level for health care spending in, for example, Brazil, which is only at 1.4 percent. As in Europe, the use of digital solutions is becoming increasingly subject to regulations in Brazil.

Business and earnings outlook

For the 2024 fiscal year, we expect sales to fall within the strategic target growth range of 5 to 7 percent growth at constant exchange rates. Growth in the reporting currency will be lower due to the continued strength of the euro and corresponding currency effects, primarily from the US dollar, the ruble and the Argentine peso. We believe that the price level for raw materials, energy and logistics will remain at the current level and that personnel costs will continue to rise. This will be largely offset by continued production efficiency measures as well as growth in profitable segments. We expect this to lead to an improvement in profit contributions and an increase in profitability.

For the Hospital Care division, we predict growth at constant exchange rates that will be slightly below that of the overall Group. We expect growth to be driven primarily by IV sets and accessories, drug preparation and peripheral safety IV catheters. We will also strive for growth above market performance in regional anesthesia. With the high degree of customer acceptance of our core medical product Space^{plus}, we expect stronger sales of infusion pumps and IV lines. We also expect growth in our pharmaceutical portfolio, for example, higher sales of our ready-to-use medications and continued volume growth in the US. We expect our CAPS business to gradually recover in the coming years.

In the Aesculap division, we are forecasting strong growth above the Group average for the 2024 fiscal year. We expect significant growth momentum from Asia. Especially in China, we expect a strong performance due to significant volume growth after we were hit by the negative effects of altered tendering procedures in the therapeutic areas of neurosurgery and interventional vascular diagnostics and therapy in 2023. We continue to see good sales opportunities in the US and Germany, especially in neurosurgery, sterile containers and endoscopy. In Europe, growth will be somewhat less due to the absence of a central sterilization site.

For the Avitum division, we forecast sales growth above the Group level, with continued strong perfor-

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[3] IMF: World Economic Outlook (January 2024) & Regional Outlooks (October-November 2023); OECD: Economic Outlook (October 2023); BVMed: Ukraine War Sanctions Package (07/10/2023), MedTech Market Presentation (11/13/2023); European Commission: Overview of Sanctions (02/01/2024), European Health Data Space (04/26/2023); Roland Berger: Hospital Study 2023 (10/28/2023); Deloitte: Healthcare Trends (12/06/2023); Federal Ministry of Health: Digitalization in Health Care (2023); Medizin & Technik: Medical Technology for China (04/15/2021); GTAI (09/18/2023); Embassy of Finland in Brasilia: Healthcare Industry in Brazil (04/18/2023); ETHealthworld: Regulatory Affairs in India (04/27/2023).

mance from wound care, ostomy care and continence care products, especially in Western Europe but also in markets like China and Latin America. Sales in infection prevention will stabilize following one-off effects in the medical examination glove business in 2023. For infection prevention and control, the commissioning of the production line in Sempach is a key milestone for future sales growth. Our dialysis provider business will continue to stabilize and make a positive profit contribution thanks to treatment numbers continuing to rise along with some country-dependent increases in cost reimbursements. We expect further progress in acute dialysis products, primarily in China and Western Europe. Improvement is expected in China following a decline in volume in 2023.

We expect our interim profit without one-off effects in a range of € 510 million to € 550 million (2023: interim profit € 434.8 million). We forecast EBIT to grow to somewhere between € 390 million to € 430 million at constant exchange rates (2023: EBIT € 296.7 million). Profit before taxes is expected in a range of € 270 million to € 310 million (2023: profit before taxes € 206.0 million). We forecast EBITDA to grow to somewhere between € 1,060 million to € 1,110 million (2023: EBITDA € 1,019.4 million). This corresponds to a target EBITDA margin of 12 percent. These figures are largely based on mostly stable exchange rates and an interest rate at the same level as the second half of 2023. We are aiming to increase ROOA by more than one percentage point.

Whether our earnings goals are met depends on how geopolitical tensions and their different effects unfold over time. Achieving the intended profit goals through internal efficiency measures and profitability activities will also influence these targets as will the performance in the US. Using active working capital management, we look to continue to optimize inventory coverage and DSO. For DSO specifically, we want to keep it at a low level of 61 days (2023: 62 days), although we have observed difficulties with the payment behavior of our customers in some markets. After increasing inventory in 2022, which had an effect on 2023, we want to continue to work in 2024 on achieving our strategic goal of 16 weeks of coverage.

Expected financial position

B. Braun intends to continue its solid financial policy of recent years. We are striving for an equity ratio above 45 percent for 2024. At the same time, we will maintain our current conservative dividend policy. We concluded no material refinancing in the 2023 fiscal year; rather, we financed our investments and scheduled repayments from current cash flow and existing lines.

The financing volume for long-term maturities will be € 113 million for 2024 and a total of € 175 million in the following year. The increase in market interest rates caused by the amended monetary policy of numerous central banks will make refinancing more expensive for B. Braun due to the higher interest rate. If geopolitical conflicts persist, they may further increase uncertainty in the capital markets, resulting in even higher risk premiums.

Despite the rising costs and current risks associated with financing, we expect that we will be able to obtain necessary funding given our long-standing relationships with our banks and the sustained earning power of B. Braun. With the Group-wide cash pooling system, we want to optimize financing within the Group in the future, as well. Furthermore, we are reducing our need for financing through Group-wide inventory and receivables management projects.

Overall statement on the outlook for the Group

Given the assumptions presented with regard to the performance of the global economy and the health care industry, we anticipate positive sales and earnings development for B. Braun in 2024. With the measures for increasing efficiency and structural optimization already initiated, we will counteract the expected cost increases. Despite the indicated risks, we continue to see growth potential beyond the 2024 fiscal year.

With our close customer contacts and innovations, we will create new opportunities for implementing technology in health care. With our high-quality products and integrated solutions, we have positioned ourselves well in the global health care industry. By consistently focusing on strengthening our innovative power and increasing our earnings, we will continue to hold our own even in a persistently volatile environment. We remain a true partner to our customers who develops smart solutions and sets standards to drive advancements in health care. Together with medical professionals, we will continue to protect and improve the health of people around the world.

Melsungen, February 29, 2024

The Executive Board

Consolidated financial statements

The consolidated financial statements of B. Braun SE—hereinafter also referred to as the B. Braun Group—as of December 31, 2023, have been prepared in compliance with section 315e (3) German Commercial Code (HGB) according to the International Financial Reporting Standards (IFRS) applicable as of the reporting date published by the International Accounting Standards Board (IASB), London, as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as stipulated by the EU, and have been published in the online edition of the German Federal Gazette (Bundesanzeiger).

Consolidated statement of income

	Notes	2023 '000	2022 '000
Sales	1)	8,754,984	8,499,846
Cost of goods sold	2)	-5,432,585	-5,268,647
Gross profit		**3,322,399**	**3,231,199**
Selling expenses	3)	-1,947,701	-1,940,570
General and administrative expenses		-455,291	-419,964
Research and development expenses	4)	-484,608	-541,246
Interim profit		**434,799**	**329,419**
Other operating income	5)	416,061	574,101
Other operating expenses	6)	-554,123	-669,341
Net position of monetary items as per IAS 29	6)	(-11,692)	(-7,389)
Operating profit		**296,737**	**234,179**
Profit from financial investments (equity method)	7)	911	5,266
Financial income		10,267	8,033
Financial expenses		-120,485	-77,255
Net financial income	8)	-110,218	-69,222
Other financial income	9)	18,534	8,469
Profit before taxes		**205,964**	**178,692**
Income taxes	10)	-80,813	-36,467
Consolidated net income		**125,151**	**142,225**
thereof attributable to:			
B. Braun SE shareholders		(112,068)	(118,928)
Non-controlling interests		(13,083)	(23,297)
		125,151	**142,225**
Earnings per share (in €) for B. Braun SE shareholders in the fiscal year (diluted and basic)	11)	0.14	0.15

Consolidated statement of comprehensive income

	2023 '000	2022 '000
Consolidated net income	**125,151**	**142,225**
Items not reclassified to profit or loss		
Revaluation of pension obligations	-137,271	640,577
Income taxes	37,174	-180,890
Changes in amount recognized in equity	**-100,096**	**459,688**
Items potentially reclassified to profit or loss		
Changes in fair value of securities	-25,042	1,424
Income taxes	-	-670
Changes in amount recognized in equity	**-25,042**	**754**
Cash flow hedging instruments	-695	4,605
Income taxes	-90	124
Changes in amount recognized in equity	**-785**	**4,730**
Changes due to currency translation	-36,837	111,801
Income taxes	-	-
Changes in amount recognized in equity	**-36,837**	**111,801**
Changes recognized directly in equity (after taxes)	-162,760	576,972
Comprehensive income over the period	**-37,610**	**719,198**
thereof attributable to:		
B. Braun SE shareholders	(-44,661)	(625,301)
Non-controlling interests	(7,051)	(93,897)

Consolidated statement of financial position

	Notes	Dec. 31, 2023 '000	Dec. 31,2022 '000
Assets			
Non-current assets			
Intangible assets	14) 16)	667,302	729,106
Property, plant and equipment	15) 16)	5,388,568	5,520,595
Investment real estate holdings	15)	6,808	6,953
Financial investments (equity method)	17)	72,957	75,569
Other financial investments	17)	80,250	106,086
thereof financial assets		(80,250)	(106,086)
Trade receivables	18)	23,638	24,428
Other assets	19)	65,434	54,624
thereof financial assets		(10,189)	(8,199)
Income tax receivables		850	1,934
Deferred tax assets		263,863	274,748
		6,569,670	**6,794,043**
Current assets			
Inventory	20)	1,843,731	1,908,636
Trade receivables	18)	1,356,211	1,290,752
Other assets	19)	387,011	355,984
thereof financial assets		(207,511)	(147,634)
thereof financial assets held for sale		(7,387)	-
Income tax receivables		110,196	103,682
Cash and cash equivalents	21)	105,831	113,494
		3,802,980	**3,772,548**
Total assets		**10,372,650**	**10,566,591**
Equity			
Subscribed capital	22)	800,000	800,000
Capital reserves and retained earnings	23)	3,511,165	3,618,550
Effects of foreign currency translation		-181,150	-137,791
Equity attributable to B. Braun SE shareholders		**4,130,015**	**4,280,759**
Non-controlling interests	24)	572,132	558,946
Total equity		**4,702,147**	**4,839,705**
Liabilities			
Non-current liabilities			
Provisions for pensions and similar commitments	25)	1,223,289	1,052,818
Other provisions	26)	133,408	131,061
Financial liabilities	27)	1,707,936	1,644,305
Trade accounts payable	29)	339	29
Other liabilities	29)	96,904	82,486
thereof financial liabilities		(6,239)	(4,584)
Deferred tax liabilities		103,110	186,237
		3,264,986	**3,096,936**
Current liabilities			
Other provisions	26)	152,504	81,122
Financial liabilities	27)	698,197	899,265
Trade accounts payable	29)	584,592	642,211
Other liabilities	29)	919,445	956,730
thereof financial liabilities		(344,091)	(368,358)
thereof liabilities held for sale		(4,021)	-
Current income tax liabilities		50,779	50,622
		2,405,517	**2,629,950**
Total liabilities		**5,670,503**	**5,726,886**
Total equity and liabilities		**10,372,650**	**10,566,591**

Consolidated statement of changes in equity

See notes 22–24	Subscribed capital '000	Capital reserves '000	Retained earnings '000	Other reserves '000	Treasury stock '000	Equity attributable to owners '000	Non-controlling interests '000	Equity '000
Jan. 01, 2022	**800,000**	**80,020**	**2,975,370**	**–217,978**	**0**	**3,637,414**	**514,377**	**4,151,790**
Profit distribution from B. Braun SE	0	0	-32,000	0	0	-32,000	0	-32,000
Increase in subscribed capital	0	0	0	0	0	0	0	0
Consolidated net income	0	0	118,928	0	0	118,928	23,297	142,225
Changes recognized directly in equity (after taxes)								
Changes in fair value of securities	0	0	0	715	0	715	39	754
Cash flow hedging instruments	0	0	0	4,744	0	4,744	–14	4,730
Revaluation of pension obligations	0	0	411,812	0	0	411,812	47,876	459,688
Changes due to currency translation	0	0	0	89,102	0	89,102	22,699	111,801
Comprehensive income over the period	**0**	**0**	**530,740**	**94,561**	**0**	**625,301**	**93,897**	**719,198**
Other changes	0	0	50,044	0	0	50,044	-49,327	717
Dec. 31, 2022	**800,000**	**80,020**	**3,524,154**	**–123,417**	**0**	**4,280,759**	**558,947**	**4,839,705**
Jan. 01, 2023	**800,000**	**80,020**	**3,524,154**	**–123,417**	**0**	**4,280,759**	**558,947**	**4,839,705**
Profit distribution from B. Braun SE	0	0	-32,000	0	0	-32,000	0	-32,000
Increase in subscribed capital	0	0	0	0	0	0	0	0
Consolidated net income	0	0	112,068	0	0	112,068	13,083	125,151
Changes recognized directly in equity (after taxes)								
Changes in fair value of securities	0	0	0	-23,539	0	-23,539	-1,503	-25,042
Cash flow hedging instruments	0	0	0	-795	0	-795	10	-785
Revaluation of pension obligations	0	0	-89,037	0	0	-89,037	-11,060	-100,097
Changes due to currency translation	0	0	0	-43,358	0	-43,358	6,521	-36,837
Comprehensive income over the period	**0**	**0**	**23,031**	**–67,692**	**0**	**–44,661**	**7,051**	**–37,610**
Other changes	0	0	-74,083	0	0	-74,083	6,135	-67,948
Dec. 31, 2023	**800,000**	**80,020**	**3,441,102**	**–191,109**	**0**	**4,130,015**	**572,133**	**4,702,147**

Consolidated statement of cash flows

	Notes	2023 '000	2022 '000
Operating profit		296,737	234,179
Net position of monetary items as per IAS 29		11,692	7,389
Income tax paid		-108,396	-132,345
Depreciation and amortization of property, plant and equipment, and intangible assets (net of write-ups)		698,929	747,474
Change in non-current provisions		175,454	-607,897
Interest received and other financial income		-907	4,263
Interest paid and other financial expenditures		-51,102	-35,068
Other non-cash income and expenses		-208,290	687,099
Gain/loss on the disposal of property, plant and equipment, and intangible or other assets		6,639	4,197
Gross cash flow	34)	**820,756**	**909,291**
Change in inventory		10,130	-250,981
Change in receivables and other assets		-144,660	-138,139
Change in liabilities, current provisions and other liabilities (excluding financial liabilities)		32,749	198,690
Cash flow from operating activities (net cash flow)	34)	**718,975**	**718,861**
Investments in property, plant, and equipment, and intangible assets		-519,854	-549,017
Investments in financial assets		-31,357	-6,627
Acquisitions of subsidiaries, net of cash acquired		-16,463	-37,316
Proceeds from sale of subsidiaries and holdings		45,597	4,986
Proceeds from sale of property, plant and equipment, intangible assets and other financial assets		32,456	4,852
Dividends and similar revenues received		24,268	18,018
Cash flow from investing activities	35)	**-465,353**	**-565,104**
Free cash flow		**253,622**	**153,757**
Capital contributions		-1,271	232
Dividends paid to B. Braun SE shareholders		-32,000	-32,000
Dividends paid to non-controlling interests		-19,091	-12,267
Deposits and repayments for profit-sharing rights		-15,590	1,008
Additions to loans		372,712	281,577
Loan repayments		-625,052	-351,244
Cash flow from financing activities	36)	**-320,292**	**-112,694**
Change in cash and cash equivalents		**-66,670**	**41,063**
Cash and cash equivalents at the start of the year		113,493	94,667
Exchange gains (losses) on cash and cash equivalents		59,008	-22,236
Cash and cash equivalents at year end	37)	**105,831**	**113,494**

Notes

General information

B. Braun SE is an international, family-owned company headquartered at Carl-Braun-Str. 1, 34212 Melsungen, Federal Republic of Germany. B. Braun SE is registered in the commercial register of the Fritzlar District Court (HR B 12403).

B. Braun Holding GmbH & Co. KG in Melsungen is the parent company of B. Braun SE as defined in section 290 (1) HGB and is required to produce consolidated financial statements that include the consolidated financial statements of B. Braun SE. The consolidated financial statements are submitted to the online edition of the German Federal Gazette (Bundesanzeiger).

B. Braun SE and its subsidiaries manufacture, market, and sell products and services for basic medical care, intensive care units, anesthesia and emergency care, extracorporeal blood treatment and core surgical procedures. The major manufacturing facilities are located in the EU, Switzerland, the United States, Malaysia, Vietnam and Brazil. The company distributes its products via a worldwide network of subsidiaries and associated companies.

The Executive Board of B. Braun SE approved the consolidated financial statements for submission to the company's Supervisory Board on February 29, 2024. The Audit Committee of the Supervisory Board plans to discuss the consolidated financial statements at its meeting on March 07, 2024 and the Supervisory Board shall approve the consolidated financial statements at its meeting on March 19, 2024.

The consolidated financial statements have been prepared based on historical costs, except for financial assets/liabilities including derivative financial instruments measured at fair value through profit and loss. Unless otherwise indicated, the accounting policies were used consistently for all periods referred to in this report.

In the statement of financial position, a distinction is made between current and non-current assets and liabilities. The statement of income is presented using the cost-of-sales method. Using this format, net sales are compared to expenses incurred to generate these sales, classified by the expense categories cost of goods sold, selling, general and administrative, and research and development. To improve the informational content of the consolidated statement of financial position and consolidated statement of income, further details on individual entries have been provided in the notes to the consolidated financial statements. The consolidated financial statements are in euros. Unless otherwise stated, all figures are in millions of euros (€ million). The figures in the consolidated financial statements have been rounded, which may result in rounding differences.

The financial statements of B. Braun SE and its subsidiaries included in the consolidated financial statements have been prepared using standardized Group accounting policies.

New and amended International Financial Reporting Standards and Interpretations whose application is mandatory for the first time for fiscal years beginning on or after January 01, 2023 (IAS 8.28)

Affected standards		Background	Adopted into EU law (endorsement)	Expected effects on the B. Braun Group
Applicable as of Jan. 01, 2023				
IAS 1 IFRS Practice Statement 2	Disclosure of accounting policies	Clarification that all material accounting policies must be disclosed. IFRS Practice Statement 2 offers guidance on applying the concept of materiality to disclosures.	Yes, on Mar. 02, 2022	No material effect
IAS 8	Changes in accounting estimates	Clarification on how to differentiate between changes in accounting policies and accounting estimates.	Yes, on Mar. 02, 2022	No material effect
IAS 12	Deferred tax on transactions	Requirement that companies recognize deferred tax on transactions resulting in taxable temporary differences on initial recognition.	Yes, on Aug. 11, 2022	No material effect (see "Adjustments as per IAS 8")
IFRS 17	Insurance contracts	This standard supersedes IFRS 4 and contains three core principles for reporting insurance contracts and reinsurance contracts.	Yes, on Nov. 19, 2021	No material effect

New and amended International Financial Reporting Standards and Interpretations that have already been published, but whose application is not yet mandatory for companies whose fiscal year ends on December 31, 2023 (IAS 8.30) and whose adoption by the EU is partially still pending

Affected standards		Background	Adopted into EU law (endorsement)	Expected effects on the B. Braun Group
Applicable as of Jan. 01, 2024				
IAS 1	Classification of liabilities	Clarification that the classification of liabilities as current or non-current should be based on laws in force at the end of the reporting period.	Yes, on Dec. 19, 2023	Effects still under examination
IAS 7 IFRS 7	Reverse factoring arrangements	Requirement to disclose information about reverse factoring arrangements in the notes.	Pending	Effects still under examination
IAS 12	International tax reform: Pillar Two model rules	Temporary exception to the requirement to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.	Yes, on Nov. 08, 2023	Effects still under examination (see Note 10)
IFRS 16	Amendment: lease liabilities in a sale and leaseback transaction	The amendment requires that lease liabilities be subsequently measured in a way that does not recognize any amount of the gain or loss that relates to the right of use it retains.	Yes, on Nov. 20, 2023	Effects still under examination
Applicable as of Jan. 01, 2025				
IAS 21	Lack of exchangeability	Addendum on how to proceed if a currency is not exchangeable and what disclosures to provide in the Notes.	Pending	Effects still under examination

Adjustments as per IAS 8
An adjustment was made to the accounting policies on deferred tax in preparation for the consolidated financial statements for fiscal year 2023.

Before, in line with IAS 12.15 and IAS 12.24, deferred taxes were not recognized if transactions resulting in taxable temporary differences of the same amount arose from a transaction (initial recognition exemption).

Since IAS 12 has since been amended to restrict the initial recognition exemption, accounting of deferred taxes was changed in the 2023 fiscal year so that deferred tax assets (if recoverable) and deferred tax liabilities are recognized when a right-of-use asset and a lease liability are recognized.

This change in accounting was made retroactively and has effects on the consolidated statement of income, losses and gains recognized in equity, and the statement of financial position. For retroactively applied changes in accounting, IAS 8 requires the disclosure of the opening balance of the earliest comparison period, therefore, the balance as of January 01, 2022 is disclosed. The adjustments made to the affected items in the consolidated statement of financial position as of January 01, 2022 / December 31, 2022 as well as the adjustments in the consolidated statement of income and the consolidated statement of comprehensive income for 2022 are presented as follows:

Consolidated statement of financial position Jan. 01, 2022	Published amount Jan. 01, 2022 '000	Adjustment '000	Adjusted amount Jan. 01, 2022 '000
Deferred tax assets	361,980	2,367	364,347
Non-current assets	6,887,744	2,367	6,890,111
Total assets	**10,206,196**	**2,367**	**10,208,563**
Capital reserves and retained earnings	3,070,655	-6,350	3,064,305
Equity attributable to B. Braun SE shareholders	3,643,763	-6,350	3,637,413
Non-controlling interests	514,600	-222	514,378
Total equity	**4,158,363**	**-6,572**	**4,151,791**
Deferred tax liabilities	116,154	8,939	125,093
Non-current liabilities	3,390,269	8,939	3,399,208
Total liabilities	**6,047,833**	**8,939**	**6,056,772**
Total equity and liabilities	**10,206,196**	**2,367**	**10,208,563**

Consolidated statement of financial position Dec. 31, 2022	Published amount Dec. 31, 2022 '000	Adjustment '000	Adjusted amount Dec. 31, 2022 '000
Deferred tax assets	272,969	1,779	274,748
Non-current assets	6,792,264	1,779	6,794,043
Total assets	**10,564,812**	**1,779**	**10,566,591**
Capital reserves and retained earnings	3,626,071	-7,521	3,618,550
Equity attributable to B. Braun SE shareholders	4,288,280	-7,521	4,280,759
Non-controlling interests	559,671	-725	558,946
Total equity	**4,847,951**	**-8,246**	**4,839,705**
Deferred tax liabilities	176,212	10,025	186,236
Non-current liabilities	3,086,911	10,025	3,096,936
Total liabilities	**5,716,861**	**10,025**	**5,726,886**
Total equity and liabilities	**10,564,812**	**1,779**	**10,566,591**

Consolidated statement of income 2022	Published amount Dec. 31, 2022 '000	Adjustment '000	Adjusted amount Dec. 31, 2022 ‘000
Income taxes	-34,793	-1,674	-36,467
Consolidated net income	**143,899**	**-1,674**	**142,225**
thereof attributable to:			
B. Braun SE shareholders	(120,099)	(-1,171)	(118,928)
Non-controlling interests	(23,800)	(-503)	(23,297)

Consolidated statement of comprehensive income 2022	Published amount Dec. 31, 2022 '000	Adjustment '000	Adjusted amount Dec. 31, 2022 ‘000
Consolidated net income	**143,899**	**-1,674**	**142,225**
Comprehensive income over the period	**720,871**	**-1,674**	**719,197**
thereof attributable to:			
B. Braun SE shareholders	(626,472)	(-1,171)	(625,301)
Non-controlling interests	(94,399)	(-503)	(93,896)

If deferred taxes would not have been recognized on right-of-use assets and leasing liabilities in fiscal year 2023, deferred tax assets of € 2.0 million, deferred tax liabilities of € 2.9 million and income tax of € 7.4 million would not have been incurred.

Critical assumptions and estimates for accounting policies

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates that have an effect on the reported amounts and their related statements. While management makes these estimates to the best of its knowledge and abilities based on current events and measures, there is a possibility that actual results may differ. Estimates are necessary in particular when:

- Assessing the need for and the amount of write-downs and other value adjustments.
- Measuring pension obligations.
- Recognizing and measuring provisions.
- Establishing inventory write-downs.
- Evaluating the probability of realizing deferred tax assets.
- Calculating the value in use of cash-generating units (CGU) for impairment testing.

The Group's management determines the expected useful life of intangible assets and property, plant and equipment as well as their depreciation or amortization based on estimates. These assumptions can change materially, for example, as a result of technological innovations or changes in the competitive environment. Should their actual useful life be shorter than the estimate, management adjusts the amount of depreciation or amortization. Assets that are technologically outdated or no longer usable under the current business strategy are fully or partially written off.

The present value of pension obligations depends on a number of factors, which are based on actuarial assumptions. The assumptions used for the calculation of net pension expenses (and income) include the applicable discount rate for pension obligations. Any change in such assumptions will have an effect on the carrying amount of the pension provisions. Obligations from defined benefit pension plans, as well as pension expenses for the following year, are determined based on the parameters outlined under Note 25.

The method of determining interest rates is unchanged from the year before. An interest yield curve is derived from the analysis of corporate bonds. The discount rate is calculated by measuring a sample cash flow comparable to the circumstances of B. Braun using the interest yield curve and deriving an equivalent standard discount rate.

The recognition and measurement of other provisions is based on estimates regarding the probability of a future outflow of resources, as well as experience and known circumstances as of the reporting date. The actual liability may differ from the amounts of the provisions established.

The estimate of inventory write-downs is based on the projected net realizable value (the estimated selling price, less the estimated cost of completion and the estimated selling expenses). Actual sales and actual costs incurred may differ from these estimates.

Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available in the future. The actual taxable profits in future periods may differ from the estimates made on the date such deferred tax assets are capitalized.

Goodwill is tested for impairment annually based on a five-year forecast using projections of specific annual growth rates for the subsequent period. An increase or decrease in the projected annual growth rates would alter the estimated fair value of a given cash-generating unit.

Scope of consolidation

In addition to B. Braun SE, the consolidated financial statements include 71 domestic and 215 foreign subsidiaries for which B. Braun SE is exposed to variable returns and has the ability to influence them.

Subsidiaries are included in the consolidated financial statements effective on the day control is assumed by the Group. Consolidation is discontinued as of the day on which such control ends.

The change in the number of Group companies as of December 31, 2023 compared to December 31, 2022 is shown below:

	2023	2022
Included as of Dec. 31 of previous year	290	299
Companies included for the first time	2	0
Company consolidations discontinued	-3	-5
Corporate mergers	-3	-4
Included as of Dec. 31 of reporting year	**286**	**290**

Discontinued company consolidations had no material impact on the statement of financial position and statement of income in fiscal year 2023, with the exception of the transfer of the shares of a non-core subsidiary to B. Braun Holding GmbH & Co. KG, resulting in a profit of € 17.8 million that was reported as other operating income.

Initial consolidations had no material impact on the statement of income or statement of financial position in fiscal year 2023.

Holdings in one joint venture and 18 associated companies are recognized in the consolidated financial statements as of the reporting date. Two associated companies were not measured using the equity method on materiality grounds.

REVIUM Rückversicherung AG is included in the consolidated financial statements of B. Braun SE as a wholly-owned subsidiary. The only business purpose of REVIUM Rückversicherung AG is to arrange reinsurance with companies (direct insurers) with which B. Braun SE has taken out insurance contracts. It does not arrange any insurance contracts with third parties that extend beyond this and does not cover risks outside of the B. Braun Group. Due to its narrowly defined business purpose, REVIUM Rückversicherung AG has no material impact on the net assets, financial position, and earnings situation of the B. Braun Group as a whole.

As part of an asset-backed securities program, trade receivables for individual Group companies are assigned to a structured unit. This structured unit is not consolidated in the B. Braun SE consolidated financial statements. Please see Note 18 for further information.

The complete list of shareholdings belonging to the Group and to B. Braun SE is provided in the Notes to the consolidated financial statements and is published in the German Federal Gazette (Bundesanzeiger).

The following companies included in the B. Braun SE consolidated financial statements exercise facilitations set forth in sections 264 (b) and/or 264 (3) HGB and are thus exempted from having to compile notes and a management report or publish financial statements:

Aesculap AG, Tuttlingen,
Aesculap Akademie GmbH, Tuttlingen,
Aesculap Holding GmbH, Melsungen,
AESCULAP INTERNATIONAL GMBH, Tuttlingen,
ALMO-Erzeugnisse Erwin Busch GmbH, Bad Arolsen,
B. Braun Ambulantes Herzzentrum Kassel MVZ GmbH, Kassel,
B. Braun Avitum AG, Melsungen,
B. Braun Avitum Saxonia GmbH, Radeberg,
B. Braun Deutschland GmbH & Co. KG, Melsungen,
B. Braun Facility Services GmbH & Co. KG, Melsungen,
B. Braun Gesundheitsservice GmbH, Hürth,
B. Braun Invest GmbH, Melsungen,
B. Braun Medical AG, Melsungen,
B. Braun Medizinisches Versorgungszentrum Baunatal GmbH, Baunatal,
B. Braun Melsungen AG, Melsungen,
B. Braun Miethke GmbH & Co. KG, Potsdam,
B. Braun New Ventures GmbH, Freiburg im Breisgau,
B. Braun Nordamerika Verwaltungsgesellschaft mbH, Melsungen,
B. Braun Surgical GmbH, Melsungen,
B. Braun Vet Care GmbH, Tuttlingen,
B. Braun via medis GmbH, Melsungen,
BBM Group Insurance Broker GmbH, Melsungen,
Bibliomed Medizinische Verlagsgesellschaft mbH Melsungen,
CeCaVa GmbH & Co. KG, Tübingen,
DTZ Dialyse Trainings-Zentren GmbH, Nürnberg,
DTZ Oldenburg i.H. MVZ GmbH, Oldenburg in Holstein,
DTZ Sigmaringen MVZ GmbH, Sigmaringen,
DTZ Waldshut MVZ GmbH, Waldshut-Tiengen,
GELIMER Verwaltungsgesellschaft mbH & Co. Vermietungs KG, Pullach im Isartal,
INKO Internationale Handelskontor GmbH, Roth,
Invitec GmbH & Co. KG, Essen,
Medizinisches Versorgungszentrum ViaMedis Remscheid GmbH, Remscheid,
MVZ Hagenow GmbH, Hagenow,
MVZ Ludwigslust GmbH, Ludwigslust,
MVZ Medizinisches Versorgungszentrum Saarbrücken GmbH, Saarbrücken,
MVZ Parchim GmbH, Parchim,
MVZ Schwerin Ost GmbH, Schwerin,
MVZ Schwerin West GmbH, Schwerin,
Nierenzentrum Bad Kissingen MVZ GmbH, Bad Kissingen,
NUTRICHEM DIÄT + PHARMA GMBH, Roth,
Paul Müller Technische Produkte GmbH, Melsungen,
PPC Projekt-Planung & Consulting GmbH, Melsungen,
SteriLog GmbH, Tuttlingen,
via medis Medizinisches Versorgungszentrum Südharz GmbH, Herzberg am Harz,
via medis Nierenzentrum Bad Neustadt MVZ GmbH, Bad Neustadt an der Saale,
via medis Nierenzentrum Braunschweig MVZ GmbH, Braunschweig,
via medis Nierenzentrum Braunschweig-Mitte MVZ GmbH, Braunschweig,
via medis Nierenzentrum Bremerhaven MVZ GmbH, Bremerhaven,
via medis Nierenzentrum Bremerhaven-Speckenbüttel MVZ GmbH, Bremerhaven-Speckenbüttel,
via medis Nierenzentrum Dresden MVZ GmbH, Dresden,
via medis Nierenzentrum Dudweiler MVZ GmbH, Saarbrücken-Dudweiler,
via medis Nierenzentrum Neu-Ulm MVZ GmbH, Neu-Ulm,
via medis Nierenzentrum Oldenburg MVZ GmbH, Oldenburg,
via medis Nierenzentrum Riesa MVZ GmbH, Riesa,
via medis Nierenzentrum Südpfalz MVZ GmbH, Landau in der Pfalz,
via medis Nierenzentrum Suhl MVZ GmbH, Suhl,
via medis Nierenzentrum Wolfenbüttel MVZ GmbH, Wolfenbüttel,
ViaMedis Nierenzentrum Gifhorn MVZ GmbH, Gifhorn.

The companies listed above exercise their right to the exemptions.

Principles of Consolidation

a) Subsidiaries
Subsidiaries, that means, corporations that are controlled by B. Braun SE, are included in the scope of consolidation. B. Braun SE controls an entity when it is exposed to variable returns from its involvement with the investee, has entitlements to said returns and has the ability to affect those returns through its power over the investee.

Subsidiaries are initially consolidated on the first day on which B. Braun SE assumes the right of disposal of the acquired company; they are excluded from consolidation once B. Braun SE forfeits such control. Right of disposal occurs when B. Braun SE has the ability to direct the relevant activities of the investee because it possesses the majority of the voting rights or other contractual rights. The acquisition of subsidiaries is recognized using the purchase method. The cost of acquiring a subsidiary is calculated based on payments of cash and cash equivalents, together with the fair value of assets transferred, shares issued, and/or liabilities acquired when initial control is gained. Acquisition-related costs for a business combination are expensed. Conditional purchase price components are recognized at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent purchase price liability are recognized in profit or loss or in other comprehensive income. Acquisition costs that exceed the proportionate acquired share of the fair value of the subsidiary's net assets are recognized as goodwill.

Assets, debts and contingent liabilities identifiable upon a merger of companies are valued on initial consolidation at the fair values attributable to them, regardless of the size of any non-controlling interests. For each company acquisition, whether the non-controlling interests in the company acquired are recognized at fair value or using the proportionate share of net assets of the acquired company is determined on an individual basis. The option to recognize non-controlling interests at fair value is currently not exercised. Therefore, non-controlling interests are recognized at their proportionate share of net assets and no goodwill is recognized for non-controlling interests.

Goodwill generated by the acquisition of non-controlling interests in fully consolidated companies is offset against retained earnings. Where assets and liabilities are measured at fair value for the gradual acquisition of companies fully consolidated for the first time, the revaluation of the "old" tranches is recognized through profit or loss.

Intercompany receivables and payables as well as expenditures and income are offset against each other. Unrealized gains on transactions between companies within the Group are eliminated in full; unrealized losses are eliminated insofar as the resulting costs of acquisition or manufacture do not exceed the recoverable amount of the underlying asset. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

Subsidiary companies' accounting policies are, where necessary, adapted to those used to produce the consolidated financial statements.

b) Associated companies
Associated companies are companies over which the Group has significant influence but no control, generally accompanied by a holding of 20 to 50 percent of the voting rights. Investments in associated companies are accounted for using the equity method and are initially recognized at cost. The Group's investment in associated companies includes goodwill identified on acquisition (net of any accumulated impairments).

The Group's share of associated companies' post-acquisition profits or losses is recognized in the statement of income, and its share of post-acquisition changes in retained earnings is recognized in the Group's retained earnings. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associated company.

Unrealized gains from transactions between the Group and its associated companies are, where material, eliminated to the extent of the Group's share in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of associated companies were adjusted, where necessary, to align them with the policies of the Group.

c) Joint agreements
Investments in joint agreements are classified as either a joint operation or a joint venture. B. Braun SE's

joint agreements constitute joint ventures. These are included in the consolidated financial statements using the equity method. The shares are initially recognized at cost and are subsequently updated in order to reflect the Group's share in the profits and losses in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in this company, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint venture. Unrealized gains arising from transactions with joint ventures are eliminated in the amount equal to the Group's share. Unrealized losses are also eliminated unless the transferred assets are impaired.

d) Owners of non-controlling interests
Transactions with owners of non-controlling interests are treated in the same way as transactions with parties within the Group. Sales of shares to owners of non-controlling interests result in gains or losses being recognized in the consolidated financial statements. Conversely, purchases of shares from owners of non-controlling interests result in the recognition of goodwill equivalent to the difference between the purchase price and the proportional carrying amount of the subsidiary's net assets.

Foreign currency translation

a) Functional and reporting currency
Items included in the financial statements of each of the Group's subsidiaries are stated using the currency of the primary economic environment in which the company operates (functional currency).

The consolidated financial statements are stated in euros as this is the Group's functional and reporting currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the prevailing exchange rate on the date of the transaction. Foreign exchange expenses and income resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate are recognized in the statement of income.

Translation differences on monetary items where fair value changes are directly recognized in equity are reported as part of the gain or loss from fair value measurement. On the other hand, translation differences on non-monetary items where fair value changes are directly recognized in equity are included in the revaluation reserve in equity.

c) Subsidiaries
All items in the statements of income and statements of financial position of all Group subsidiaries that are in a currency other than the Group's reporting currency are translated into the reporting currency as follows:

- Assets and liabilities are translated at the closing rate on the reporting date.
- Gains and losses are translated at average exchange rates.
- All resulting exchange differences are recognized as a separate component of equity (effects of foreign currency translation).

Goodwill and fair value adjustments arising from the acquisition of foreign companies are treated as assets and liabilities of the foreign company and translated at the closing rate.

Upon the sale of a foreign business, currency differences formerly recognized in equity are recorded in the statement of income as gains or losses on disposal.

d) Hyperinflation
Due to the current inflation trends in Argentina, Turkey and Ghana, the subsidiaries of the B. Braun Group located there with the Argentine peso, Turkish lira and Ghanaian cedi, respectively, as their functional currency must apply the accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies. This standard was applied for the first time in the fiscal year for the subsidiaries in Ghana, though it had no material impact on the Group. As part of an initial application, the carrying value of non-monetary assets and liabilities must be recognized in equity using a general price index. The application is retroactive, as though the economies have always been hyperinflationary. The debtor's gain or creditor's loss resulting from the adjustment of non-monetary assets and liabilities as well as equity to reflect the price index is reported in the statement of income as other operating income or expenses. After the statement of financial position and statement of income are adjusted for hyperinflation, they are converted to the reporting currency as of the reporting date.

In Argentina, a general consumer price index from the National Institute of Statistics and Census of Argentina (indec, Instituto Nacional de Estadística y Censos) was applied, which was 3,533.19 on December 31, 2023 (previous year: 1,134.32). For Turkey, a general consumer price index was also applied from the Turkish Statistical Institute, which was 1,859.38 on December 31, 2023 (previous year: 1,128.45).

Comparison of selected currencies

	Closing mid-rate on reporting date			Average annual rate		
ISO-Code	Dec. 31, 2023	Dec. 31, 2022	+ – in percent	2023	2022	+ – in percent
1 EUR = USD	1.108	1.068	3.8	1.082	1.054	2.6
1 EUR = GBP	0.869	0.887	-2.0	0.870	0.853	2.0
1 EUR = CHF	0.927	0.985	-5.9	0.972	1.005	-3.4
1 EUR = MYR	5.083	4.703	8.1	4.931	4.630	6.5
1 EUR = JPY	156.810	140.680	11.5	151.968	138.058	10.1

Accounting policies

Sales

Sales from customer contracts are recognized based on a five-stage framework model in which consideration is expected for the performance obligations assumed, that means, the transfer of goods/rendering of services. This comprises the following:

- Identification of the contract with a customer.
- Identification of the discrete performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of sales upon fulfillment of the performance obligations by the Group.

The application of this model depends on the individual circumstances in the contract with a customer and requires discretionary decisions. The transaction price is the consideration the Group expects to receive from the customer for the transfer of goods or the rendering of services. In cases where a contract contains elements with a variable consideration (for example, from deductions, rebates, discounts, bonuses, reimbursements), the amount of the variable consideration the Group expects to receive under the contract is estimated. Variable amounts are only included in the transaction price to the extent it is considered very likely that the subsequent loss of uncertainty with regard to the amount of these variable amounts does not lead to a substantial change in sales. If a contract comprises multiple performance obligations, the transaction price is allocated to the contractual performance obligations based on the individual sale prices. Deductions in price are also allocated based on the relative individual sale prices. If the contract includes a significant financial agreement, the transaction price is adjusted by the fair value of the money unless the period between the rendering of the service and payment by the customer is likely to be less than 12 months. Sales are recognized when control, that means, the ability to benefit from the rendered service and to determine further use, is transferred. This can occur either at a specific point in time or over a period of time. Sales are recognized over a period of time when one of the following criteria is met:

- The company provides a good or service and the customer obtains and benefits from the rendered good or service.
- With its good or service, the company produces or enhances an asset over which the customer has control while it is being produced or enhanced.

- With its good or service, the company produces an asset that cannot otherwise be used by the company; in the process, the company has a pecuniary claim for the services hitherto rendered and can also expect the remainder of the contract to be performed as stipulated.

If the performance obligation is not fulfilled over a period of time, it is fulfilled at a specific point in time. The following factors are used to determine the point at which control is transferred:

- The Group presently owns the right to payment for the asset.
- The customer has legal ownership of the asset.
- The company has physically transferred (that means, possession of) the asset.
- The principal risks and opportunities arising from possession of the asset lie with the customer.
- The customer has accepted the asset.

Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets and liabilities of the acquired company on the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in the carrying amount for investments in affiliates. Goodwill is tested for impairment at least once a year and is carried at cost less accumulated impairment losses. Write-downs of goodwill are reported under other operating expenses. Write-ups in value are not permitted. Gains and losses on the sale of companies include the carrying amount of the goodwill relating to the company sold.

b) Development costs

The B. Braun Group invests a significant portion of its financial assets in research and development. In addition to internal research and development activities, the Group maintains numerous cooperative relationships with third parties.

Development expenses are defined as costs related to applying research findings or specialized knowledge for production planning and the manufacturing process before production or use has commenced. Development expenses are capitalized as intangible assets where it is regarded as likely that the project will be commercially successful, technically feasible and the costs can be reliably measured. Other development costs that do not meet these criteria are expensed as they occur. Development costs that have previously been expensed are not capitalized in subsequent years. Capitalized development costs are shown as internally created intangible assets. Please see c) below regarding the useful life, amortization method, and review of residual carrying amounts.

c) Other intangible assets

Acquired intangible assets are recognized at acquisition cost. Internally developed intangible assets where future economic benefit is likely to flow to the Group and the costs of the asset can be reliably measured are recognized at the cost incurred during the development phase. This includes all costs directly related to the development process, as well as appropriate portions of relevant overhead costs. Intangible assets with finite useful lives are amortized on a straight-line method over a period of four to eight years. The defined benefit amortization method is used for reasonable exceptions.

Residual carrying amounts and expected useful lives are reviewed at each reporting date and adjusted if necessary.

A write-down is taken at the reporting date if the recoverable amount of an intangible asset falls below its carrying amount.

The write-downs of other intangible assets are recognized in the functional areas that are using the respective asset. Write-ups to a maximum of the amortized acquisition or manufacturing cost are shown under other operating income.

Intangible assets with indefinite useful lives, if present, are tested for impairment at least once a year. Besides goodwill, the Group did not own any material intangible assets with indefinite useful lives in the reporting periods presented.

Impairment of non-financial assets

At each reporting date, the carrying amounts of intangible assets as well as property, plant and equipment are evaluated for indications of impairment. Where there is such an indication, an impairment test is conducted by comparing the carrying amount of the asset in question with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use (net present value of expected free cash flows). The test can be conducted for a cash-generating unit (CGU) where the recoverable amount cannot be determined because the asset does not generate cash inflows that are largely independent of those from other assets. If an asset's recoverable amount is less than its carrying amount, an impairment is recognized through profit and loss. This impairment can be reversed through profit and loss at a later point in time if the recoverable amount of the asset is later found to be higher. However, the increased carrying amount due to reversal may not be higher than what it would have been if the impairment had not been recognized.

Property, plant and equipment

Tangible assets that are utilized during the ordinary course of business for more than one year are recognized at their acquisition or manufacturing cost less depreciation using the straight-line method. The manufacturing costs include all costs directly related to the manufacturing process and appropriate portions of relevant overhead costs. Scheduled depreciation of property, plant and equipment is based on the straight-line method, in which the cost will be recognized over the estimated useful life until the residual value is reached. The useful lives applied correspond to the expected useful lives within the Group.

The following useful lives are the basis for depreciation of property, plant and equipment:

Buildings	25 – 50 years
Technical plants and machinery*	5 – 20 years
Vehicles	6 years
Operating and office equipment	4 – 20 years

*1-shift operation

Land is not depreciated. Property rights are amortized over the useful life of that property.

Acquisition and manufacturing costs that are incurred at a later point are recognized as part of the asset or as a separate asset only when it is likely that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be reliably measured. All repairs and maintenance are reported as expenses in the statement of income of the fiscal year in which they occur.

Residual carrying amounts and expected useful lives are reviewed at each reporting date and adjusted if necessary.

A write-down is taken at the reporting date if the recoverable amount of a piece of property, plant or equipment falls below its carrying amount.

Depreciation of property, plant and equipment is recognized in the functional areas using the asset. Write-ups to a maximum of the amortized acquisition or manufacturing cost are shown under other operating income. Gains and losses from disposals are recognized in the statement of income.

Government grants are recognized at fair value if receipt of the grant and the Group compliance with any conditions associated with the grant are highly likely.

Outside borrowing costs directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the asset's acquisition or manufacturing cost.

Investment real estate is held for the purpose of long-term rental income and is not used by the Group itself. It is measured at amortized acquisition or manufacturing cost less depreciation using the straight-line method. Useful life is 25–50 years. Fair value is calculated based on several comparable properties.

Leases

Assets and liabilities from leases are measured at present value when first recognized. Leasing liabilities include the present value of the following lease payments:

- Fixed payments, including de facto fixed payments less any leasing incentives.
- Variable lease payments linked to an index or (interest) rate, initially valued with the index or (interest) rate on the provision date.
- Expected payments from the utilization of residual value guarantees.
- The exercise price of a purchase option whose exercising is deemed reasonably certain.

- Penalties related to the termination of a lease provided the exercising of the termination option is deemed reasonably certain.
- Lease payments based on utilization of extension options that is deemed reasonably certain.

Lease payments are discounted at the lessee's incremental borrowing rate since the implicit interest rate on which the lease is based is typically not readily identifiable. The incremental borrowing rate is determined based on currency-specific and term-specific swap rates and contains margin and risk surcharges. Potential future increases in variable lease payments that may arise from a change in an index or (interest) rate are not factored into the leasing liability until they become effective. Once appropriate changes take effect on the lease payments, the leasing liability and lease asset are adjusted. Lease payments are divided into principal and interest payments. The interest portion is recognized in the statement of income over the term of the lease, producing a constant periodic interest rate for the remaining amount of the liability for each period. Lease assets are valued at cost of acquisition, which is calculated as follows:

- The initially valued amount of the leasing liability.
- All lease payments already made less any leasing incentives received.
- All initial direct costs incurred by the lessee.
- Estimated costs incurred by the lessee for removal of the underlying asset, restoration of the site where the asset is located or back-transfer of the underlying asset in the condition stipulated with the lessor.

Write-downs are taken on lease assets using the straight-line method over the shorter of two periods: the useful life of the lease asset or the term of the underlying lease agreement. If the exercising of a buying option is deemed reasonably certain, the lease asset is depreciated over its useful life.

The agreements can contain both leasing and non-leasing components. For agreements for property and vehicles, the Group allocates the transaction price to these components based on their relative individual sale prices. In all other instances, the Group exercises its option not to divide the agreement into leasing and non-leasing components, rather treating the entire agreement as a lease agreement. Payments for short-term leases of up to 12 months and leases for low-value assets up to US$ 5,000 are recorded in the statement of income. This also applies to variable lease payments not linked to an index or (interest) rate.

The Group distinguishes leases in which it is the lessor between:

- Finance leases when all risks and opportunities associated with the underlying asset are transferred in all material respects.
- Operating leases when not all risks and opportunities associated with the underlying asset are transferred in all material respects.

For a finance lease, the Group initially reports a receivable in the amount of the net investment in the lease agreement that corresponds to the cash value of the lease payments as well as the guaranteed residual value. The net investment is discounted at the interest rate on which the lease agreement is based. Financial income is reported according to a model of constant, periodic interest charged for the net investment in the lease agreement over the duration of the lease.

In an operating lease agreement, the asset on which the lease is based is depreciated over its usual economic lifetime. The lease payments are reported as linear income or on some other systematic basis when they are better suited to the model under which the benefit from using the underlying asset is reduced.

Financial investments recognized using the equity method of accounting and other financial investments

Equity investments are initially recognized at cost and in subsequent periods at the amortized prorated net assets. The carrying amounts are increased or decreased annually by the share in profit, distributions, and other changes in equity. Goodwill is not reported separately but is included in the value of investment. Goodwill is not amortized. Equity investments are written down when the recoverable amount of an investment in an associate falls below its carrying amount. Listed shares are tested for impairment if they experience a long-term and significant reduction in market value below the average acquisition cost.

Categories of financial assets

Financial assets are divided into the following two categories:

- financial assets and liabilities at amortized cost and
- financial assets measured at fair value.

When financial assets are measured at fair value, losses and gains are recognized either completely in the balance sheet result (at fair value through profit and loss) or in other income (at fair value through other comprehensive income) with or without subsequent reclassification in the statement of income. However, financial investments in equity instruments, were classified at fair value through other comprehensive income, since as strategic, long-term investments, they are not held with the intention of realizing a short-term gain.

The classification is determined when the financial asset is first recognized, that means, when the B. Braun Group becomes counterparty to the contractual agreements of the instrument.

A debt instrument meeting the following two conditions is measured at amortized cost:

- Business model condition: The goal of the B. Braun Group business model is to hold financial assets in order to collect the contractual cash flows.
- Cash flow condition: The contractual conditions of the financial asset result at fixed times in cash flows that are only repayments of parts of the par value and the interest on the yet unpaid parts of the par value.

A debt instrument meeting the following two conditions is measured at fair value with changes in value recognized in other income and subsequent reclassification in the statement of income:

- Business model condition: The goal of the B. Braun Group business model is accomplished both by collecting the contractual cash flows from financial assets and selling financial assets.
- Cash flow condition: The contractual conditions of the financial asset result at fixed times in cash flows that are only repayments of parts of the par value and the interest on the yet unpaid parts of the par value.

All other debt instruments are measured at fair value with changes in value recognized in the balance sheet result (at fair value through profit or loss).

All held equity instruments are recognized at fair value. Changes in value are recognized in the balance sheet result. When an equity instrument is not held for trading, the B. Braun Group can make the irrevocable decision to recognize it at fair value with changes in value recognized in other income. In this case, it cannot be subsequently reclassified in the income statement.

A regular-way purchase or sale of financial assets is recognized using trade date accounting. Financial assets are derecognized when claims to the receipt of cash flows from the financial assets have been transferred or have expired and the Group has transferred all risks and opportunities of ownership in all material respects.

Impairment of financial assets

Impairments of held debt instruments that are not measured at fair value through profit or loss are based on the premise of portraying expected losses. These are recognized with one of the following amounts:

- The "expected 12-month loss" (present value of the expected payment defaults resulting from potential default events within the next 12 months after the reporting date).
- The total loss expected over the residual term of the instrument (present value of the expected payment defaults as a consequence of all potential default events over the residual term of the financial instrument).

For trade receivables with and without significant financial components, contractual assets and leasing receivables, impairment is always determined based on the loss expected over the entire term. For all other instruments, impairment is only determined based on the loss expected over the entire term if the credit risk has increased substantially since initial recognition. Whether the risk of default has increased significantly or not is evaluated based on an increase in the probability of default since addition.

Otherwise, impairment is determined based solely on the expected losses that would result from a default event within 12 months after the reporting date. In this case, therefore, loss events that could occur later than 12 months after the reporting date are not included.

A financial asset objectively indicates impairment if one or more events have occurred that show a significant impact on the expected future cash flows of the financial asset. This includes observable data obtained about the following events:

- The issuer or debtor facing significant financial difficulties.
- A breach of contract, such as default or delinquency on interest or principal payments.
- The creditor making concessions to the borrower for economic or contractual reasons in relation to the borrower's financial difficulties that the creditor would not otherwise make.
- An increased probability that the borrower will enter bankruptcy or financial reorganization.
- Disappearance of an active market for this financial asset due to financial difficulties.
- The acquisition or issuance of a financial asset at a high discount that reflects the incurred credit losses.

For trade receivables, a write-down chart has been established to determine the expected losses over the residual term as a fixed percentage depending on the length of delinquency. Forward-looking macroeconomic information is not included, since the Group considers it not to have any substantial impact on the losses expected over the residual term.

Uncollectible receivables are written off when the Group becomes aware the receivable cannot be collected.

Assets and debts held for sale
Assets held for sale are assets that can be sold in their current condition that are very likely to be sold. Sale is expected within one year of classification. Debts intended to be sold along with assets in a transaction are also reported separately. Assets held for sale are no longer depreciated, rather they are recognized at fair value less costs to sell if lower than the carrying amount. Results from valuing assets held for sale and sale groups are reported as results from continuing operations until finally sold. Results from valuing segments intended for sale are reported as results from discontinued operations.

Inventory
Under IAS 2, inventories include assets that are held for sale in the ordinary course of business (finished products and merchandise), assets that are in the production process for sale in the ordinary course of business (work in progress), and assets that are consumed in the production process or performance of services (raw materials and supplies). Inventories are measured at the lower end of cost and net realizable value, which is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses, applying the weighted average cost formula. Related to this, the risks, in particular those arising from the storage period, reduced usability, etcetera, are taken into account by means of devaluations.

In addition to direct expenses, manufacturing costs include allocated raw material and production overheads as well as depreciation related to production plant and equipment. Allocated costs related to pensions and voluntary social contributions made by the company are also included. Administrative expenses are included in the costs if they relate to manufacturing.

Provisions for pensions and similar obligations
Our actuary calculates provisions for pensions and similar obligations using the projected unit credit method in accordance with IAS 19, taking into account future pay and pension increases and staffing fluctuations. Revaluations of net financial debt are recognized in equity in the period in which they occur.

Net interest on net financial debt is reported under financial income.

Any excess of plan assets over the pension obligations is recognized as an asset only if it represents the net present value of the economic benefits.

Other provisions
Provisions are recognized when a current legal or constructive commitment has arisen for the Group as a result of a past event, an outflow of resources to settle the commitment is likely and the amount can be estimated reliably. If a number of commitments of a similar type exist, the outflow is recognized as a liability at the most probable value for the Group.

Provisions are recognized for onerous contracts if the expected benefit from the contractual claim is less than the expected costs to settle the obligation. Any associated assets are tested for impairment before such a provision is created.

Provisions due after more than one year are measured at discounted present value.

Provisions are released against the expense items for which they were created. If additions to provisions were recognized under other operating expenses, the release of these amounts is shown under the corresponding other operating income item.

Financial liabilities
Financial liabilities are initially recognized at fair value less transaction costs. In subsequent periods, they are measured at amortized cost. Any difference between the amount disbursed (less transaction costs) and the repayment amount is spread across the term of the loan using the effective interest method and recognized in the statement of income.

Liabilities from loans are recognized as current liabilities unless the Group has the unconditional right to defer repayment of the liability to at least 12 months after the reporting date.

Liabilities
Financial liabilities comprise trade accounts payable and other liabilities. Financial liabilities are initially recognized at fair value less transaction costs.

Current liabilities have a residual maturity of up to one year and are stated at their repayment or settlement amount. Non-current liabilities that are not the underlying transaction in permissible hedge accounting are recognized at the cost of acquisition.

Accruals and deferrals are recognized under other liabilities.

Derivative financial instruments
Derivative financial instruments are recognized using trade date accounting. They are initially measured at their fair value on the date the contract is concluded. They are subsequently measured at their fair value as of each reporting date. The method of recording gains and losses depends on whether the derivative financial instruments in question have been designated as hedging instruments and, if so, on the nature of the hedged item. The fair values of the various derivative financial instruments used for hedging purposes are recognized under other assets/liabilities. Changes in the valuation reserve for cash flow hedges are shown in the consolidated statement of changes in equity. Derivative financial instruments and derivative financial instruments designated as hedging instruments that are measured at fair value through profit or loss are reported as current assets/liabilities provided the residual term does not exceed 12 months. Otherwise, they are recognized as non-current assets/liabilities.

When a hedging transaction designated as a cash flow hedge expires or is sold, or the designation is deliberately reversed or no longer meets the criteria to be accounted for as a hedging transaction, gains or losses accumulated in equity up to that point remain in equity and are only recognized in the statement of income when the future transaction originally hedged occurs and is recognized in the statement of income. If the future transaction is no longer expected to occur, gains or losses accumulated in equity must be immediately reclassified to the statement of income.

Note 32 provides additional explanatory information about the use of derivative financial instruments as part of risk management.

Deferred taxes
Deferred taxes are recognized using the liability method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements unless deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the balance sheet result nor the taxable period result. Deferred taxes are measured using tax rates and laws that have been enacted or substantially enacted as of the reporting date and are expected to apply when the related deferred tax assets are realized, or the deferred tax liabilities are settled.

Deferred tax assets result primarily from temporary differences between the financial statements compiled in accordance with IFRS and the tax bases of individual companies as well as from consolidation. Deferred tax assets stemming from losses carried forward and tax credits are recognized to the extent that it is likely that future taxable income will be available against which the losses carried forward can be offset.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognized except where the timing of the reversal of the temporary differences can be controlled by the Group and it is likely that the temporary differences will not be reversed in the foreseeable future. Please also see Note 10 "Income taxes."

Notes on the consolidated statement of income

1 Sales

The following chart shows sales development by division, region, and type:

Sales by division	**2023 '000**	**Percent**	**2022 '000**	**Percent**	**+ - in percent**
Hospital Care	4,694,295	53.7	4,541,613	53.4	3.4
Aesculap	2,164,255	24.7	2,056,405	24.2	5.2
Avitum	1,849,489	21.1	1,861,929	21.9	-0.7
Other sales	46,945	0.5	39,899	0.5	17.7
	8,754,984	**100.0**	**8,499,846**	**100.0**	**3.0**

Sales by region	**2023 '000**	**Percent**	**2022 '000**	**Percent**	**+ - in percent**
Germany	1,319,951	15.1	1,289,039	15.2	2.4
Europe (without Germany)	2,917,411	33.3	2,783,582	32.7	4.8
North America	2,303,598	26.2	2,267,979	26.7	1.6
Asia-Pacific	1,352,812	15.5	1,407,374	16.6	-3.9
Latin America	566,300	6.5	478,082	5.6	18.5
Africa and the Middle East	294,912	3.4	273,790	3.2	7.7
	8,754,984	**100.0**	**8,499,846**	**100.0**	**3.0**

Sales by type	**2023 '000**	**Percent**	**2022 '000**	**Percent**	**+ - in percent**
Sales of products	7,596,056	86.8	7,342,461	86.4	3.5
Sales from services	1,158,928	13.2	1,157,385	13.6	0.1
	8,754,984	**100.0**	**8,499,846**	**100.0**	**3.0**

Payment terms are generally agreed with the customer on an individual basis and are typically between 30 and 90 days. Products are typically sold under the warranty periods required by law. Extended warranties are treated as separate performance obligations.

Outstanding contractual obligations total € 235.0 million (previous year: € 255.4 million). It is expected that this amount will be able to be recognized as sales within five years.

2 Cost of goods sold

Cost of goods sold includes the manufacturing costs of goods sold and the acquisition costs of merchandise sold. In addition to direct costs such as material, personnel and energy costs, manufacturing costs contain production-related overhead expenses including depreciation of property, plant, and equipment. Cost of goods sold also includes inventory write-downs.

3 Selling and administrative expenses

Selling expenses include expenditures for marketing, sales organization, and distribution. This category also contains the expenses related to customer training and consulting on technical product use. General administrative expenses comprise administrative expenses unrelated to production or sales.

4 Research and development expenses

Research and development expenses include costs for research, product and process development including

expenditures for external services, and the depreciation of capitalized development costs. All research costs are expensed at the time they are incurred.

Development costs are capitalized where all the conditions for capitalization under IAS 38 are met.

5 Other operating income

	2023 '000	**2022 '000**
Currency gains	292,153	462,132
Additional income	30,968	36,637
Derivative financial instruments	3,410	20,351
Income from other periods	9,934	5,702
Proceeds from appreciation of current financial assets	3,404	3,179
Proceeds from the disposal of assets	3,132	2,564
Proceeds from the release of provisions	8,723	10,655
Other	64,337	32,881
	416,061	**574,101**

Currency gains primarily include gains from currency fluctuations between transaction and payment days from receivables and payables denominated in foreign currencies as well as gains resulting from translation at the period-end exchange rate.

Additional income includes, in particular, cost reimbursements from third parties and income from cafeteria sales.

Changes in the fair value of forward foreign exchange contracts that are not designated for hedge accounting are reported under derivative financial instruments.

Other operating income primarily includes income from the transfer of shares from a non-core business subsidiary to B. Braun Holding GmbH & Co. KG totaling € 17.8 million. It also primarily includes payments of damages as well as income-related and other government grants. Income-related grants are recognized in the period in which the corresponding expenses are incurred and amount to € 1.8 million (previous year: € 0.9 million). During the fiscal year, grants of € 1.8 million (previous year: € 0.9 million) were recognized through profit and loss.

Other income includes numerous types of income, however, their individual valuations are not materially significant.

6 Other operating expenses

	2023 '000	**2022 '000**
Currency losses	342,554	504,814
Losses from impairment of current financial assets	32,201	17,037
Additions to provisions	46,319	15,292
Losses on the disposal of assets	7,498	7,190
Expenses from other periods	4,024	4,684
Derivative financial instruments	5,477	6,484
Other	116,050	113,840
	554,123	**669,341**

Currency losses primarily include losses from currency fluctuations between transaction and payment days from receivables and payables denominated in foreign currencies as well as losses resulting from translation at the exchange rate prevailing on the reporting date.

Losses from impairment of current financial assets refer to value adjustments to trade receivables.

"Additions to provisions" primarily include the creation of a provision for legal proceedings in the United States totaling € 36.2 million.

Changes in the fair value of forward foreign exchange contracts that are not designated for hedge accounting are reported under derivative financial instruments.

"Other" primarily consists of expenses for risks in Russia totaling € 22.6 million, the assessed creditor's loss from the application of accounting standards for hyperinflationary economies in Turkey, Argentina and Ghana totaling € 11.7 million and legal fees in the United States totaling € 20.2 million. Additionally, other expenses include a variety of expenses, however, their individual valuations are not materially significant.

7 Financial investments recognized using the equity method of accounting

Net income from investments recognized using the equity method of accounting breaks down as follows:

	2023 '000	2022 '000
Income from financial investments using the equity method	3,903	7,686
Expenses from financial investments using the equity method	-2,992	-2,420
	911	**5,266**

8 Net financial income

	2023 '000	2022 '000
Interest and similar income	10,267	8,033
Interest and similar expenses	-76,593	-52,454
thereof to affiliated companies	(1,243)	(338)
Interest expenses for pension provisions less expected income from plan assets	-43,892	-24,801
	-110,218	**-69,222**
thereof recognized in other income from financial assets and liabilities measured at fair value:		
Interest income from discounting	(1,102)	(1,212)
Accrued interest expense	(192)	(210)

Interest and similar expenses are primarily comprised of interest expense on financial liabilities. Expenses resulting from accruing interest from non-current other provisions are also recognized here.

9 Other net financial income

	2023 '000	2022 '000
Income from joint ventures (excluding income from financial investments recognized using the equity method)	23,756	14,140
Other net financial income	-5,222	-5,671
	18,534	**8,469**

10 Income taxes

Income taxes include corporation tax and trade income taxes for German companies as well as comparable income-related taxes for companies in other countries. They are calculated on the basis of the tax regulations applicable to the individual company.

Deferred taxes stem from temporary differences between the tax base of the individual companies and the consolidated statement of financial position. They are measured using the liability method based on the application of anticipated future tax rates for the individual countries as of the realization date. Generally, these are based on the regulations in effect as of the reporting date. Deferred tax assets are offset only if the company has the legal right to settle current tax assets and current tax liabilities on a net basis and they are levied by the same tax authority. Income tax expenses and deferred taxes are as follows:

	2023 '000	2022 '000
Actual income taxes	102,247	84,131
Deferred taxes resulting from temporary differences	-36,232	-11,643
Deferred taxes resulting from losses carried forward and tax credits	14,798	-36,021
	80,813	**36,467**

Deferred tax assets and deferred tax liabilities apply to differences stemming from recognition and measurement in the following items in the statement of financial position:

	Dec. 31, 2023		Dec. 31, 2022	
	Assets '000	Liabilities '000	Assets '000	Liabilities '000
Intangible assets	23,051	38,119	18,239	40,837
Property, plant, and equipment	10,856	269,191	22,808	343,196
Financial investments	8,163	912	4,416	7,627
Inventory	105,073	15,771	122,679	13,949
Receivables	23,748	8,127	18,617	9,448
Pension provisions	145,131	426	107,033	657
Other provisions	40,350	4,552	26,222	3.671
Liabilities	70,169	-551	109,004	9,942
Other items	1,642	987	521	1,520
	428,183	**337,534**	**429,539**	**430,847**
thereof non-current	(213,514)	(311,586)	(206,837)	(403,595)
Net balance	-234,424	-234,424	-244,611	-244,611
	193,759	**103,110**	**184,928**	**186,236**
Valuation allowance on deferred tax assets from temporary differences	380	-	132	-
Deferred taxes on tax credits	46,610	-	60,810	-
Losses carried forward (net, after valuation allowances)	23,114	-	28,878	-
	263,863	**103,110**	**274,748**	**186,236**

There are no temporary differences related to holdings in subsidiaries and associates as well as interests in joint ventures for which, according to IAS 12.39, no deferred tax liabilities were recognized.

Existing but unrecognized tax losses carried forward can be used as follows:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Within one year	3,657	1,701
Within two years	1,005	3,165
Within three years	936	269
Within four years	2,332	269
Within five years or longer	32,488	75,001
	40,418	**80,405**
Can be carried forward indefinitely	280,408	176,664
	320,826	**257,069**

Unrecognized tax credits total € 0.2 million (previous year: € 15.4 million). Realization of deferred tax assets totaling € 31.5 million (previous year: € 20.7 million) depends on future taxable income greater than the effect on income from the reversal of taxable temporary differences. Recognition of these assets is justified despite the recent losses incurred, since corresponding forecasts show that they will be realized.

Deferred taxes of € 60.2 million (previous year: € 23.7 million) were recognized directly in equity. Of that amount, € 57.7 million (previous year: € 22.7 million) is attributable to actuarial gains and losses from the accounting of pension obligations, € -4.6 million (previous year: € -4.6 million) to changes in the fair value of securities and € 0.1 million (previous year: € 0.2 million) to changes in the fair value of derivative financial instruments designated as cash flow hedges.

The tax rate for B. Braun SE is 29.6 percent (previous year: 29.6 percent). The tax expense calculated using B. Braun SE's tax rate can be reconciled into the actual tax expense as follows:

	2023 '000	2022 '000
B. Braun SE tax rate	29.6%	29.6%
Profit before income tax	205,964	178,692
Expected income tax at parent company's tax rate	-60,967	-52,893
Differences due to different tax rates	15,661	24,286
Due to changes in tax rates	-1,245	1,977
Tax reductions due to tax-exempt income	36,455	27,100
Tax increases due to non-deductible expenses	-39,761	-41,248
Addition/deduction of trade tax and similar foreign tax items	704	275
Final withholding tax on profit distributions	-4,621	-3,621
Tax credits	-10,401	-5,231
Tax income (expense) relating to previous periods	-8,767	2,099
Change to valuation allowances on deferred tax assets	-10,408	12,804
Profit (loss) from financial investments recognized using the equity method	108	941
Other tax effects	2,429	-2,956
Actual tax expense	**-80,813**	**-36,467**
Effective tax rate	39.2%	20.4%

OECD Pillar Two model rules

The B. Braun Group is subject to the OECD's Pillar Two model rules (global minimum tax) under legislation passed in Germany, the corporate domicile of the top parent company required to report, and enacted on December 28, 2023. Since the Pillar Two legislation was not applicable yet in any jurisdiction in which B. Braun operated business units as defined by the law at the time of reporting, the B. Braun Group was not subject to any actual taxation in the reporting period. The B. Braun Group exercises the exemption from the accounting of deferred taxes associated with Pillar Two income tax that was the subject of the amendments to IAS 12 published in May 2023.

The B. Braun Group is currently working on an estimate of the effects of Pillar Two after the legislation enters into force.

In May 2023, the Group's corporate tax department began working with external tax experts on the implementation of the Pillar Two legislation. Following the start of the Pillar Two project in July 2023 and an impact analysis completed in September 2023, the B. Braun Group is currently analyzing what data points and sources are necessary as well as how to collect these across the Group. The subsequent project will examine questions of data collection and processing for Pillar Two purposes, including an investigation into possible tool solutions.

In the context of the implementation of the Pillar Two legislation, the B. Braun Group has also examined the option of applying the “safe harbor” rules based on the country-by-country report, which provide for a simplified calculation of the effective tax rate. The analysis for this is based on relevantly enriched data from the country-by-country report for 2023. This analysis provides a good appraisal of the jurisdictions for which a detailed Pillar Two tax assessment will be required starting January 01, 2024, and which could subsequently result in an additional income tax burden in Germany. Such an additional tax on income in Germany would only be charged if the affected jurisdictions with lower tax rates do not exercise their option of introducing a qualified domestic minimum top-up tax (QDMTT). This option would result in an additional income tax burden in that jurisdiction.

The analysis, based on the enriched data from the country-by-country report for 2023, produced a simplified average effective tax rate of less than 15 percent for just 7 jurisdictions in the reporting period: Chile, Lithuania, Paraguay, Romania, Serbia, Switzerland and Thailand. This means these jurisdictions fail the simplified effective tax rate test, the routine profits test and the de minimis test for the materiality threshold. As a result, the temporary relief under safe harbor rules is not applicable. Even though the simplified average effective tax rates do not exceed 15 percent, the B. Braun Group may still not be required to pay any Pillar Two income tax for these jurisdictions due to amendments specifically provided for in the Pillar Two legislation that could result in deviations from the effective tax rates calculated in accordance with IAS 12.86.

Given the complexity of the rules and their application to every location in the Group, it is not yet possible to reliably estimate the quantitative effects of the passed or enacted legislation.

11 Earnings per share

Earnings per share is calculated according to IAS 33 by dividing consolidated net income less non-controlling interests by the number of shares in issue. The number of shares entitled to receive dividends remained unchanged at 800,000,000 during the fiscal year. There were no outstanding shares as of December 31, 2023 or December 31, 2022 that could have diluted the earnings per share. Earnings per share totals € 0.14 (previous year: € 0.15).

Dividends paid in 2023 for the previous fiscal year totaled € 32 million (previous year: € 32 million). Dividends paid per share in 2023 totaled € 0.04 (previous year: € 0.04). The Executive Board and Supervisory Board are proposing a dividend of € 0.04 per share for fiscal year 2023. The proposed dividend must be ratified by the annual shareholders' meeting on March 19, 2024. This dividend liability is not included in the consolidated financial statements.

12 Other notes to the consolidated statement of income

Material costs

The following material costs are included in the cost of goods sold:

	2023 '000	2022 '000
Expenses for raw materials, supplies and goods purchased	3,922,126	3,847,864

In the reporting period, expenses in the cost of goods sold that are related to inventory write-downs to factor in risks arising in particular from storage period and reduced usability total € 58.9 million (previous year: € 64.9 million). The amount of reversals of write-downs during the fiscal year (increase in net realizable value) due to the elimination of these risks totals € 34.5 million (previous year: € 35.2 million).

Personnel expenditures/employees

The following personnel expenditures are recognized in the statement of income:

Personnel expenditures	2023 '000	2022 '000
Wages and salaries	2,740,558	2,658,341
Social security payments	409,443	397,859
Welfare and pension expenses	116,112	145,217
	3,266,113	**3,201,417**
Employees by function (annual average, including temporary employees)		
Production	42,532	43,930
Marketing and sales	12,824	13,227
Research and development	2,833	2,858
Technical and administration	5,730	5,984
	63,919	**65,999**
thereof part-time	(6,344)	(6,390)

Amounts from accruing interest on pension provisions are not recognized as personnel expenditures rather are reported as net interest income.

The annual average number of employees is prorated based on the date of first consolidation or deconsolidation, as applicable. Employees of joint ventures are included in the total according to the percentage of interest.

As in the previous year, the annual average number of employees in 2023 attributable to the companies consolidating for the first time was zero.

13 Total audit fee

The following fees were recognized as an expense for services provided worldwide by the auditors of PricewaterhouseCoopers in 2023:

	2023 '000	2022 '000
Audit fees	5,655	5,351
thereof PricewaterhouseCoopers GmbH, Germany	(1,313)	(1,299)
Other certification services	27	24
thereof PricewaterhouseCoopers GmbH, Germany	(2)	-
Tax advisory services	1,235	1,280
thereof PricewaterhouseCoopers GmbH, Germany	(14)	(47)
Other services	3,104	2,570
thereof PricewaterhouseCoopers GmbH, Germany	(2,299)	(1,893)
	10,021	**9,225**
thereof PricewaterhouseCoopers GmbH, Germany	(3,629)	(3,239)

The audit fees include all fees paid and owed to PricewaterhouseCoopers plus reimbursable expenses for the audit of the Group's consolidated financial statements and the audit of the financial statements of B. Braun SE and its subsidiaries. Fees for certification services mainly relate to certifications performed as part of acquisitions and divestitures, the examination of internal control systems, particularly IT systems, and expenses related to statutory or judicial requirements. Tax advisory services mainly relate to fees for advice on completing tax returns, checking tax assessments, support for company audits or other inquiries conducted by the tax authorities as well as tax advice related to transfer pricing.

Notes on the consolidated statement of financial position

14 Intangible assets

Cost of acquisition or manufacture	Acquired goodwill '000	Licenses, trademarks and other similar rights '000	Internally created intangible assets '000	Advance payments '000	Total '000
Jan. 01, 2022	**407,293**	**847,602**	**150,518**	**51,362**	**1,456,775**
Foreign currency translation	-2,258	11,865	8,940	35	18,582
Adjustment as per IAS 29	0	1,077	0	-36	1,041
Additions to scope of consolidation	0	0	0	0	0
Disposals from scope of consolidation	0	-5	0	0	-5
Additions	0	13,438	845	12,054	26,337
Transfers	0	13,636	0	-14,719	-1,083
Disposals of assets held for sale	0	0	0	0	0
Disposals	-1,505	-7,707	0	-96	-9,308
Dec. 31, 2022	**403,530**	**879,906**	**160,303**	**48,600**	**1,492,339**
Jan. 01, 2023	**403,530**	**879,906**	**160,303**	**48,600**	**1,492,339**
Foreign currency translation	-4,113	-19,812	-5,777	-453	-30,155
Adjustment as per IAS 29	659	1,388	0	0	2,047
Additions to scope of consolidation	0	0	0	0	0
Disposals from scope of consolidation	0	0	0	0	0
Additions	353	14,397	51	9,417	24,218
Transfers	0	17,425	0	-16,486	939
Disposals of assets held for sale	0	0	0	0	0
Disposals	-524	-32,227	0	-6,194	-38,945
Dec. 31, 2023	**399,905**	**861,077**	**154,577**	**34,884**	**1,450,443**
Accumulated amortization 2023	201	637,806	129,646	15,488	783,141
Accumulated amortization 2022	344	617,771	126,230	18,888	763,233
Carrying amounts Dec. 31, 2023	**399,704**	**223,271**	**24,931**	**19,396**	**667,302**
Carrying amounts Dec. 31, 2022	**403,186**	**262,135**	**34,073**	**29,712**	**729,106**
Amortization in the fiscal year	0	58,684	8,148	32	66,864
thereof unscheduled	0	94	0	32	126

In the fiscal year, amortization of intangible assets totaling € 66.9 million (previous year: € 132.6 million) was recognized in the statement of income as cost of goods sold, selling expenses, administrative expenses or research and development expenses depending on use.

The B. Braun Group capitalized € 0.1 million (previous year: € 0.8 million) in development costs for the fiscal year. All the prerequisites for capitalization were met.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. Each of these CGUs represents the Group's investment by the primary reporting segment.

A summary of the distribution of goodwill by CGU and the assumptions for their impairment testing are listed below:

	Hospital Care '000	Aesculap '000	Avitum '000	Total '000
Dec. 31, 2022				
Carrying amount of goodwill	89,055	19,467	294,664	403,186
Annual growth rate	2.4%	2.2%	2.3%	
Discount rate	9.1%	8.7%	8.7%	
Dec. 31, 2023				
Carrying amount of goodwill	84,745	19,462	295,496	399,703
Annual growth rate	2.5%	2.4%	2.3%	
Discount rate	8.5%	8.5%	8.5%	

The recoverable amount of a CGU is determined by calculating its value in use. These calculations are based on projected cash flows derived from the five-year forecast approved by Management. In addition to inflation rates, which remain at a high level, and the associated rise in interest rates by the central banks, possible effects due to volatile energy, financial and commodity markets as well as specific country risks were also taken into account in the planning, as the course of geopolitical conflicts can influence the development of the B. Braun Group. It was also assumed that the structural optimization measures continued from the previous year will offset expected cost increases in coming years and improve profitability. As a result, continued growth is expected in the approved five-year forecast.

Management has determined the budgeted gross margin based on past trends and expectations about future market trends. The weighted average growth rates largely correspond to the predictions from industry reports. The discount rates used are pre-tax rates and reflect the specific risks of the relevant CGUs.

If the actual future gross margin had been 10 percent less than the gross margin estimated by Management on December 31, 2023, no impairment of goodwill would have occurred. The same holds true if the discount amount that was used to calculate the discounted cash flow had been 10 percent higher than Management's estimates.

15 Property, plant and equipment

Cost of acquisition or manufacture	Land and buildings '000	Technical plants and machinery '000	Other plants, operating and office equipment '000	Leased plants '000	Advance payments and assets under construction '000	Total '000
Jan. 01, 2022	**3,190,049**	**4,323,844**	**1,091,226**	**448,830**	**1,170,306**	**10,224,255**
Foreign currency translation	36,596	55,660	11,376	7,539	48,110	159,281
Adjustment as per IAS 29	11,441	11,784	16,073	0	75	39,373
Additions to scope of consolidation	0	0	0	0	0	0
Disposals from scope of consolidation	-3,257	0	-6,029	0	0	-9,286
Additions	63,474	59,578	94,012	10,770	351,798	579,632
Transfers	156,169	260,703	22,451	9,034	-455,475	-7,118
Disposals of assets held for sale	0	0	0	0	0	0
Disposals	-38,261	-46,131	-58,097	-14,115	2,251	-154,353
Dec. 31, 2022	**3,416,211**	**4,665,438**	**1,171,012**	**462,058**	**1,117,065**	**10,831,784**
Jan. 01, 2023	**3,416,211**	**4,665,438**	**1,171,012**	**462,058**	**1,117,065**	**10,831,784**
Foreign currency translation	-83,732	-88,126	-27,926	-7,567	-22,998	-230,349
Adjustment as per IAS 29	6,274	12,492	9,347	0	28	28,141
Additions to scope of consolidation	0	0	0	0	0	0
Disposals from scope of consolidation	-9	-4,736	-362	0	-299	-5,406
Additions	128,824	77,756	104,700	22,884	297,145	631,309
Transfers	273,341	208,646	2,792	25,960	-511,678	-939
Disposals of assets held for sale	0	0	0	0	0	0
Disposals	-26,873	-90,632	-72,594	-12,378	-7,991	-210,468
Dec. 31, 2023	**3,714,036**	**4,780,838**	**1,186,969**	**490,957**	**871,272**	**11,044,072**
Accumulated depreciation 2023	1,319,866	3,107,304	858,393	332,410	37,531	5,655,504
Accumulated depreciation 2022	1,189,705	2,959,611	830,758	314,425	16,689	5,311,188
Carrying amounts Dec. 31, 2023	**2,394,170**	**1,673,534**	**328,576**	**158,547**	**833,741**	**5,388,568**
Carrying amounts Dec. 31, 2022	**2,226,506**	**1,705,827**	**340,254**	**147,633**	**1,100,376**	**5,520,596**
Depreciation in the fiscal year	174,269	283,844	120,205	27,417	26,186	631,921
thereof unscheduled	17,483	4,602	64	0	26,833	48,982

In the fiscal year, depreciation of property, plant and equipment totaling € 631.9 million (previous year: € 614.7 million) was recognized in the statement of income as cost of goods sold, selling expenses, administrative expenses or research and development expenses depending on how the asset was used. Unscheduled depreciation primarily concerns the depreciation of assets under construction to expand production capacity for rinsing solutions in bags in the United States amounting to € 24.5 million, which was recognized as cost of goods sold.

The capitalized borrowing costs in the fiscal year totaled € 24.6 million (previous year: € 15.1 million). This calculation assumed an interest rate of 4.0 percent (previous year: 2.3 percent).

The current carrying amount of property, plant, and equipment acquired with government grants is € 78.3 million (previous year: € 63.4 million). As of the reporting date, there were no unfulfilled conditions or uncertainties with regard to market success that would have required a modification of recognition in the statement of financial position.

The carrying amount of property, plant and equipment with restricted title is € 25.2 million (previous year: € 23.9 million).

Investment real estate, mainly office buildings, is held for the purpose of long-term rental income and is not used by the B. Braun Group itself. The rental income from investment real estate amounts to € 0.7 million. The direct operating expenses for the real estate amount to € 0.1 million. The fair value is € 9.2 million.

Investment real estate	**2023 '000**	**2022 '000**
As of Jan. 01	**8,201**	**0**
Foreign currency translation	0	0
Additions to scope of consolidation	0	0
Disposals from scope of consolidation	0	0
Additions	0	0
Transfers	0	8,201
Disposals of assets held for sale	0	0
Disposals	0	0
As of Dec. 31	**8,201**	**8,201**
Accumulated depreciation	1,392	1,248
Carrying amounts	**6,809**	**6,953**
Depreciation in the fiscal year	144	144
thereof unscheduled	0	0

16 Lease

This section contains information on leases in which the Group is the lessee. For information on leases in which the Group is the lessor, refer to Note 18 "Tradereceivables".

The Group leases various property, production plants, vehicles and other operating and office equipment. Leasing terms are negotiated individually and contain a number of varying terms. The lease agreements are typically concluded for a fixed term but may contain extension options.

The following items are reported on the statement of financial position in relation to leases:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Licenses, trademarks and similar rights	707	517
Buildings	369,038	384,451
Technical plants and machinery	26,141	15,698
Other plants, operating and office equipment	50,739	37,950
Net carrying amount	**446,625**	**438,616**

Additions to rights of use during fiscal year 2023 totaled € 160.1 million (previous year: € 66.3 million).

The statement of income contains the following figures in relation to leases:

	2023 '000	2022 '000
Depreciation of rights of use		
Licenses, trademarks and similar rights	-71	-24
Buildings	-85,852	-73.241
Technical plants and machinery	-8,878	-10,009
Other plants, operating and office equipment	-25,708	-24,611
	-120,509	**-107,885**
Interest expenses	-16,257	-13,331
Expenses relating to short-term leases	-7,606	-7,920
Expenses relating to leases for low-value assets not contained in the above short-term leases	-4,183	-4,658
Expenses relating to variable lease payments not contained in the leasing liabilities	-6,941	-6,896
Income from subleasing rights of use	69	188

Total lease payments in the fiscal year totaled € 146.9 million (previous year: € 140.4 million).

Possible future cash outflows from buying options totaling € 4.7 million and from termination options totaling € 0.5 million were not included in the leasing liabilities as the exercise of these options was not considered reasonably certain.

17 Financial investments and joint ventures recognized using the equity method of accounting and other financial investments

The Group's holdings in its associated companies and joint ventures are as follows:

	2023 '000	2022 '000
Associated companies		
Carrying value of shares	71,938	74,678
Share of profit/loss	-851	2,609
Share of net income	-851	2,609
Joint ventures		
Carrying value of shares	1,019	892
Share of profit/loss	63	31
Share of net income	63	31

As of December 31, 2023, the carrying value of holdings in associated companies included goodwill totaling € 25.7 million (previous year: € 26.7 million). Liabilities to associated companies totaled € 15.0 million (previous year: € 15.6 million) and to joint ventures € 6.0 million (previous year: € 14.8 million).

Cost of acquisition	Financial investments recognized the equity of accounting '000	Other holdings '000	Loans to companies in which the Group holds an interest '000	Securities '000	Other Loans '000	Total '000
Jan. 01, 2022	**76,964**	**74,691**	**4,710**	**5,220**	**6,025**	**167,610**
Foreign currency translation	297	0	21	-1	12	329
Additions to scope of consolidation	0	0	0	0	0	0
Disposals from scope of consolidation	0	-17,562	0	0	0	-17,562
Additions	2,177	26,126	100	65	12,581	41,049
Transfers	-1,353	1,603	-250	0	0	0
Write-ups	0	0	0	0	0	0
Disposals	0	-4,934	-606	-1	-1,030	-6,571
Fair value adjustments	0	2,312	56	-76	0	2,292
Dec. 31, 2022	**78,085**	**82,236**	**4,031**	**5,207**	**17,588**	**187,147**
Jan. 01, 2023	**78,085**	**82,236**	**4,031**	**5,207**	**17,588**	**187,147**
Foreign currency translation	212	0	0	-8	-107	97
Additions to scope of consolidation	0	0	0	0	0	0
Disposals from scope of consolidation	0	-5,014	0	0	0	-5,014
Additions	-845	24,071	253	19	19,428	42,926
Transfers	-1,979	1,979	0	0	0	0
Write-ups	0	0	0	0	0	0
Disposals	0	-29,645	-1.600	-9	-9,891	-41,145
Fair value adjustments	0	-25,213	0	-124	0	-25,337
Dec. 31, 2023	**75,473**	**48,414**	**2,684**	**5,085**	**27,018**	**158,674**
Accumulated amortization 2023	2,516	234	0	2,696	21	5,467
Accumulated amortization 2022	2,516	94	0	2,744	138	5,492
Carrying amounts Dec. 31, 2023	**72,957**	**48,180**	**2,684**	**2,389**	**26,997**	**153,207**
Carrying amounts Dec. 31, 2022	**75,569**	**82,142**	**4,031**	**2,463**	**17,450**	**181,655**
Amortization in the fiscal year	0	4,300	0	-47	0	4,253

18 Trade receivables

Age analysis of trade receivables

a) Non-impaired trade receivables

'000	Total	Not yet due	Overdue up to 30 days	Overdue of 31 – 60 days	Overdue of 61 – 90 days	Overdue of 91 – 180 days	Overdue more than 180 days
Dec. 31, 2022							
Trade receivables	1,017,660	826,729	60,119	36,520	21,553	29,943	42,795
thereof leasing	27,105	27,105	-	-	-	-	-
Lifetime ECL	-2,970	-2,764	-25	-24	-37	-39	-81
Carrying amount	**1,014,690**	**823,965**	**60,094**	**36,496**	**21,516**	**29,904**	**42,714**
Dec. 31, 2023							
Trade receivables	1,100,329	872,799	83,340	42,449	26,948	39,040	35,752
thereof leasing	26,434	26,434	-	-	-	-	-
Lifetime ECL	-3,067	-2,904	-15	-24	-30	-41	-53
Carrying amount	**1,097,262**	**869,895**	**83,325**	**42,425**	**26,918**	**38,999**	**35,699**

Lifetime expected credit losses (ECL) were calculated using gross receivables less receivables for sale through the ABS program as well as credit loss rates in a range of 0.02 to 0.33 percent (previous year: 0.04 to 0.33 percent). A significant proportion of the non-impaired and overdue trade receivables are attributable to receivables from social security providers, government or government-sponsored companies.

With regard to trade receivables that are neither impaired nor in arrears, there were no indications as of the reporting date that the debtors in question are not able to meet their payment obligations.

b) Impaired trade receivables

'000	Total	Not yet due	Overdue up to 30 days	Overdue of 31 – 60 days	Overdue of 61 – 90 days	Overdue of 91 – 180 days	Overdue more than 180 days
Dec. 31, 2022							
Trade receivables	345,581	220,537	31,456	10,969	7,995	17,362	57,262
Loss allowances	-45,090	-10,082	-1,654	-721	-504	-1,795	-30,334
Carrying amount	**300,491**	**210,455**	**29,802**	**10,248**	**7,491**	**15,567**	**26,928**
Dec. 31, 2023							
Trade receivables	345,589	199,110	32,425	8,837	5,434	13,129	86,654
Loss allowances	-63,004	-13,455	-2,192	-697	-584	-2,275	-43,801
Carrying amount	**282,585**	**185,655**	**30,233**	**8,140**	**4,850**	**10,854**	**42,853**

Impairments on trade receivables have changed as follows:

	2023 '000	2022 '000
Amount of loss allowances as of Jan. 01	**48,060**	**45,587**
Foreign currency translation	-1,711	179
Additions	23,678	11,175
Utilization	-3,380	-4,592
Releases	-654	-4,289
Amount of loss allowances as of Dec. 31	**65,993**	**48,060**
thereof for specific impairments	(63,004)	(45,090)
thereof for specific lump-sum impairments	-	-
thereof lifetime ECL	(2,989)	(2,970)

The total amount of additions consists of specific impairments and lifetime ECL.

The following table shows expenses for the complete derecognition of trade receivables due to being uncollectible and income from previously derecognized trade receivables:

	2023 '000	2022 '000
Expenses for complete derecognition of trade receivables	5,101	2,779
Income from trade receivables previously derecognized	742	195

Fair value of collateral received totals € 20.2 million (previous year: € 10.6 million). This collateral consists primarily of payment guarantees.

With regard to trade receivables, there is no concentration with respect to individual customers, currencies or geographic attributes. The largest receivable from a single customer is equivalent to approximately 1 percent of all trade receivables reported.

As of December 31, 2023, B. Braun Group companies had sold receivables worth up to € 78.7 million (previous year: € 76.2 million) under an asset-backed securities (ABS) program with a maximum volume of € 100 million. The basis for the transaction is the assignment of trade receivables of individual B. Braun companies to a structured entity as part of an undisclosed assignment. A structured entity should be consolidated under IFRS 10 if the criteria for control of this company have been met (IFRS 10.B2). The existence of a controlling relationship requires decision-making power and variable returns as well as a link between the two. Since B. Braun does not participate in the variability of the structured entity, this company is not consolidated in the consolidated financial statements.

The requirements for a receivables transfer according to IFRS 9.3.2.1 are met, since the receivables are transferred according to IFRS 9.3.2.4(a). In the previous fiscal year, verification in accordance with IFRS 9.3.2.6 showed that virtually all risks and rewards were neither transferred nor retained. The control of receivables remains with B. Braun, as a further sale of the receivables is economically detrimental to the structured entity. Consequently, B. Braun's continuing involvement must be recognized. Firstly, this includes the maximum amount that B. Braun could conceivably have to pay back under the senior and third-ranking default guarantee assumed (€ 1.6 million; previous year: € 0.9 million). Secondly, the maximum expected interest payments as made until payment is received for the carrying amount of the receivables transferred are recognized in the statement of financial position (€ 1.1 million; previous year: € 0.6 million). The fair value of the guarantee/interest payments due totaling € 0.7 million (previous year: € 0.6 million) was recognized in the statement of income under other liabilities.

Trade receivables include the following amounts in which the Group is a lessor in a finance lease. These are primarily leased dialysis machines, infusion pumps and instrument sets:

Minimum lease payments for receivables from finance lease agreements	2023 '000	2022 '000
Less than 1 year	9,399	8,997
In Year 2	7,274	6,572
In Year 3	5,966	5,473
In Year 4	2,880	4,263
In Year 5	827	1,681
After 5 years	1,004	1,216
Gross investment	**27,350**	**28,202**
Interest amount	1,317	1,433
Total discounted, non-guaranteed residual value	401	337
Net investment	**26,434**	**27,106**

Gains realized by sale in the fiscal year totaled € 0.6 million.

The Group leases dialysis machines, infusion pumps and instrument sets under different operating leases, which are summarized as other plants, operating and office equipment and recognized in leased plants. Total future lease payments under interminable operating leases are as follows:

Term structure of financial liabilities	2023 '000	2022 '000
Less than 1 year	25,899	41,488
In Year 2	12,015	28,787
In Year 3	8,262	22,550
In Year 4	5,798	15,665
In Year 5	3,339	10,412
Over 5 years	3,172	17,714
Total	**58,485**	**136,616**

The rental income from operating leases in the fiscal year amounts to € 14.1 million.

19 Other assets

	Dec. 31, 2023		Dec. 31, 2022	
	Residual term < 1 year '000	Residual term > 1 year '000	Residual term < 1 year '000	Residual term > 1 year '000
Other tax receivables	79,945	0	109,662	0
Receivables from social security providers	4,069	0	5,330	0
Receivables from employees	3,039	212	3,019	259
Advance payments	26,254	51,896	30,631	43,108
Accruals and deferrals	66,193	3,138	59,708	3,058
	179,500	**55,246**	**208,350**	**46,425**
Receivables from derivative financial instruments	20,556	0	25,699	0
Securities at amortized cost	14,602	0	13,917	0
Securities held for trading	38,608	0	35,578	0
Assets held for sale	7,387	0	0	0
Other receivables and assets	126,358	10,189	72,440	8,199
	207,511	**10,189**	**147,634**	**8,199**
	387,011	**65,435**	**355,984**	**54,624**

Assets held for sale comprise Aesculap division assets for developing cell therapies and biomaterials for restoring damaged cartilage tissue. After a re-evaluation and shift in strategy, it was decided in 2023 to sell these assets. We are currently in close talks with a potential buyer and the transaction is expected to be finalized in early 2024. The assets held for sale are divided into asset classes as follows:

	Dec. 31, 2023 '000
Intangible assets	1,397
Property, plant and equipment	3,210
Inventories	1,473
Trade receivables	1,031
Other assets	275
	7,386

Other receivables and assets primarily comprises obtained loans.

With regard to other receivables, as of the reporting date there were no indications that the debtors in question will not be able to meet their payment obligations. No material amounts of receivables were overdue or impaired as of the reporting date.

20 Inventories

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Raw materials and supplies	553,609	569,484
Write-down	-40,658	-40,085
Net raw materials and supplies	**512,951**	**529,399**
Works in progress	281,896	262,855
Write-down	-14,006	-12,319
Net works in progress	**267,890**	**250,536**
Finished products, merchandise	1,166,860	1,236,680
Write-down	-103,970	-107,979
Net finished products, merchandise	**1,062,890**	**1,128,701**
	1,843,731	**1,908,636**

Of the inventories available on December 31, 2023, € 413.2 million (previous year: € 410.0 million) were recognized at their net realizable value.

As in the previous year, no inventories were pledged as collateral for liabilities.

21 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, other short-term highly liquid financial assets with residual maturities of three months or less that are subject to no more than insignificant fluctuations in value, and bank overdraft facilities. In the statement of financial position, utilized bank overdraft facilities are shown under current financial liabilities as liabilities to banks.

Of cash and cash equivalents, € 14.6 million (previous year: € 17.7 million) are subject to availability restrictions due to local foreign exchange and payment transaction controls that prevent this amount from being used by the rest of the Group.

Changes in cash and cash equivalents are shown in the consolidated statement of cash flows.

22 Subscribed capital

B. Braun SE's share capital of € 800 million is divided into 800,000,000 no-par value registered shares that are fully paid up. Each no-par value registered share equals a calculated share of € 1.00 of subscribed capital.

23 Capital reserves and retained earnings

The capital reserves include the premium from the capital increase relating to the contribution of shares in B. Braun Melsungen AG as well as payments from shareholders.

Retained earnings comprise past earnings by the companies in the consolidated financial statements that were not distributed. The retained earnings also include consolidated net income less non-controlling interests.

Changes in other reserves	Reserve for cash flow hedges '000	Fair value of available-for-sale financial assets '000	Reserve for currency translation differences '000	Total '000
Jan. 01, 2022	**-176**	**9,091**	**-226,893**	**-217,978**
Changes recognized directly in equity (after taxes)				
Changes in fair value of securities	0	715	0	715
Cash flow hedging instruments	4,744	0	0	4,744
Changes due to currency translation	0	0	89,102	89,102
Total	**4,744**	**715**	**89,102**	**94,561**
Dec. 31, 2022	**4,568**	**9,806**	**-137,791**	**-123,417**
Jan. 01, 2023	**4,568**	**9,806**	**-137,791**	**-123,417**
Changes recognized directly in equity (after taxes)				
Changes in fair value of securities	0	-23,539	0	-23,539
Cash flow hedging instruments	-795	0	0	-795
Changes due to currency translation	0	0	-43,358	-43,358
Total	**3,773**	**-13,733**	**-181,149**	**-67,692**
Comprehensive income over the period	**8,341**	**-3,927**	**-318,940**	**-191,109**

Changes in the other equity capital components are shown in the consolidated statement of changes in equity.

Claims of shareholders to dividend payments are reported as liabilities in the period in which the corresponding resolution is passed.

24 Non-controlling interests

Non-controlling interests comprise third-party interests in the equity of consolidated subsidiaries. They exist in particular in Almo-Erzeugnisse E. Busch GmbH in Bad Arolsen, Germany, B. Braun Medical AG in Sempach, Switzerland, and B. Braun Austria Ges.m.b.H. in Maria Enzersdorf, Austria. The summarized financial information of these subsidiaries before consolidation is as follows:

									Attributable to	
	Assets '000	Liabilities '000	Sales '000	Profit/loss '000	Other comprehensive income (OCI) '000	Total earnings '000	Cash flow '000	Non-controlling interests in percent	Profit/loss '000	Dividend '000
2022										
Almo-Erzeugnisse E. Busch GmbH, Germany	84,869	42,251	73,165	1,352	-408	944	0	27	369	616
B. Braun Austria Ges.m.b.H., Austria	142,937	25,407	75,625	38,763	-1,157	37,606	-36	40	15,505	4,000
B. Braun Medical AG, Switzerland	566,026	152,035	421,636	45,067	6,443	51,511	-9,679	49	22,083	5,741
	793,832	**219,693**	**570,426**	**85,182**	**4,878**	**90,061**	**-9,715**		**37,957**	**10,973**
2023										
Almo-Erzeugnisse E. Busch GmbH, Germany	79,038	37,064	75,122	-281	-785	-1,066	0	27	-77	0
B. Braun Austria Ges.m.b.H., Austria	127,530	24,779	79,785	15,677	-1,613	14,064	23	49	6,271[1]	12,000[1]
B. Braun Medical AG, Switzerland	607,065	155,855	429,107	39,566	-9,441	30,126	-13,745	49	19,387	6,062
	813,633	**217,698**	**584,014**	**54,962**	**-11,839**	**43,124**	**-13,722**		**19,311**	**6,062**

[1] Profit and dividends were still calculated with the previous share of capital.

25 Provisions for pensions and similar commitments

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Provisions for pension commitments	1,223,289	1,052,818

Payments totaling € 49.2 million (previous year: € 48.3 million) are expected for fiscal year 2024. Of those, € 9.1 million (previous year: € 10.7 million) will be in contributions to external plan assets and € 40.1 million (previous year: € 37.6 million) in benefits paid directly by the employer to beneficiaries.

The Group's pension commitments are commitments under defined contribution and defined benefit plans.

For defined contribution plans, the Group has no further payment obligations once the contributions have been paid. They are recognized as an operating expense in the amount of the contributions paid. In the previous fiscal year, this amount was € 47.0 million (previous year: € 44.6 million). In addition, the Group makes contributions to statutory basic provision plans for employees in many countries (including Germany). However, since this covers various forms of social security benefits, no precise statement can be made with regard to the part that solely relates to retirement payments. These expenses are shown under social security payments, under Note 12 "Personnel expenditures/employees."

Employees' claims under defined benefit plans are based on legal or contractual provisions.

Defined benefit plans based on legal regulations consist primarily of benefit obligations outside Germany at the time of employment termination and are fulfilled in the form of a capital sum. The benefit amount depends mainly on employees' length of service and final salary.

Pension commitments for employees in Germany account for approximately 73 percent of Group pension commitments. These primarily consist of annuity payments made in the event of disability, death, or an employee reaching the retirement age. The main pension plans for employees in Germany who joined the company in 1992 or later are age-dependent defined contribution plans with a modular form. Employees who joined the company before 1992, with a small number of exceptions, received commitments linked to their final salaries.

Retirement benefits in Germany are predominantly financed by pension provisions.

Pension commitments for employees in Switzerland account for approximately 13 percent of Group pension obligations. The benefits consist of annuity payments made in the event of disability, death, or an employee reaching the retirement age. The pension commitments are defined contribution plans with legally prescribed annuity rates based on implicit interest rate guarantees.

Pension commitments for employees in the United States account for approximately 8 percent of Group pension commitments. In this case, the pensions have a lump-sum payment option. Payments are made in the event of disability, death, or an employee reaching the retirement age. The pension amount is calculated largely on the basis of the employee's average salary up to 1998. A cash balance scheme applies to any earnings increase after this time.

Retirement benefits in Switzerland and the United States are financed by external pension funds, as is customary for both regions, which are managed by various bodies (such as a board of trustees) under local legislation. Both countries have minimum funding requirements, which have a material impact on the amount of future pension contributions.

In addition to the longevity risk and the risk of future pension and salary increases, risks faced by the B. Braun Group associated with the benefits payable also include capital market risks, which could impact both income from plan assets and the discount rate.

The liability recognized in the statement of financial position for defined benefit pension plans is the net present value of the defined benefit obligation (DBO) at the reporting date, allowing for future trend assumptions, less the fair value of external plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The interest rate used to determine the net present value is usually the yield on prime corporate bonds of similar maturity.

The amount of pension provisions in the statement of financial position is derived as follows:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Present value of pension commitments	1,570,984	1,367,361
Fair value of external plan assets	-347,695	-314,543
Excess cover/shortfall	**1,223,289**	**1,052,818**
Net pension provisions	**1,223,289**	**1,052,818**
thereof assets	(238)	(540)
thereof liabilities	(1,223,527)	(1,053,358)

Pension expenses included in the statement of income consist of the following:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Current service costs	41,963	74,318
Plan amendments/past service costs	115	-2,001
(Profit)/losses from plan settlements/lapsing	-80	1,079
Service costs	**41.998**	**73,396**
Interest expense on pension commitments	54,734	30,744
Interest income from external plan assets	-10,838	-5,943
Net interest expenses on pension commitments	**43,896**	**24,801**
Administrative expenses and taxes	1,672	1,358
Pension expenses on defined benefit plans	**87,566**	**99,555**
thereof operating profit	(43,670)	(74,754)
thereof financial income	(43,896)	(24,801)
Pension expenses on defined contribution plans	47,003	44,597
Pension expenses	**134,569**	**144,152**

One-off events in 2023 resulted overall in a past service cost of € 0.1 million.

Pension commitments and external plan assets are reconciled as follows:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Present value of the commitment at the beginning of the year	1,367,360	2,009,048
Current service costs	41,963	74,318
Plan amendments (past service costs)	115	-2,001
Effects of plan settlements/lapsing	-80	1,079
Interest expenses on pension commitments	54,734	30,744
Benefits paid	-54,450	-81,159
Settlement payments	80	-3,351
Employee contributions	6,630	5,577
Effects of changes in financial assumptions	138,449	-663,741
Effects of changes in demographic assumptions	1,023	666
Effects of experience adjustments	6,673	-15,059
Effects of transfers	2,314	-3,578
Effects of changes in the scope of consolidation	-55	0
Effects of foreign currency translation	6,228	14,818
Present value of the commitment at end of year	**1,570,984**	**1,367,361**

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Fair value of plan assets at start of year	314,543	363,546
Interest income from external plan assets	10,838	5,943
Revaluation of external plan assets	8,902	-37,556
Employer contributions	18,514	13,554
Employee contributions	6,630	5,577
Benefits paid and fund capital payments made	-18,561	-46,053
Settlement payments	80	-3,351
Effects of changes in scope of consolidation and transfers	0	0
Effects of foreign currency translation	6,749	12,883
Fair value of plan assets at end of year	**347,695**	**314,543**

The plan assets consist of the following:

	Dec. 31, 2023 in percent	Dec. 31, 2022 in percent
Equities and similar securities	20	17
Bonds and other fixed-income securities	16	19
Insurance contracts	60	58
Liquid assets	1	2
Investment funds	3	4
	100	**100**

Plan assets for which traded market prices exist make up the following percentages of all plan assets:

	Dec. 31, 2023 in percent	Dec. 31, 2022 in percent
Equities and similar securities	20	17
Bonds and other fixed-income securities	16	19
Liquid assets	1	2
Investment funds	3	4
	40	**41**

Plan assets are not invested in the Group's own financial instruments.

A total of 90 percent (previous year: 88 percent) of equities and similar securities are attributable to plan assets in the United States. The pension committee oversees plan assets in the United States and ensures adequate investment diversification.

Pension provisions have developed as follows:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Net pension provisions as of Jan. 01	1,052,818	1,645,501
Transfers	2,314	-3,577
Payments	-56,074	-50,257
Pension expenses	87,566	99,555
Revaluations recognized in equity (OCI)	137,242	-640,577
thereof effects from changes to financial assumptions of the pension commitment	(138,449)	(-663,741)
thereof effects from changes to demographic assumptions of the pension commitment	(1,023)	(666)
thereof effects from experience adjustments of the pension commitment	(6,673)	(-15,059)
thereof revaluation of external plan assets	(-8,902)	(37,556)
thereof other effects	(1)	(1)
Effects of changes in the scope of consolidation	-55	0
Effects of foreign currency translation	-522	2,173
Net pension provisions as of Dec. 31	**1,223,289**	**1,052,818**

Pension commitments were calculated based on the following assumptions:

	Dec. 31, 2023 in percent	Dec. 31, 2022 in percent
Discount rate	3.5	4.1
Future salary increases	2.9	2.9
Future pension increases	1.9	1.9

Pension expenses were calculated using the following assumptions:

	Dec. 31, 2023 in percent	Dec. 31, 2022 in percent
Discount rate used to calculate interest expenses	3.5	4.1
Discount rate used to calculate current service costs	3.5	4.1
Future salary increases	2.9	2.8
Future pension increases	1.9	1.6

The percentages shown are weighted average assumptions. A discount rate of 3.61 percent was applied for Germany (previous year: 4.11 percent) and 3.61 percent for the rest of the eurozone (previous year: 4.13 percent).

The Heubeck Mortality Tables 2018 G served as the biometric calculation basis for measuring German defined benefit pension obligations.

The sensitivity analysis was conducted using the previous year's method, with one assumption each being modified and the rest of the assumptions staying the same. Possible correlations between the individual assumptions or effects on plan assets from the changes in assumptions were not factored into the analysis.

The results of the sensitivity analysis are as follows:

Increasing effects on pension obligations	Dec. 31, 2023 in percent	Dec. 31, 2022 in percent
Discount rate reduced by 100 basis points	16	16
Future salary increases increased by 25 basis points	1	1
Future pension increases increased by 25 basis points	2	2
Life expectancy increased by 1 year	3	3

Sensitivities related to decreasing effects on pension obligations are comparable.

The weighted-average duration of the obligation is 16 years (previous year: 16 years).

26 Other provisions

The major provision categories developed as follows:

Other non-current provisions	Personnel expenditures '000	Other '000	Total '000
Jan. 01, 2022	**123,930**	**12,945**	**136,874**
Foreign currency translation	1,963	-312	1,653
Utilization	-7,270	-550	-7,820
Reversals	-4,201	-1,176	-5,377
Additions	-2,572	8,304	5,732
Dec. 31, 2022	**111,850**	**19,211**	**131,062**
Jan. 01, 2023	**111,850**	**19,211**	**131,062**
Foreign currency translation	-1,100	-333	-1,462
Utilization	-5,230	-1,988	-7,219
Reversals	-1,305	-10,065	-11,370
Additions	12,703	9,666	22,397
Dec. 31, 2023	**116,918**	**16,491**	**133.408**

Other current provisions	Personnel expenditures '000	Warranties '000	Other '000	Total '000
Jan. 01, 2022	**7,544**	**18,723**	**45,986**	**72,249**
Foreign currency translation	192	-287	-438	-532
Changes in scope of consolidation	-144	0	-42	-186
Utilization	-1,621	-1,140	-12,134	-14,895
Reversals	-1,263	-5,132	-6,234	-12,629
Additions	4,017	7,768	25,330	37,115
Dec. 31, 2022	**8,725**	**19,932**	**52,468**	**81,122**
Jan. 01, 2023	**8,725**	**19,932**	**52,468**	**81,122**
Foreign currency translation	-161	-692	-1,029	-1,882
Utilization	-1,026	-5,944	-8,231	-15,201
Reversals	-3,034	-746	-3,620	-7,399
Additions	6,134	14,499	75,229	95,864
Dec. 31, 2023	**10,638**	**27,049**	**114,817**	**152,504**

Non-current provisions for personnel expenditures primarily consist of provisions for partial retirement plans and anniversary bonuses. The increase in the provision amount discounted over the fiscal year due to the passage of time totals € 1.5 million (previous year: € 0.7 million). The effect of changes in the discount rate totals € 2.3 million (previous year: € -11.1 million).

The other provisions largely concern other human resources and social services commitments as well as guarantee obligations. The remaining provisions are earmarked primarily for legal proceedings, outstanding invoices, repayments to customers, rebates, legal and consulting fees, impending losses from contracts, and insurance claims not yet processed by REVIUM Rückversicherung AG, Melsungen.

The majority of non-current provisions will result in payments due within five years.

27 Financial liabilities

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Non-current financial liabilities		
Profit participation rights	110,334	125,848
Liabilities to banks	1,274,901	1,193,866
Liabilities from lease agreements	289,429	280,469
Liabilities from lease agreements with affiliated companies	724	7,911
Liabilities from borrowings from non-banks	32,548	36,211
	1,707,936	**1,644,305**
Current financial liabilities		
Profit participation rights	16,093	17,263
Liabilities to banks	356,515	582,862
Liabilities from lease agreements	89,665	93,153
Liabilities from lease agreements with affiliated companies	43,907	9,960
Liabilities from borrowings from non-banks	83,721	86,158
Liabilities from borrowings from affiliated companies	81,222	80,295
Liabilities from bills of exchange	11,769	12,945
Other financial liabilities	15,305	16,629
	698,197	**899,265**
Total financial liabilities	**2,406,133**	**2,543,570**

Term structure of financial liabilities:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Due within 1 year	698,197	899,265
Due in 1-5 years	1,354,951	1,213,323
Due in over 5 years	352,985	430,982
	2,406,133	**2,543,570**

Under the B. Braun Long Term Incentive Plan, the Group issues a series of profit participation rights that may be acquired by eligible managers on a voluntary basis. With the issuance of profit participation rights, the company grants employees profit-sharing rights in the form of participation in the Group's profits and losses of in return for their investment of capital.

The maximum term of the profit participation rights is 10 years. Payouts from profit participation rights are linked to the dividends paid to shareholders in the Group and the repayment amount is linked to the Group's equity.

As an incentive for the investment made by employees, an entitlement bonus of 25 percent is offered in the form of additional assigned participation rights. The entitlement bonus is paid to employees two years after their investment. The additional profit participation rights are recognized as expenses in the corresponding periods.

In August 2022, B. Braun SE and a subsidiary in the United States extended the term of an agreement with 12 banks for a syndicated loan of € 700 million early, to August 2027. The loan may be used by the borrowers as revolving credit in euros, or alternatively in partial sums in US dollars and British pounds, and bears a variable interest rate based on EURIBOR, Term SOFR/SONIA. In addition, the agreement allows for an adjustment to the interest margin depending on the B. Braun Group's net financial debt (leverage ratio). B. Braun was also granted the right to extend the contract by one year on two separate occasions upon consent of the banks. The first extension (to August 2028) was agreed in August 2023 with the consent of all the banks. Under the syndicated loan agreement, one of B. Braun's obligations requires the company not to exceed a maximum leverage ratio between net financial liabilities and EBITDA. This ratio is calculated based on consolidated figures for the B. Braun Group, subject to adjustments as agreed under the syndicated loan. As of the reporting date, the company has stayed well below this ratio.

Additionally, a subsidiary in Malaysia concluded a bilateral agreement in November 2023 for a € 50 million credit line with a 5-year term.

As of December 31, 2023, the Group had unused credit lines in different currencies totaling € 1.1 billion (previous year: € 1.3 billion).

Interest rates on euro loans were up to 4.71 percent per annum for non-current loans, depending on the length of the interest rate lock-in period.

The carrying amounts of the financial liabilities are as follows for the currencies below:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Euro	1,546,345	1,792,698
US dollar	488,461	330,440
Other	371,327	420,432
	2,406,133	**2,543,570**

Of the other financial liabilities, € 28.2 million (previous year: € 25.2 million) is secured through mortgages. The borrowings from non-banks are unsecured loans.

The following table shows the contractually stipulated (undiscounted) interest and principal payments for financial liabilities, other financial liabilities, and derivative financial instruments with negative fair value:

	Carrying amount '000	Cash outflow within 1 year '000	Cash outflow within 1-2 years '000	Cash outflow within 2-5 years '000	Cash outflow within 5-10 years '000	Cash outflow after 10 years '000
Dec. 31, 2022						
Profit participation rights	143,111	17,388	16,674	56,670	52,984	0
Liabilities to banks	1,776,730	603,537	134,206	870,926	267,767	0
Liabilities from lease agreements	373,622	103,928	71,696	121,929	88,477	38,589
Liabilities from lease agreements with affiliated companies	17,871	12,765	7,205	690	42	0
Liabilities from borrowings from non-banks	122,369	88,436	2,451	32,708	2,579	0
Liabilities from ABS transactions and other financial liabilities	36,959	36,959	0	0	0	0
Trade accounts payable	642,240	642,218	29	0	0	0
Liabilities from derivative financial instruments	11,936	10,742	58	1,136	0	0
Dec. 31, 2023						
Profit participation rights	126,427	16,208	15,697	55,742	39,294	0
Liabilities to banks	1,631,416	378,313	196,574	940,660	210,189	0
Liabilities from lease agreements	379,094	103,935	73,633	134,876	95,569	31,822
Liabilities from lease agreements with affiliated companies	44,631	46,263	246	485	0	0
Liabilities from borrowings from non-banks	116,269	87,409	24,195	7,979	867	204
Liabilities from ABS transactions and other financial liabilities	42,773	42,773	0	0	0	0
Trade accounts payable	584,931	584,591	339	0	0	0
Liabilities from derivative financial instruments	8,071	6,898	68	1,105	0	0

All instruments held as of December 31, 2023 for which payments had already been contractually agreed upon are included. Amounts in foreign currency were each translated at the closing rate on the reporting date. The variable interest payments arising from the financial instruments were calculated using the last interest rates fixed before December 31, 2023. Financial liabilities that can be repaid at any time are always assigned to the earliest possible period.

28 Additional disclosures on financial instruments

Carrying amounts and fair value by measurement category/classification:

	Measurement category per IFRS 9	Carrying amount Dec. 31, 2023 '000	Fair value Dec. 31, 2023 '000	Carrying amount Dec. 31, 2022 '000	Fair value Dec. 31, 2022 '000
Assets					
Trade receivables	AmC	1,345,155	-	1,275,786	-
	FVPL	34,694	34,694	39,394	39,394
Other receivables	AmC	122,181	-	100,857	-
Other financial assets	FVOCIw/o	26,598	26,598	70,901	70,901
	AmC	14,602	14,602	13,704	13,704
	FVPL	23,923	23,885	13,866	7,326
Financial assets held for trading	FVPL	38,608	38,608	35,578	35,578
Derivatives not in a hedge	FVPL	20,556	20,556	25,309	25,309
Derivatives in a hedge	n.a.	0	0	390	390
Cash and cash equivalents	AmC	105,831	-	113,494	-
Liabilities					
Profit participation rights	AmC	126,427	-*	143,111	-*
Liabilities to banks	AmC	1,631,416	1,572,281	1,776,728	1,699,389
Liabilities from lease agreements	n.a.	423,725	-	391,493	-
Liabilities from borrowings from non-banks	AmC	116,269	115,733	122,369	121,660
Other financial liabilities	AmC	11,770	-	12,945	-
Trade accounts payable	AmC	584,931	-	642,240	-
Other liabilities	AmC	343,524	-	349,743	-
Purchase price liabilities from corporate mergers	FVPL	0	0	12,544	12,544
Derivatives not in a hedge	FVPL	7,439	7,439	10,693	10,693
Derivatives in a hedge	n.a.	633	632	1,243	1,243
Summary by measurement category:					
Assets					
Amortized cost	AmC	1,587,769	14,602	1,503,841	13,704
Fair value through profit or loss	FVPL	117,781	117,743	114,147	107,607
Fair value through other comprehensive income without recycling	FVOCIw/o	26,598	26,598	70,901	70,901
Liabilities					
Amortized cost	AmC	2,814,337	1,688,014	3,047,136	1,821,049
Fair value through profit or loss	FVPL	7,439	7,439	23,237	23,237

AmC Financial assets or liabilities measured at amortized cost | **FVPL** Financial assets or liabilities measured at fair value through profit & loss | **FVOCIw/o** Financial assets measured at fair value through other comprehensive income without recycling

* Interest on the rights is linked to the dividends paid to shareholders in the Group and the repayment amount is linked to the Group's equity. A fair value for this instrument cannot be reliably determined.

Net gains or losses by measurement category are as follows:

Net gains or losses from financial assets and liabilities	2023 '000	2022 '000
- Measured at amortized cost	–5,042	–5,066
- Equity instruments measured in other comprehensive income as FVOCI	0	–201
- Measured at FVPL by regulation	8,562	371
	3,520	**–4,896**

Trade receivables totaling € 34.7 million were designated at fair value through profit and loss since they are held for sale as part of an asset-backed securities program, meaning they do not meet the business model condition for classification as financial assets measured at amortized cost.

Financial investments in foreign currency instruments totaling € 14.6 million were classified as financial assets measured at amortized cost since both the relevant business model condition and the cash flow condition are met. These investments are in covered bonds and loans.

Financial investments in equity instruments totaling € 26.6 million were classified at fair value through other comprehensive income since, as strategic, long-term investments, they are not held with the intention of realizing a short-term gain. These are primarily fundbased corporate financing investments. Dividends in the amount of € 23.7 million were recognized from these financial investments in 2023.

Other assets comprise other receivables and other financial assets in the amount of € 214.7 million (previous year: € 154.4 million) as well as other loans in the amount of € 29.7 million (previous year: € 21.5 million).

Cash and cash equivalents, trade receivables and other receivables predominantly have short residual maturities, which is why their carrying values as of the reporting date are approximately fair value.

Trade accounts payable, other financial liabilities and financial debts typically have short residual maturities; the recognized figures constitute approximate fair value.

Fair value for liabilities to banks and other creditors are calculated as the cash value of the payment associated with the debt based on the currently applicable interest yield curve. In determining the fair value, the credit risk has been taken into account.

The table below shows financial instruments where subsequent measurement and accounting is at fair value. These are categorized into levels 1 to 3, depending on the extent to which fair value can be measured:

- Level 1: Measurement at fair value based on (unadjusted) quoted prices on active markets for identical financial assets or liabilities.
- Level 2: Measurement at fair value based on parameters, which are not quoted prices for assets or liabilities as in Level 1, but which are either directly derived from them (that means, as prices) or indirectly derived from them (that means, derived from prices).
- Level 3: Measurement at fair value using models that include parameters not based on observable market data to value assets and liabilities.

	Level 1 '000	Level 2 '000	Level 3 '000	Total '000
Dec. 31, 2022				
Financial assets in category: FVPL				
Derivative financial assets not in a hedge	0	25,309	0	25,309
Derivative financial assets in a hedge	0	390	0	390
Other financial assets	13,866	0	0	13,866
Financial assets held for trading	35,578	0	0	35,578
Trade receivables	0	39,394	0	39,394
Financial assets in category: FVOCIw/o				
Securities	0	70,901	0	70,901
Financial liabilities of category: FVPL				
Purchase price liabilities from corporate mergers	0	0	-12,544	-12,544
Derivative financial assets not in a hedge	0	-10,693	0	-10,693
Derivative financial assets in a hedge	0	-1,243	0	-1,243
	49,444	**124,058**	**-12,544**	**160,958**
Dec. 31, 2023				
Financial assets in category: FVPL				
Derivative financial assets not in a hedge	0	20,556	0	20,556
Derivative financial assets in a hedge	0	0	0	0
Other financial assets	23,923	0	0	23,923
Financial assets held for trading	38,608	0	0	38,608
Trade receivables	0	34,694	0	34,694
Financial assets in category: FVOCIw/o				
Securities	0	26,598	0	26,598
Financial liabilities of category: FVPL				
Purchase price liabilities from corporate mergers	0	0	0	0
Derivative financial assets not in a hedge	0	-7,439	0	-7,439
Derivative financial assets in a hedge	0	-632	0	-632
	62,531	**73,777**	**0**	**136,308**

Purchase price liabilities from corporate mergers categorized as Level 3 are conditional purchase price liabilities recorded at net present value, the final amount is partially performance-dependent. The amount stated represents the fair value that was calculated for the actual purchase price liability on the basis of the agreed adjustment parameters.

The € 12.5 million decrease in liabilities compared to the previous year is due to the settlement of liabilities recognized directly in equity (€ -1.2 million), the derecognition of liabilities through profit and loss (€ -8.1 million), currency translation of liabilities recognized through profit and loss (€ -0.2 million) and translation differences of recognition through other comprehensive income at the start of the year (€ -3.0 million).

The table below shows financial instruments not measured at fair value whose fair value is still specified.

	Level 1 '000	Level 2 '000	Level 3 '000	Total '000
Dec. 31, 2022				
Other financial assets	13,704	0	0	13,704
Liabilities to banks	0	1,699,389	0	1,699,389
Liabilities from borrowings from non-banks	0	121,660	0	121,660
	0	**1,821,049**	**0**	**1,821,049**
Dec. 31, 2023				
Other financial assets	14,602	0	0	14,602
Liabilities to banks	0	1,572,281	0	1,572,281
Liabilities from borrowings from non-banks	0	115,733	0	115,733
	0	**1,688,014**	**0**	**1,688,014**

The following financial assets and liabilities are subject to offsetting arrangements:

				Corresponding amounts that were not offset		
	Gross carrying amount '000	Offset amount '000	Net carrying amount '000	Financial instruments '000	Financial collateral held '000	Net amount '000
Dec. 31, 2022						
Assets measured at cost	1,503,841	0	1,503,841	-2,524	47	1,501,364
Assets measured at fair value	185,048	0	185,048	-24,054	0	160,994
thereof FVPL	(114,147)	(0)	(114,147)	(-24,054)	(0)	(90,093)
thereof FVOCIw/o	(70,901)	(0)	(70,901)	(0)	(0)	(70,901)
Financial liabilities at amortized cost	3,047,136	0	3,047,136	-21,123	0	3,026,013
Liabilities measured at fair value (FVPL)	23,237	0	23,237	-5,485	0	17,752
Dec. 31, 2023						
Assets measured at cost	1,587,769	0	1,587,769	-770	0	1,586,999
Assets measured at fair value	144,379	0	144,379	-19,710	0	124,669
thereof FVPL	(117,781)	(0)	(117,781)	(-19,710)	(0)	(98,071)
thereof FVOCIw/o	(26,598)	(0)	(26,598)	(0)	(0)	(26,598)
Financial liabilities at amortized cost	2,814,337	0	2,814,337	-17,649	0	2,796,688
Liabilities measured at fair value (FVPL)	7,439	0	7,439	-2,831	0	4,608

Offsetting of amounts that were not offset is permitted in the event of bankruptcy or default of one of the contractual parties.

29 Trade accounts payable and other liabilities

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Non-current liabilities		
Trade accounts payable	339	29
Liabilities to social security providers	11,152	9,667
Liabilities from derivative financial instruments	1,173	1,194
Liabilities to employees, management and shareholders	77,843	66,718
Accruals and deferrals	1	0
	90,169	**77,579**
Other liabilities	6,735	4,906
Subtotal other liabilities	**96,904**	**82,485**
thereof from financial liabilities	(6,239)	(4,584)
Current liabilities		
Trade accounts payable	584,592	642,211
Liabilities to social security providers	46,289	41,027
Liabilities to employees, management and shareholders	355,550	350,771
Accruals and deferrals	22,768	29,985
Other tax liabilities	114,255	129,907
	538,862	**551,690**
Liabilities from derivative financial instruments	6,899	10,742
Liabilities held for sale	4,022	0
Other liabilities	369,662	394,298
	380,583	**405,040**
Subtotal other liabilities	**919,445**	**956,730**
thereof financial liabilities	(344,091)	(368,357)
Total liabilities	**1,601,280**	**1,681,455**

Other liabilities mainly include remaining payments related to company acquisitions, liabilities from ABS transactions, bonus commitments and liabilities related to outstanding invoices.

Liabilities held for sale comprise liabilities related to the sale of Aesculap division assets for developing cell therapies and biomaterials for restoring damaged cartilage tissue (for more, see Note 19), and apply to the individual liability classes as follows:

	Dec. 31, 2023 '000
Trade accounts payable	803
Other liabilities	3,218
	4,021

30 Contingent liabilities

Liabilities result exclusively from obligations to third parties and consist of:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Uncertain liabilities	4,359	2,973
Guarantees	22,368	23,299
Contractual performance guarantees	53,563	41,383
	80,290	**67,655**

All cases relate to potential future obligations, which may arise upon the occurrence of corresponding events and are entirely uncertain as of the reporting date. During the normal course of business, the B. Braun Group is subject to potential obligations stemming from lawsuits and asserted claims. Estimates of possible future liabilities of this kind are uncertain. The uncertainties relate to the assessment of the probability and the determination of the amount of resources that would be expended. No material negative consequences for the economic or financial situation of the B. Braun Group are anticipated.

Lawsuits have been filed against B. Braun companies in the United States in relation to the ethylene oxide sterilization process in Allentown, PA, United States. In 2020, a class-action lawsuit was filed claiming residents were at higher risk of cancer, though the case had not been adjudicated as of the reporting date. There are also 91 civil suits in progress in the United States as of December 31, 2023, which may result in payments for damages. Proceedings for the first of these suits may begin in June 2024. These suits allege that emissions from the facility have caused personal injury to the plaintiffs. B. Braun considers these allegations unfounded.

31 Other financial liabilities

As of the reporting date, obligations to acquire intangible assets total € 0.6 million (previous year: € 0.6 million) and obligations to acquire property, plant and equipment total € 176.6 million (previous year: € 254.9 million).

32 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks. These include currency, interest rate, credit and liquidity risks. The B. Braun Group's policy is to minimize these risks via systematic risk management, which involves the use of derivative financial instruments.

The Group Treasury department manages risk according to guidelines issued by the Management. Group Treasury also identifies, measures and hedges financial risks in close cooperation with the Group's operating units. The Management provides written principles for Group-wide risk management together with written policies covering specific areas such as foreign exchange, interest rate and credit risk as well as the use of derivative and non-derivative financial instruments.

a) Market/currency risk

The Group operates internationally and is therefore exposed to currency risk arising from fluctuations in the exchange rates between various foreign currencies, primarily the US dollar. Risks arise when future transactions or assets or liabilities recognized in the statement of financial position are denominated in a currency that is not the functional currency of the company. To hedge such risks, the Group uses forward foreign exchange contracts.

The Group's risk management policy is to hedge assets and liabilities recognized in the statement of financial position. The Group therefore performs a scenario analysis to ascertain the impact of changes in exchange rate on the Group's earnings and shareholders' equity (before taxes in each case). This analysis takes into account balance sheet items (particularly accounts receivable and payable from operations as well as loans and borrowings) along with foreign exchange transactions executed in order to hedge balance sheet items and future cash flows denominated in foreign currencies (cash flow hedges).

If the exchange rate of the US dollar compared to other currencies on December 31, 2023 had been 10 percent stronger (weaker), profit before taxes—with all other variables remaining constant—would have been € 1.6 million higher (lower; previous year: € -0.5 million). If the euro rises (falls) in value by 10 percent against all other currencies, the changes in the value of the cash flow hedges would have the effect of increasing (decreasing) shareholders' equity by about € 0.4 million (previous year: € 2.4 million).

b) Interest rate risk

As the Group has no significant interest-bearing assets, changes in market interest rates affect its income and operating cash flow primarily via their impact on its interest-bearing liabilities. The liabilities with variable interest rates expose the Group to cash flow interest rate risk. Fair value interest rate risk arises from fixed-interest liabilities. Group policy is to maintain approximately 50 percent of its borrowings in fixed-rate instruments.

In 2022, the Group also partially hedged its cash flow interest rate risk from planned fixed-rate financing with interest rate swaps. For these interest rate swaps, the Group reached an agreement with other parties to swap an agreed fixed interest rate for a variable reference interest rate, each in reference to the agreed nominal volume, at certain intervals. The interest rate swaps agreed for this purpose were terminated ahead of schedule when the underlying transaction occurred. The termination amount will be spread out through profit and loss over the term of the agreed financing.

If market interest rates had been 100 basis points higher as of December 31, 2023, profit before taxes—with all other variables remaining constant—would have been approximately € -6.1 million lower for the full year (previous year: € -5.6 million). If market interest rates had been 50 basis points lower as of December 31, 2023, profit before taxes—with all other variables remaining constant—would have been approximately € 3.0 million higher for the full year (previous year: € 2.8 million). This would have been mainly attributable to higher or lower interest expenses for variable-rate interest-bearing financial liabilities. The other components of equity would have changed only slightly.

c) Credit risk
The Group has no significant concentrations of credit risk related to trade receivables. It has organizational guidelines that ensure that products are sold only to customers with a good payment history. Contracts on derivative financial instruments and financial transactions are solely concluded with financial institutions with a good credit rating and, as a rule, contain a provision that allows mutually offsetting positive and negative fair market values in the event of the insolvency of a party.

The maximum credit risk for each measurement category of financial assets corresponds to its carrying amount. Trade receivables are partly secured with reservation of title, which reduces the maximum default risk in this assessment category by € 29.1 million (previous year: € 28.3 million).

The gross carrying amounts for financial assets in each default risk class are as follows:

	Level 1	Level 2	Level 3	Simplified approach
'000	12-month ECL	Lifetime ECL (non-impaired)	Lifetime ECL (impaired)	Lifetime ECL
Dec. 31, 2022				
Not at risk	228,056	0	0	1,017,660
At risk	0	0	0	345,582
Total	**228,056**	**0**	**0**	**1,363,242**
Dec. 31, 2023				
Not at risk	242,614	0	0	1,100,329
At risk	0	0	0	345,588
Total	**242,614**	**0**	**0**	**1,445,917**

d) Liquidity risk
Prudent liquidity risk management includes maintaining sufficient reserves of cash as well as ensuring the availability of funding through an adequate amount of committed lines of credit. Due to the dynamic nature of the environment in which the Group operates, Group Treasury aims to maintain the necessary flexibility in funding by ensuring sufficient unused credit lines are available.

Capital risk management

The Group's capital management seeks to ensure continuation as a thriving, independent, family-run company in order to guarantee that shareholders continue to receive dividends and other interested parties receive the amounts owed them as well as maintaining an optimal equity structure to reduce the cost of capital.

The B. Braun Group is primarily financed by borrowings by B. Braun SE, the majority of these take the form of bonded loans.

Derivative financial instruments

The fair value of derivative financial instruments is calculated using directly observable market input factors. The fair value of interest rate swaps is calculated from the net present value of estimated future cash flows using the relevant yield curve on the reporting date. The fair value of forward foreign exchange contracts is calculated based on forward exchange rates on the reporting date.

Changes in the fair value of derivative financial instruments that represent economically effective hedges under the Group's strategy are recognized through profit and loss unless they are used in hedge accounting. When applying hedge accounting for cash flow hedges, the fair market value changes from the effective portion are recognized in equity. The fair value changes in hedging instruments more or less match the fair value changes in the hedged underlying transactions.

	Nominal volume		Nominal volume Residual term > 1 year		Fair value	
	Dec. 31, 2023 '000	Dec. 31, 2022 '000	Dec. 31, 2023 '000	Dec. 31, 2022 '000	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Forward foreign exchange contracts	1,078,112	1,371,939	6,486	22,907	13,424	14,341
Embedded derivatives	8,000	9,500	0	0	-952	-954
	1,086,112	**1,381,439**	**6,486**	**22,907**	**12,472**	**13,387**

Depending on the fair value on the reporting date, derivative financial instruments are included under other assets (if fair value is positive) or other liabilities (if fair value is negative).

The Group's risk management policy was to hedge up to 60 percent of the net cash flow expected over the following 12 months on a continuous basis in key currencies from the B. Braun Group's ordinary business operations. In December 2019, it was decided not to continue to pursue this hedging strategy. The layered hedging of expected and not yet recognized receivables and payables in the Group's key currencies that it had previously implemented was only continued in isolated instances until June 2023. This is why the Group has yet to designate forward foreign exchange contracts to hedge highly probable future foreign currency receipts and payments not in the functional currency, which are expected in the future:

	Nominal volume		Average hedging rate	
ISO code	Dec. 31, 2023 '000	Dec. 31, 2022 '000	Dec. 31, 2023 '000	Dec. 31, 2022 '000
EUR/BRL	4,400	23,800	5.8513	5.9113

The purpose of the hedges is to reduce the volatility of foreign exchange receipts and payments (and their measurement) with respect to foreign exchange risk. The effectiveness of hedges is measured prospectively using the critical terms match method and retroactively using the dollar offset method. As of the reporting date, the hedges had no ineffective portions.

As of December 31, 2023, the Group had designated hedging instruments with a fair value of € 0.0 million (previous year: € 0.4 million) as other assets and of € 0.6 million (previous year: € 1.2 million) as other liabilities as part of its cash flow hedges.

All hedges were effective. The reserve for cash flow hedges for these forward foreign exchange contracts reported in equity under other reserves developed over the fiscal year as follows:

	2023 '000	2022 '000
As of Jan. 01	**-854**	**-436**
Profit or loss from effective hedges	-2,406	-5,256
Reclassifications due to altered expectations regarding occurrence of underlying transaction	n.a.	n.a.
Reclassifications due to realization of underlying transaction	2,669	4,877
Reclassification due to a basis adjustment	n.a.	n.a.
As of Dec. 31	**-632**	**-854**

The occurrence of the underlying transaction resulted in a reclassification from other reserves to cost of goods sold.

B. Braun expects no gains, and losses totaling € 0.6 million recognized in equity to be transferred to the statement of income within the next 12 months.

The ineffective portion of changes in value is recognized directly in the statement of income under financial income. As in the previous year, there were no reclassifications from other reserves due to a hedge that was terminated or became ineffective, or a cash flow hedge that was terminated early.

In addition, the Group allocates currency hedges to certain intercompany loans that are not contracted in the functional currency of each Group company. The earnings from the hedges from internal commercial lending is shown in net interest income.

As in the previous year, there were no ineffective portions of the change in value recognized in the statement of income under net financial income.

33 Related-party transactions

Related-party transactions are disclosed for persons or businesses not already included as consolidated companies in the consolidated financial statements. A person or a close member of that person's family is related to a reporting party if that person has control or joint control over the reporting party, has significant influence over the reporting party or is a member of key management personnel of the reporting party. A party is a related party if that party and the reporting party are members of the same group, or one party is an associate or joint venture of the other party.

The B. Braun Group purchases materials, inventories and services from numerous suppliers around the world in the ordinary course of its business. These suppliers include a small number of companies in which the Group holds a controlling interest and companies that have ties to members of B. Braun SE's Supervisory Board. Business transactions with such companies are conducted under normal market terms. From the perspective of the B. Braun Group, these are not materially significant. The B. Braun Group did not engage in any material transactions with related parties that were in any way irregular and does not intend to do so in the future.

The following transactions were completed with related parties:

	2023 '000	2022 '000
Sale of goods and services		
Related parties	2,108	1,459
thereof B. Braun Holding GmbH & Co. KG	(27)	(13)
thereof associates	(2,081)	(1,446)
Goods and services purchased		
Related parties	74,851	70,165
thereof B. Braun Holding GmbH & Co. KG	(60,818)	(61,648)
thereof associates	(13,000)	(7,904)
Key management personnel	1,033	614
	74,851	**70,166**

Outstanding items from the purchase/sale of goods and services and from borrowings at the end of the fiscal year:

	Dec. 31, 2023 '000	Dec. 31, 2022 '000
Outstanding items from the sale of goods and services		
Related parties	11,877	8,210
thereof B. Braun Holding GmbH & Co. KG	(2,942)	(2,335)
thereof unconsolidated subsidiaries of B. Braun Holding	(0)	(0)
thereof joint ventures	(67)	(77)
thereof associates	(8,868)	(5,798)
Procurement obligations	0	71
Outstanding items from goods and services purchased and from borrowings		
Related parties	112,016	132,274
thereof B. Braun Holding GmbH & Co. KG	(91,043)	(103,145)
thereof unconsolidated subsidiaries of B. Braun Holding	(0)	(0)
thereof joint ventures	(6,005)	(14,786)
thereof associates	(14,968)	(14,343)
Key management personnel	55,947	54,479
	167,963	**186,753**

Key management personnel are members of the Executive Board and members of the Supervisory Board of B. Braun SE. In addition to B. Braun Holding GmbH & Co. KG, the affiliated Group includes joint ventures and companies controlled by key management personnel or their close family members. The names of associated companies and joint ventures are listed under major shareholdings.

The following items in the statement of financial position contain outstanding balances with related parties:

- Other assets
- Financial liabilities
- Other liabilities

The loans granted by related parties are short-term. Their interest rates are based on covered bond yields. There are no provisions for doubtful accounts associated with outstanding balances and no expenditures are recognized for impaired receivables from related parties.

Please see Note 27 for details of leasing liabilities to related parties.

Remuneration for members of the Executive Board consists of a fixed and a variable, performance-related component. They also receive pension commitments and benefits in kind. Benefits in kind consist mainly of the value assigned for the use of company cars under German tax laws.

In addition to the duties and performance of Executive Board members, the criteria for remuneration include the Group's financial position, results and future projections.

The total remuneration of Executive Board members consists of the following:

	2023 '000	2022 '000
Fixed remuneration	2,430	2,427
Variable renumeration	3,286	1,698
Pension expense	782	855
Bonuses	400	395
Other	819	194
	7,717	**5,569**

Of the total, € 0.3 million was attributable to the CEO as fixed remuneration and € 1.0 million as variable remuneration from profit-sharing.

Pension commitments totaling € 9.1 million exist to active board members. Profit-sharing bonus commitments to board members reported under liabilities to employees, board members and shareholders total € 3.5 million. A total of € 22.1 million has been allocated for pension commitments to former board members and their surviving dependents. Total remuneration amounted to € 1.2 million. Supervisory Board remuneration totaled € 1.0 million.

The remuneration of Supervisory Board members is governed by the articles of incorporation and is approved at the annual shareholders' meeting. Remuneration made to employee representatives on the Supervisory Board for work outside their supervisory activities are in line with the market standards.

The Group has not made any loans to current or former members of the Executive Board or Supervisory Board. Liabilities stemming from profit participation rights for board members totaled € 11.5 million (previous year: € 15.2 million). See Note 27 for detailed information about bonuses. The € 3.3 million (previous year: € 1.7 million) in variable remuneration still owed to the Executive Board will not be paid until the consolidated financial statements are approved the following year.

The members of the Executive Board and Supervisory Board are listed on pages 4 and 5 and on page 133.

Notes to the consolidated statement of cash flows

The consolidated statement of cash flows details changes in the B. Braun Group's cash and cash equivalents during the course of the fiscal year. In accordance with IAS 7, cash flows are categorized as those from operating, investing and financing activities. Cash flow from operating activities is calculated using the indirect method.

34 Gross cash flow and cash flow from operating activities

Gross cash flow, totaling € 820.8 million, represents the cash surplus from operating activities before any funds are committed and is € 88.5 million below the previous year's amount. The change is due primarily to the higher operating result as well as the change in non-current provisions, and other non-cash expenses and income.

Cash flow from operating activities totaling € 719.0 million represents changes in current assets, current provisions and liabilities (excluding financial liabilities).

The increase in liabilities and short-term provisions in addition to the decrease in inventories and less the increase in receivables and other assets have led to a cash outflow of € 101.8 million. Net cash from operating activities is, therefore, € 0.1 million above the previous year's level.

35 Cash flow from investing activities

A total of € 567.7 million was spent in 2023 on the purchase of property, plant and equipment, intangible assets, financial assets, and business acquisitions. This was offset by proceeds from the sale of property, plant and equipment, and the disposal of holdings (€ 78.1 million), as well as dividends and similar income received (€ 24.3 million), resulting in a net cash outflow from investing activities of € 465.4 million. Compared to the previous year, this resulted in a € 99.8 million decrease in cash outflow.

Investments made during the fiscal year were fully covered by cash flow from operating activities. The remaining free cash flow was € 253.6 million (previous year: € 153.8 million).

Additions to property, plant and equipment as well as intangible assets from leases do not result in cash outflows and are therefore not included under investing activities. Additions in the fiscal year totaled € 160.1 million (previous year: € 66.3 million).

36 Cash flow from financing activities

In fiscal year 2023, cash outflows from financing activities were € 320.3 million (previous year: € 112.7 million outflow). The net balance of cash flowing in and out for borrowing and repayment of debt was € -252.3 million (previous year: € -69.7 million). Dividend payments and capital contributions by minority shareholders result in a total cash outflow of € 52.4 million (previous year: € 44.0 million). At € 207.6 million, cash outflows are above the previous year's level. This can be attributed to higher debt repayments.

The liability items in the consolidated statement of financial position in which associated payments were recognized in cash flows from financing activities changed during the fiscal year as follows:

	Jan. 01, 2023	Cash changes	Non-cash changes			Dec. 31, 2023
			Acquisitions	Exchange gains (losses)	Change in the fair value	
	'000	'000	'000	'000	'000	'000
Non-current financial liabilities	1,230,077	83,905	0	-6,533	0	1.307,449
Current financial liabilities	778,889	-219,942	0	-10,415	0	548,532
Non-current leasing liabilities	288,380	-148,790	0	150,563	0	290,153
Current leasing liabilities	103,113	33,556	0	-3,097	0	133,572
Non-current profit participation rights	125,848	2,077	0	0	-17,591	110,334
Current profit participation rights	17,263	-17,667	0	0	16,497	16,093
Total liabilities from financing activities	**2,543,570**	**-266,861**	**0**	**130,518**	**-1,094**	**2,406,133**

37 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid financial assets with residual maturities of three months or less that are subject to no more than insignificant fluctuations in value.

As of December 31, 2023, restrictions on cash availability totaled € 0.0 million (previous year: € 0.2 million). These restrictions are primarily related to security deposits and collateral for tender business.

Subsequent events

No facts came to light after completion of the fiscal year through to the date of preparation of the consolidated financial statements that have a material effect on net assets, financial position and earnings situation for fiscal year 2023.

Independent auditor's report

To B. Braun SE, Melsungen

Audit opinion

We have audited the consolidated financial statements of B. Braun SE, Melsungen, and its subsidiaries (the Group) – comprising the consolidated statement of financial position as of December 31, 2023, the consolidated statement of income (loss), the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity from January 01 to December 31, 2023 and the notes to the consolidated financial statements, including significant disclosures on accounting policies. In addition, we have audited the Group management report of B. Braun SE for the fiscal year from January 01 to December 31, 2023.

In our judgment, based on the information obtained during the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS 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, provide a true and fair view of the net assets, and financial position of the Group as of December 31, 2023, and of its results of operations for the financial year from January 01 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, is compliant with German legal requirements and accurately presents the opportunities and risks of future development.

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 and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements, principles and standards 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 legal representatives are responsible for the documents referred to as other information.

This includes the Annual Report—without further cross-references to external information—with the exception of the audited consolidated financial statements, the audited Group management report and our auditor's report.

The opinions on the consolidated financial statements that appear in our auditor's report do not apply to this other information and, therefore, we offer neither an opinion nor any other type of audit conclusion in this regard.

As part of our audit, it was our responsibility to read through the other information and assess whether it

- contains material discrepancies with the consolidated financial statements, the Group management report or the facts determined during our audit, or
- otherwise appears to be materially misrepresented.

Responsibility 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 IFRS 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 net assets, financial position, and results of operations 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 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 a 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 processes for the preparation of the consolidated financial statements and of the Group management report.

Auditor's responsibility for the audit of the consolidated financial statements and 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 judgement 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 failing to discover material misstatement resulting from fraud is greater 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 inadequate, 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 net assets, financial position and results of operations 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. Based on 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 significant unavoidable risk that future events will fundamentally differ from the prospective information.

We communicate with those in charge of oversight such matters as the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal controls that we identify during our audit.

Kassel, Germany, February 29, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd.	sgd.
Daniela Geretshuber	Michael Conrad
German Public Auditor	German Public Auditor

Disclaimer: Translation - the German text is authoritative.

Glossary

A

Active sourcing
Umbrella term for various methods of proactively recruiting potential employees.

Apheresis
Process of separating constituents of the blood or removing pathogenic substances from the blood.

ASEAN
Association of Southeast Asian Nations, an association in Jakarta, Indonesia, that works to improve economic, political and social cooperation.

Asset-backed securities
A specific form of asset securitization in convertible securities with an asset-backed securities corporation.

B

BVMed
German Medical Technology Association. Special interest group representing German medical technology companies.

C

CAPS
Central Admixture Pharmacy Services. Network of compounding pharmacies that prepares sterile drugs in the US.

Cash pooling
Centralization of Group liquidity.

CIW
Abbreviation for Coverage in Weeks. A key performance indicator referring to delivery capacity covered by the current available inventory as measured in weeks.

CMS
Centers for Medicare & Medicaid Services. US federal agency for administering government health care programs.

CO_2eq neutrality
CO_2eq neutrality means that the use of a fuel or a human activity (such as a flight or an event) has no impact on the concentration of green house gas in the atmosphere.

CoEs
Abbreviation for Centers of Excellence. Centers in the B. Braun organization where research, development, production and marketing are bundled for specific product groups.

CSRD
Corporate Sustainability Reporting Directive. EU sustainability reporting directive for companies.

CSSD
Central sterile services department. In a medical care facility, this department cleans, disinfects, sterilizes and packages multi-use medical devices.

D

DPO
Abbreviation for Days Payable Outstanding. A key performance indicator referring to the period of time between the date an invoice is received and the date that invoice is paid.

DSO
Abbreviation for Days Sales Outstanding. A key performance indicator referring to the period of time between the invoicing date and the date payment is received.

E

EBIT
Abbreviation for Earnings Before Interest and Taxes. Key performance indicator.

EBITDA
Abbreviation for Earnings Before Interest, Taxes, Depreciation and Amortization. Key performance indicator.

EBITDA margin
A company's EBITDA expressed as a percentage of its total sales. Key performance indicator.

EHDS
European Health Data Space. Regulation on creating a European governance framework for health data.

EMAS
Abbreviation for Eco-Management and Audit Scheme. The Eco-Management and Audit Scheme was developed by the EU to set standards for environmental management systems.

Equity method
The equity method is an accounting practice for reporting investments in and business relationships with associated companies and joint ventures in individual and consolidated financial statements.

EU Green Deal
European Commission policy project to achieve climate neutrality by 2050.

F

FDA
Food and Drug Administration. Federal regulatory authority for food and drugs in the US.

FMD
Abbreviation for Falsified Medicines Directive. This directive on falsified medicines is a legal framework introduced by the EU to improve the protection of public health in the EU.

G

GMP
Abbreviation for good manufacturing practice. A guideline for quality assurance in production processes and environments for the production of medicines and active ingredients.

Greenhouse Gas Protocol
Global standard for quantifying and managing greenhouse gas emissions that is used by governments, non-governmental organizations and numerous companies in various industries.

GRI
Abbreviation for Global Reporting Initiative. A provider of standards for organizations and companies for voluntarily reporting on their economic, environmental and social activities.

GTAI
Germany Trade and Invest. Germany's foreign trade and development agency.

H

Hazardous waste
Waste that has at least one of the properties listed in Annex III of the Basel Convention or that is classified as hazardous under national law.

Hemodialysis
Process of filtering the blood used for treating patients whose kidneys are not working normally.

I

IAS 29
International Accounting Standard 29. Applicable standard for financial reporting in hyperinflationary countries.

ICH guidelines
The goal of the guidelines from the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) is to harmonize the evaluation criteria of pharmaceuticals for human use as a basis for drug registrations in Europe, the US and Japan.

Ifo
Leibniz Institute for Economic Research at the University of Munich, Germany. Economic research institute.

IFRS 16
International Financial Reporting Standard 16. Governs the financial reporting for leases.

ILO
Abbreviation for International Labour Organization. An agency of the United Nations promoting social justice as well as human and labor rights.

IMF
Abbreviation for International Monetary Fund. A United Nations organization based in Washington, D.C., USA.

Inflation Reduction Act
US federal law promoting clean energy and realigning the US economy toward renewable energy to fight climate change.

IPCEI Health
Abbreviation for Important Project of Common European Interest. An EU project promoting the strengthening of the health care economy.

ISMS
Abbreviation for information security management system. This includes the establishment of rules and procedures within an organization to permanently define, control, monitor, maintain and continuously improve information security.

ISO 13485
An international standard for quality management of medical devices created by the International Organization for Standardization (ISO). It addresses the requirements manufacturers and providers of medical devices must meet when developing, implementing and maintaining management systems for the medical device industry.

ISO 14001
The international environmental management standard ISO 14001 establishes globally recognized requirements for environmental management systems.

ISO 45001
ISO 45001 describes requirements for occupational health and safety management systems. ISO 45001 supersedes BS OHSAS 18001.

ISO 50001
ISO 50001 describes requirements for energy management systems.

ISO/IEC 27001
An international standard for information security in private, public or non-profit organizations. It describes the requirements for setting up, implementing, operating and optimizing a documented information security management system.

IV set
Intravenous set. Medical device used to administer fluids and medicine through an intravenous catheter.

L

Layered Hedging
A risk management practice intended to increase flexibility when hedging a company's future currency risk.

Location-based emissions
Method for quantifying Scope 2 greenhouse gas emissions based on local grid-average factors for purchased energy at specific geographic locations, including subnational or national borders.

LTI
Long-term incentive. Company program to engage and motivate management-level employees by creating long-term performance incentives.

M

Market-based emissions
Method of quantifying Scope 2 greenhouse gas emissions based on emission quantities defined in contractual instruments for purchased energy.

Materiality analysis
A process for identifying sustainability aspects material to a company and its stakeholders. The results of the analysis are entered into a materiality matrix and form the basis for identifying potential sustainability activities.

MDR
Abbreviation for Medical Device Regulation. A regulation for medical devices (EU) 2017/745, that was adopted in 2017 and entered into force in May 2021.

N

Net zero strategy (NHS)
The net zero strategy is a UK government strategy to reduce climate-damaging emissions and decarbonize all sectors of the UK economy, including the National Health Service (NHS). The emissions that can be directly controlled by the NHS should reach the net zero target by 2040.

Next Generation EU
Next Generation EU is a program designed to contribute to the EU's recovery from the direct economic losses and social harm caused by the COVID pandemic. The funds will make Europe greener, more digital and more resilient so it can better adapt to the current challenges and those in the future.

NIS2 Directive
EU-wide legislation on network and information security. Defines new minimum cybersecurity requirements for critical infrastructure.

O

OECD
Organization for Economic Cooperation and Development. International organization with 38 member countries committed to democracy and the free-market economy.

P

Parenteral nutrition
Type of artificial nutrition in which nutrient solutions or emulsions are fed directly into the bloodstream.

Predictive maintenance
Preventative repair of equipment or components before it occurs based on the analysis of process and machine data.

R

Recycling
Recycling is any method of reprocessing waste into products, materials or substances either for its original purpose or for other purposes.

Renewable energy
Renewable energy refers to bioenergy (biomass), geothermal energy, hydroelectric power, marine energy, solar power, and wind energy.

RooA
Return on operating assets. Key performance indicator.

S

Scope 1 emissions
Direct greenhouse gas emissions originating from sources belonging to the company or that are directly controlled by the company, such as emissions from furnaces to produce heat or from vehicles.

Scope 2 emissions
Indirect greenhouse gas emissions produced from the external generation of power, steam and heating/cooling, whose energy is used by the company.

SDGs
Abbreviation for Sustainable Development Goals. Goals set up by the United Nations in 2015 for sustainable development to address global challenges such as poverty, food and water scarcity, and climate change.

STI
Short-term incentive. Remuneration components in short-term incentive systems.

T

Thermal energy
Energy in the form of heating and cooling. Energy in the form of heating refers to both heat energy (to heat a building) and steam energy (for sterilization).

Thermal treatment
A process for utilizing combustible waste to generate energy by incineration in which at least heat is recovered.

W

Water consumption
The sum of water withdrawn and integrated into production or consumed as part of production. This includes water generated as waste or steam, or consumed or contaminated by humans and other animals. This water can no longer be discharged into surface water, ground water or marine water.

Water stress
The World Resources Institute defines water stress as the ratio of total water withdrawal to the available renewable surface and ground water supply. Higher water stress indicates greater competition among water users.

Water withdrawal
The sum of the amount of water taken from all sources and used for any purpose within the property lines of the organization during the reporting period.

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This report contains standard disclosures from the GRI Sustainability Reporting Guidelines. The table provides an overview of the GRI disclosures mentioned in the report, in accordance with which we report or whose requirements we meet in part or in full.

Report of the Supervisory Board of B. Braun SE

The Supervisory Board of B. Braun SE has performed its statutory duties and obligations in accordance with the applicable laws, articles of incorporation, and bylaws, and to advise and monitor management.

In four ordinary sessions and two extraordinary sessions, the Executive Board reported to the Supervisory Board on the recent performance of the company, its financial status, and major investment projects.

One particular topic the Supervisory Board focused on was the Corporate Operating Model including its application to the United States, major research and development projects, and the Hospital Care Pharma roadmap. The divisional roadmaps for 2024–2026 and the China Strategy were also presented. The Supervisory Board was also briefed on the founding of a new company, biologization as a key technology, and the expansion of Aesculap's production capacity. The Supervisory Board received the 2022 human resources report, the earnings expectations for 2023 and the forecast for 2024, and discussed and ruled on transactions requiring approval in accordance with the articles of incorporation.

The Chairman of the Supervisory Board also routinely exchanged information and thoughts with the Chief Executive Officer with regard to major developments in the business performance of the company and the Group, as well as upcoming decisions.

The Supervisory Board performed a voluntary efficiency audit. This self-evaluation revealed that the Supervisory Board is efficiently organized and that the Executive Board and Supervisory Board work together very well.

The subjects of the two sessions of the audit committee were, in particular, the individual and consolidated 2022 financial statements of B. Braun SE prepared by the Executive Board and the current course of business development. The Internal Auditing department's annual report on audits conducted as well as the auditing plan and its priorities were also addressed. In addition, the audit committee received the compliance report of the B. Braun Group and the Executive Board's risk report. The planning for the annual audit was also presented. The current state of ESRS-compliant sustainability reporting was also presented and discussed. The audit committee reported on these topics during the Supervisory Board sessions and put forward its proposals.

The Human Resources committee met four times in 2023. In its session on March 20, 2023, it recommended to the Supervisory Board resolutions on the allocation of profit participation rights under the B. Braun Incentive Scheme to the members of the Executive Board as well as on annual targets for 2023–2025. The basic remuneration of the Executive Board was also reviewed. The Supervisory Board adopted the resolutions in its session on March 21, 2023. The Human Resources committee also recommended the nomination of Dr. Jens von Lackum as full member of the Executive Board, which the Supervisory Board approved in the following session. In its session on June 26, 2023, the Human Resources committee addressed Works Council remuneration and working time recording, and approved the responsibilities and ancillary activities of Executive Board members. The Human Resources committee also recommended the appointment of Ingrun Alsleben as member of the Executive Board to the Supervisory Board, effective January 1, 2024. The Supervisory Board adopted the resolution accordingly in its extraordinary session on August 16, 2023, and confirmed the appointment. In its session on August 21, 2023, the Human Resources committee recommended to the Supervisory Board the reappointment of Anna Maria Braun as full member of the Executive Board and Chief Executive Officer until March 21, 2029; the Supervisory Board approved this recommendation in its

→ First row (from left):

Maria Schwarz*
Chemical Production Forewoman; Chairwoman of the Workers' Council for the Berlin Site, B. Braun Melsungen AG, Berlin

Sabine Süpke*
Regional Director for Hesse-Thuringia for IGBCE (German Trade Union for Mining, Chemical Engineering), Wiesbaden

Prof. Dr. Karl Friedrich Braun
Senior Physician at Martin Luther Hospital, Freelancer, Berlin

Kathrin Dahnke
Self-employed management consultant, Bielefeld

→ Second row (from left):

Alexandra Friedrich*
Vice Chairwoman; Chairwoman of the Joint Workers' Council of B. Braun Melsungen AG; Chairwoman of the Workers' Council at the Melsungen/Spangenberg location, Melsungen

Friederike Braun-Lüdicke
Head of Culture and Diversity, B. Braun Service SE & Co. KG, Melsungen

Thorsten Nöll*
Senior Vice President of Logistics & Supply Chain, B. Braun Melsungen AG, Melsungen

→ Third row (from left):

Michael Guggemos*
Former Managing Director of the Hans-Böckler-Stiftung, Berlin

Dr. Tobias Polloczek
Attorney-at-law; Partner at CMS Hasche Sigle Partnership of Attorneys and Tax Advisors, Frankfurt

Mike Schwarz*
Chairman of the Workers' Council of B. Braun SE, Chairman of the Group Works Council, Melsungen

Prof. Dr. Thomas Rödder
Chairman, Tax Advisor and Certified Public Accountant; Partner at Flick Gocke Schaumburg, Bonn

Lars Elmenthaler*
Chairman of the Workers' Council of Aesculap AG, Tuttlingen

→ Fourth row (from left):

Olaf Elixmann*
Chairman of the Workers' Council of B. Braun Avitum AG, Glandorf Plant

Prof. Dr. Oliver Schnell
Founder and Managing Director of Sciarc GmbH, Baierbrunn

→ Not pictured:

Prof. Dr. Dr. h.c. mult. Markus Wolfgang Büchler
Director Botton-Champalimaud Pancreatic Cancer Center, Champalimaud Foundation, Lisbon (Portugal)

Dr. Frank Heinricht
Chairman of the Management Board of Schott AG, Mainz

*Elected by the employees

subsequent session. In its session on December 12, 2023, the Human Resources committee recommended to the Supervisory Board the appointment of Dr. Jean-Claude Dubacher as full member of the Executive Board effective April 1, 2024. The Supervisory Board adopted the resolution and approved the appointment accordingly in its subsequent session. The Human Resources committee's 2023 sessions also included discussions on general human resources topics.

B. Braun SE's financial statements and management report for the 2023 fiscal year, as prepared by the Executive Board, the Group's consolidated financial statements, and the consolidated management report were audited by the PricewaterhouseCoopers GmbH accounting firm, Kassel, Germany, which was appointed the auditor of annual accounts at the annual meeting on March 21, 2023. The auditor raised no objections and issued unqualified audit opinions.

The statutory auditor participated in the discussions of the Supervisory Board and the audit committee regarding the financial statements and the consolidated financial statements and reported on the main findings of its audit. The Chairman of the Supervisory Board was in contact with the auditors regarding the findings of the audit. The Supervisory Board's review of the financial statements, the management report, and the proposal for appropriation of the net profit of B. Braun SE, as well as the consolidated financial statements and the Group management report, led to no objections in correspondence with the results of the independent auditor's report. The financial statements and consolidated financial statements as compiled by the Executive Board were approved and thereby recorded pursuant to § 172 German Stock Corporation Act (AktG).

The Supervisory Board concurs with the proposal of the Executive Board to appropriate the consolidated net income.

The Executive Board created a report on the relationships with associated companies for the 2023 fiscal year, in accordance with § 312 AktG. The Supervisory Board has reviewed this report and no objections were raised. The independent auditor has reviewed the report and issued the following audit certificate:

"Having conducted a proper audit and appraisal, we hereby confirm that
1. the factual statements in the report are correct and
2. the company's compensation with respect to the transactions listed in the report was not inappropriately high."

The Supervisory Board is in agreement with the results of the independent auditor's report. In accordance with the results of the Supervisory Board's review, no objections are to be raised to the final declaration by the Executive Board that is included in the report.

The Supervisory Board would like to thank the Executive Board for its excellent and successful collaboration, and all employees of the B. Braun Group for the contributions they made in the reporting period.

Melsungen, March 2024
The Supervisory Board

Imprint

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Thank you

to all our colleagues who collaborated in the
creation of the 2023 Integrated Annual Report.
This report was only published digitally.

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