

Osram A/S

Dybendalsvænget 3, 2630 Taastrup

Company reg. no. 37 22 97 33

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 17 May 2024

Andrew Edger
Chairman of the meeting



Contents

	<u>Page</u>
Reports	
Management's statement	3
Independent auditor's report	4
Management's review	
Company information	7
Management's review	8
Financial statements 1 January - 31 December 2023	
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes	13
Accounting policies	16

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Osram A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

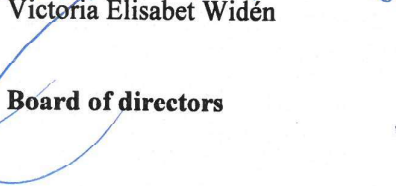
Taastrup, 7 May 2024

Managing Director



Victoria Elisabet Widén

Board of directors



Andrew Edger



Yvonne Buddenbaum Pereira



Victoria Elisabet Widén



Independent auditor's report

To the Shareholders of Osram A/S

Opinion

We have audited the financial statements of Osram A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the company financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 7 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98



Morten Høgh-Petersen

State Authorised Public Accountant
mne34283

Company information

The company

Osram A/S
Dybendalsvænget 3
2630 Taastrup

Company reg. no. 37 22 97 33
Financial year: 1 January - 31 December

Board of directors

Andrew Edger
Yvonne Buddenbaum Pereira
Victoria Elisabet Widén

Managing Director

Victoria Elisabet Widén

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København

Management's review

Description of key activities of the company

The Company's main activity is the sale of lighting products, systems and solutions on the Danish market incl. Greenland and the Faroe Islands. In addition, the company provides product research and development services to the ams-OSRAM Group.

Development in activities and financial matters

In the Financial Year 2023 total 3rd party sales decreased by approximately 20%. This was due partially to the sale of the Digital Systems Business Unit with effect from 1st July 2023 to the subsidiary of an international lighting components provider, and partially due to a decrease in the total sales of Automotive products. Against this 3rd party sales in the Entertainment and Industry business segment, and the internal sales of development services both remained stable.

Despite the decrease in sales the operating profit of the company remained positive with a profit before tax of tDKK942, whilst the results remain influenced by the general economic development in Denmark and the strong competition from Asia.

Expected developments

The ENI and AM business are expected to remain stable and profitable, and OSRAM a/s will also continue to provide product research and development support to the ams-OSRAM Group.

Events occurring after the end of the financial year

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	14.875.182	17.883.468
1 Staff costs	-11.363.671	-11.056.264
2 Depreciation, amortisation, and impairment	-2.569.054	-2.565.837
Operating profit	942.457	4.261.367
Other financial income from group enterprises	41.883	0
Other financial income	829.313	147.853
3 Other financial expenses	-95.430	-28.975
Pre-tax net profit or loss	1.718.223	4.380.245
4 Tax on net profit or loss for the year	-432.203	-964.851
Net profit or loss for the year	1.286.020	3.415.394
Proposed distribution of net profit:		
Dividend for the financial year	16.286.020	3.415.394
Allocated from retained earnings	-15.000.000	0
Total allocations and transfers	1.286.020	3.415.394

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
5 Goodwill	6.295.000	8.813.000
Total intangible assets	<u>6.295.000</u>	<u>8.813.000</u>
6 Other fixtures, fittings, tools and equipment	110.543	161.597
Total property, plant, and equipment	<u>110.543</u>	<u>161.597</u>
Total non-current assets	<u>6.405.543</u>	<u>8.974.597</u>
Current assets		
Trade receivables	5.472.114	6.505.115
Receivables from group enterprises	27.544.303	28.011.414
Prepayments	1.863	4.700
Total receivables	<u>33.018.280</u>	<u>34.521.229</u>
Cash and cash equivalents	<u>276.864</u>	<u>3.640.646</u>
Total current assets	<u>33.295.144</u>	<u>38.161.875</u>
Total assets	<u>39.700.687</u>	<u>47.136.472</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	510.000	510.000
Retained earnings	10.137.408	25.137.408
Proposed dividend for the financial year	16.286.020	3.415.394
Total equity	<u>26.933.428</u>	<u>29.062.802</u>
Provisions		
Provisions for deferred tax	1.409.629	1.975.446
Total provisions	<u>1.409.629</u>	<u>1.975.446</u>
Liabilities other than provisions		
Bank loans	14.415	14.336
Trade payables	2.660.553	2.724.226
Payables to group enterprises	3.289.268	5.847.728
Income tax payable	910.864	804.318
Other payables	4.482.530	6.707.616
Total short term liabilities other than provisions	<u>11.357.630</u>	<u>16.098.224</u>
Total liabilities other than provisions	<u>11.357.630</u>	<u>16.098.224</u>
Total equity and liabilities	<u>39.700.687</u>	<u>47.136.472</u>

7 Contingencies

8 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	510.000	25.137.408	0	25.647.408
Retained earnings for the year	0	0	3.415.394	3.415.394
Equity 1 January 2023	510.000	25.137.408	3.415.394	29.062.802
Distributed dividend	0	0	-3.415.394	-3.415.394
Retained earnings for the year	0	-15.000.000	16.286.020	1.286.020
	510.000	10.137.408	16.286.020	26.933.428

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	10.167.941	10.318.782
Pension costs	1.055.333	636.918
Other costs for social security	140.397	100.564
	<u>11.363.671</u>	<u>11.056.264</u>
Average number of employees	<u>13</u>	<u>11</u>
2. Depreciation, amortisation, and impairment		
Amortisation of goodwill	2.518.000	2.518.000
Depreciation of buildings	51.054	46.604
Depreciation of other fixtures and fittings, tools and equipment	0	1.233
	<u>2.569.054</u>	<u>2.565.837</u>
3. Other financial expenses		
Financial costs, group enterprises	9.564	10.817
Other financial costs	85.866	18.158
	<u>95.430</u>	<u>28.975</u>
4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	952.864	846.318
Adjustment of deferred tax for the year	-572.687	118.533
Adjustment of tax for previous years	52.026	0
	<u>432.203</u>	<u>964.851</u>

Notes

All amounts in DKK.

5. Goodwill

Cost 1 January	25.180.000	25.180.000
Cost 31 December	25.180.000	25.180.000
Amortisation and write-down 1 January	-16.367.000	-13.849.000
Amortisation and depreciation for the year	-2.518.000	-2.518.000
Amortisation and write-down 31 December	-18.885.000	-16.367.000
Carrying amount, 31 December	6.295.000	8.813.000

6. Other fixtures, fittings, tools and equipment

Cost 1 January	855.304	855.304
Cost 31 December	855.304	855.304
Depreciation and write-down 1 January	-693.707	-692.474
Amortisation and depreciation for the year	-51.054	-1.233
Depreciation and write-down 31 December	-744.761	-693.707
Carrying amount, 31 December	110.543	161.597

7. Contingencies

Contingent liabilities

Lease liabilities

The Company has entered into contractual commitments regarding leases and operational leasing contracts for a total of tDKK 143 up to 31 December 2023

Recourse guarantee commitments:

Osram A/S offers a guarantee on certain products. No provision has been set aside for expected guarantee demands on basis of previous experiences.

Notes

All amounts in DKK.

8. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of:

ams-OSRAM AG

Tobelbaderstrasse 30,

8141 Premstaetten

Austria

Accounting policies

The annual report for Osram A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Accounting policies

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it has not been possible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Leasehold improvements	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.