Management Report

1. Overview of the economic environment and the past financial year

1.1 Development of the semiconductor sector

The poor economic situation in Europe, falling growth expectations in China, and persistent interest rate and inflation concerns in the western world had a negative impact on demand in many end markets of ams OSRAM in 2024. Although the global semiconductor market recorded a year-on-year increase of 19% to USD 627 bn in the past year (2023: USD 527 bn), this increase was mainly driven by the highly volatile memory market (+81%), in which ams OSRAM is not involved. The key segments for ams OSRAM shrank in 2024, including optoelectronic semiconductors with a decline of -2.5% (2023: -1.6%), sensors with a decline of -5.1% (2023: -9.4%), and analog semiconductors with a decrease of -2.2% (2023: -8.7%).[1]

The most important end markets for ams OSRAM are the automotive sector, industrial and medical technology applications, and consumer devices such as smartphones and wearables. Following an increase of 9.9% in the previous year, global automotive production contracted by -1.1% in 2024.[2] In the industrial and medical technology sectors relevant to ams OSRAM, the rate of change based on ZVEI (Global Electro and Digital Industry) data was -1 to 3% in 2024 (2023: -2 to 7%).[3] Deliveries in the global smartphone market rose by 4.8% in 2024 following a decline of -3.5% in the previous year.[4] In the global market for smartwatches, the volume declined by -3.5% in 2024 (2023: -11%).[5]

1.2 Structure and development of the segments

At the beginning of the 2024 financial year, ams OSRAM adjusted its corporate structure in order to strengthen its entrepreneurial approach at business unit (BU) level and increase its innovative power by decentralizing certain functions. Our business in the semiconductor sector is now managed in the BU Opto Semiconductors (OS) with a focus on emitters, and in the BU CMOS Sensors and ASICs (CSA) with a focus on sensor technology and analog mixed-signal chips. The BU CSA bundles the business activities of the previous BUs Advanced Optical Sensors (AOS) and Image Sensor Solutions (ISS). The traditional lamps and lighting products business, which focuses on the automotive end markets including traditional lighting technologies, industry, and medical technology, will remain in the BU Lamps & Systems (L&S) business unit. The change in our corporate structure is also reflected in our internal reporting structure, with each BU representing a separate operating and reporting segment in accordance with IFRS 8.

In addition, the segment result parameter was adjusted in line with internal management and corresponds to our EBITDA, which comprises gross profit, research and development expenses, selling, general and administrative expenses, microLED adaption expenses, other operating income and expenses, and income from investments accounted for using the equity method. Depreciation, amortization, and impairment losses are not included in our segment result or EBITDA. The previous year's figures have been adjusted accordingly.

The two BUs active in the semiconductor business contributed over 70% of Group revenues in 2024.

Opto Semiconductors (OS)
The core competence of our OS segment is semiconductor-based light emitters such as LEDs and lasers. OS is the global leader in optoelectronic products for the automotive industry. Our product portfolio ranges from standard components to intelligent solutions, and includes single-chip LEDs and infrared LEDs, infrared and visible lasers, multi-chip housings, and multi-pixel components.

The unexpected cancellation of a key microLED project, which was announced to the Management Board by the customer on February 28, 2024, led to expenses in 2024 in the amount of EUR 576 m in the OS segment and an adjustment of ams OSRAM's microLED strategy. Over the course of the 2024 financial year, ams OSRAM was able to engage with a customer for a development project, which partially compensated for the consequences of ending the key project, particularly with respect to the relocation of R&D resources and the utilization of facilities. In our largest end market, automotive, our OS segment is the global leader in LED lighting solutions for the automotive industry with a wide range of applications for the exterior and interior of a vehicle. These include differentiated LED solutions for headlights and other front lighting systems, signal/tail lights and other exterior lighting, as well as ambient lighting for vehicle interiors. Other business areas in our OS segment include interior sensors, components for safety and ADAS systems, and visualization technologies.

After the supply chains in the automotive market for LEDs normalized in the previous year, we recorded a significant upturn in demand from the end of 2023 – particularly from China. Nevertheless, an inventory adjustment set in during the third quarter of 2024 due to increased uncertainty on the part of car manufacturers, which lasted for the rest of the year. Overall, business performance in the year under review was still satisfactory, as we were able to fulfill backorders in the second half of the year, which stabilized sales in that period. Our OS segment also reaffirmed its position as the world's leading supplier of LED automotive lighting and the world's second-largest supplier of LED products overall in 2024. In addition, we were able to further expand our customer project base and innovation pipeline across many product families.

Our second most important end market is industrial applications. Demand for our 'Hyper-Red' LEDs (special red light-emitting diodes for lighting systems for plant cultivation) recovered significantly compared to the previous year, as there was a noticeable increase in greenhouse lighting projects. As a result, our OS segment was able to reclaim its position as technological leader. Demand for LED products for industrial and outdoor applications was also significantly higher than in the previous year. However, the broad market through distribution channels and the industrial imaging sector remained weak, reflecting the overall slowdown in economic activity.

Nevertheless, we observed strong demand for LED products for sensor and consumer end-device applications.

Overall, sales in our OS segment grew by a mid-single-digit percentage compared to the previous year.

CMOS Sensors and ASICs (CSA)
Our CSA segment is one of the global market leaders in light sensors and specializes in sensor and analog mixed-signal ICs. The segment's core business is CMOS-based sensors and sensor components. Our technical expertise includes optical filters and housings, photodiodes, integrated readout, driver and logic circuits, as well as software.

Mobile devices such as smartphones and wearables are by far our most important end market. Our CSA segment's business focus includes display management, proximity sensors, 3D technologies, spectral and biosensor technology, and other

[1] Sources: WSTS forecasts as of December 3, 2024
[2] Sources: IHS Global Light vehicle production forecast as of January 2025
[3] Sources: ZVEI forecasts as of September 2024
[4] Sources: OMDIA smartphone tracker as of November 25, 2024
[5] Sources: Canalys wearable band forecast as of Dezember 20, 2024

optoelectronic applications. We recorded a significant upturn in our Consumer Applications business in 2024, with new, important customer projects being successfully brought to volume. Global smartphone sales also recovered, which benefited our business with often standardized sensor components for Android-based devices. At the same time, the ams OSRAM Group cemented its leading position in important submarkets as customers selected our sensors for their future devices.

Business performance in the industrial and medical technology markets in our CSA segment was weak, however. Inventory adjustments continued, and the restrained overall economic conditions caused demand for components for sensors used in production automation to plummet. Demand in the medical technology market was also very subdued due to high customer inventories and delays in the market launch of a new generation of CT scanners.

Lamps & Systems (L&S)
In the Lamps & Systems (L&S) segment, non-strategic and at times loss-producing businesses were sold or restructured. This led to a year-on-year decline in sales.

L&S's automotive business mainly comprises classic halogen or xenon-based lamps for vehicles, but now also includes LED-based replacement lamps and retrofit lighting systems in its range. As the leading supplier of vehicle lighting, L&S serves both automotive manufacturers and the automotive aftermarket in the most important regions. In 2024, the automotive division of L&S recorded solid business development overall. Low-margin LED-based module business has come to an end in our OEM business, however, which is already declining due to the ever-increasing use of LED-based lighting solutions in original equipment. Nevertheless, our aftermarket business developed as expected. The remaining divisions of L&S comprise a range of lighting products for various applications in industry (e.g. production systems for semiconductors) and medical technology. Reflecting the subdued demand in the markets for industrial semiconductor applications, these areas posted relatively weak results.

1.3 'Re-establish the Base' strategy and efficiency program

By the end of the 2025 financial year, ams OSRAM aims to improve EBIT by up to approx. EUR 150 m as compared to 2023. In addition, the semiconductor segment should concentrate on the highly profitable core business with differentiated, intelligent sensor solutions and emitter components with the best growth prospects. In July 2023, ams OSRAM therefore adopted a new basic strategic direction by initiating its 'Re-establish the Base' strategy and efficiency program. The program aims to focus our core portfolio, make the Group leaner, and accelerate the market launch of innovations. By the end of the 2024 reporting year, considerable success had already been achieved in implementing the program.

The portfolio that is no longer part of our core business was largely streamlined. The CMOS Image Sensors division was restructured, and remaining assets from the Passive Optical Components division were sold to the Chinese manufacturer Focuslight Inc.

In addition, run-rate savings of EUR 110 m were already achieved by the end of 2024 – significantly more than the interim target of EUR 75 m set for 2024. In the wake of the weakening economy, the program was extended until the end of 2026 and the savings target increased by a further EUR 75 m as compared to 2024 to a total of EUR 225 m. All measures required for attaining this higher target figure have already been taken and, after their implementation begins, will already lead to savings effects in the current financial year 2025.

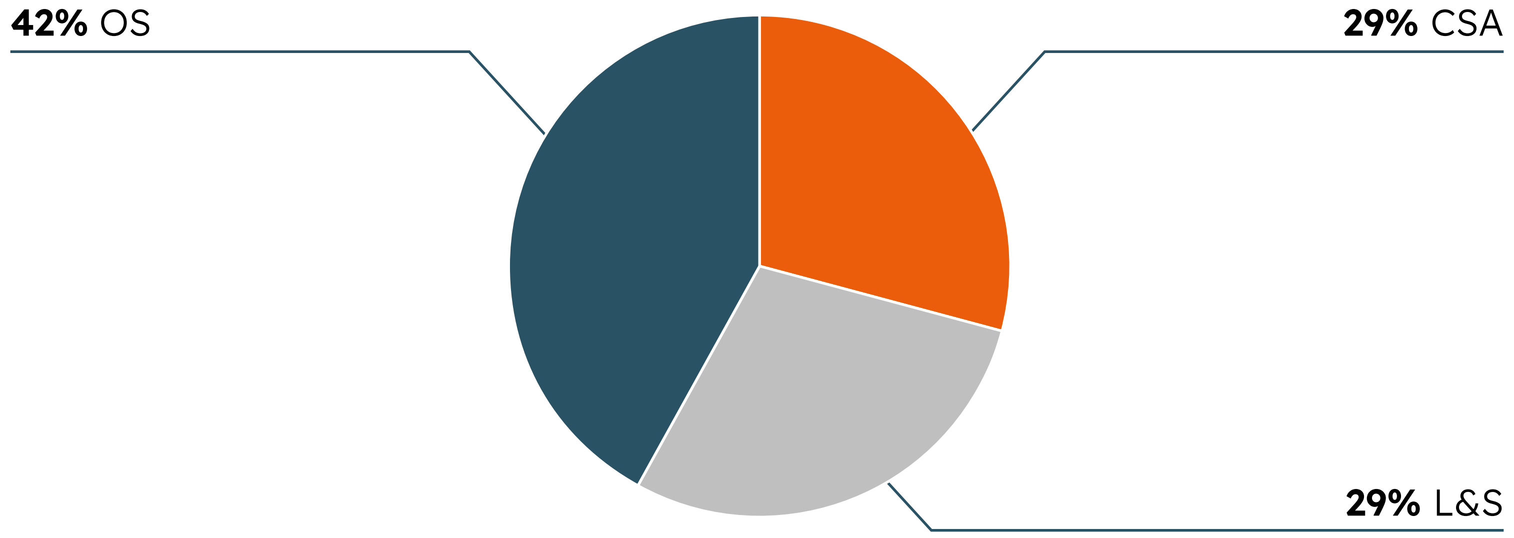
2. Business results

2.1 Revenues

Revenues decreased by 5% to EUR 3,428 m in 2024, compared to EUR 3,590 m in 2023. The OS segment accounted for EUR 1,448 m of that figure (2023: EUR 1,386 m), which equates to a 42% share of sales (2023: 39%). The CSA segment generated EUR 981 m (2023: EUR 1,039 m), equating to a 29% share of sales (2023: 29%). The L&S segment contributed EUR 1,000 m (2023: EUR 1,165 m) to revenues, equating to a 29% share of sales (2023: 32%).

In the industrial and medical technology end markets, a decline in revenues was recorded as the ordering behavior of customers in our CSA and L&S segments was negatively impacted by a reduction in inventories, which could not be offset by an increase in OS revenues from greenhouse lighting and LED lighting products for industrial and outdoor applications. That decline and the fall in revenues in our Automotive division were only partially offset by the increase in revenues in CSA's consumer business, as a result of the recovery in demand from Android smartphone manufacturers and project-specific revenues generated from development services provided for one customer of our OS segment. Portfolio effects from the disposal of business activities also contributed EUR 97 m to the decline in revenues. Our passive optical components business (OC business) in Singapore and Switzerland was sold in the 2024 financial year. That transaction was part of our 'Re-establish the Base' program, which aims to increase our focus on profitable core activities. The sales of business activities in the 2023 financial year related to our Digital Systems (DS) business in Europe and Asia, our automotive lighting systems business (AMLS Italy), and Clay Paky S.p.A. (Italy).

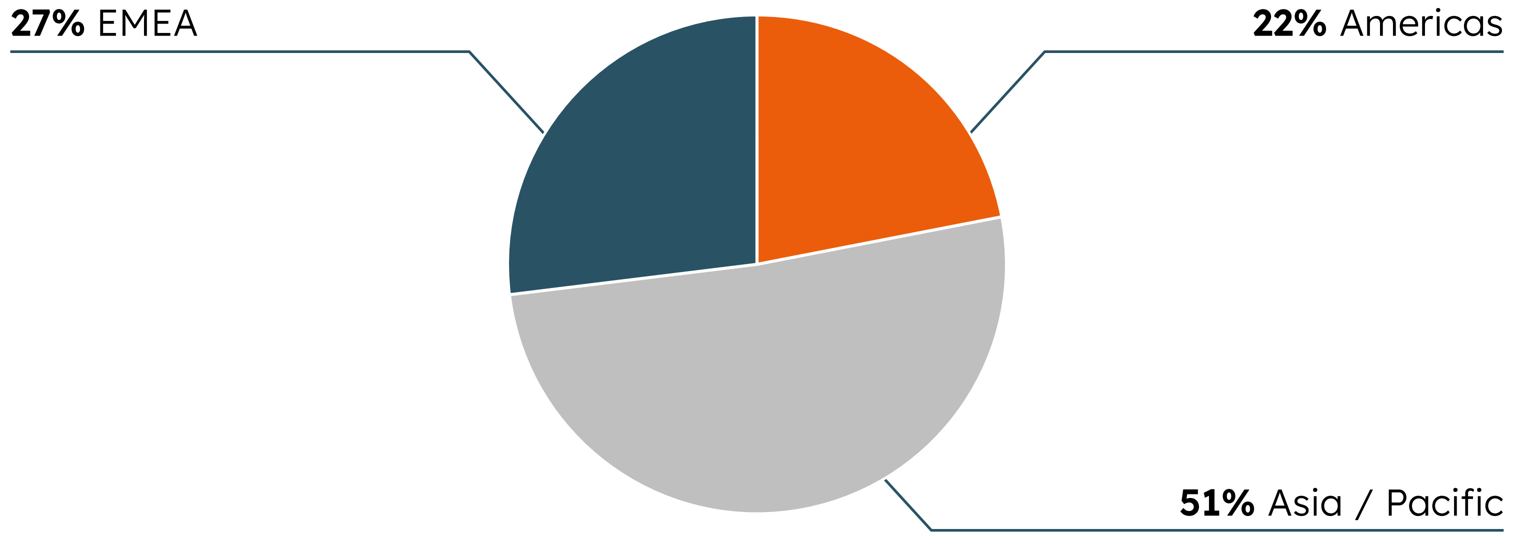
Revenues by segment



in EUR million	2024	% of revenues	2023	% of revenues	Change in%
OS	1,448	42%	1,386	39%	4%
CSA	981	29%	1,039	29%	-6%
L&S	1,000	29%	1,165	32%	-14%
	3,428		3,590		

Revenues by region

The breakdown of revenues by region reflects the location of the invoice recipient.



in EUR million	2024	% of revenues	2023[1]	% of revenues	Change in%
EMEA	924	27%	1,129	31%	-18%
Americas	747	22%	697	19%	7%
Asia / Pacific	1,757	51%	1,764	49%	0%
	3,428		3,590		

In the context of the change to the segment structure, the sales breakdown by region and segment was updated, causing a change in the values shown for the prior year.

Revenues generated in the EMEA region fell to EUR 924 m in 2024, compared to EUR 1,129 m in the previous year. In the L&S segment, revenues fell by EUR 102 m to EUR 347 m, primarily due to the deconsolidation of our Digital Systems (DS) business and the overall slowdown in the region's economy, particularly within the automotive sector. This also affected the OS segment, in which revenues fell to EUR 394 m, down from EUR 447 m in the previous year. In the CSA segment, a decline in demand, particularly in the industrial and medical technology end markets, resulted in a EUR 50 m decrease in revenues.

[1] In the context of the change to the segment structure, the sales breakdown by region and segment was updated, causing a change in the values shown for the prior year.

Revenue generated in North and South America (the Americas) increased by EUR 50 m to EUR 747 m. In our OS segment, revenues increased by EUR 77 m, in particular due to project-specific revenues generated from development services. At EUR 50 m, revenues in our CSA segment were almost at the previous year's level of EUR 52 m. The EUR 26 m decline in sales in our L&S segment is due to lower demand in the industrial, medical technology, and automotive end markets.

In the Asia-Pacific region, revenues fell to EUR 1,757 m, down from EUR 1,764 m in the previous year. Our OS segment recorded an increase in revenues of EUR 40 m to EUR 797 m, due to the positive sales trend seen in greenhouse lighting and LED lighting products for industrial and outdoor applications. In our CSA segment, revenues fell by EUR 6 m to EUR 748 m. As in our other two sales regions, the Asia-Pacific region also saw a decline in sales in the industrial and medical technology end markets in our CSA segment. This was almost completely offset in the Asia/Pacific region by the increase in sales in the consumer business, however, as a result of the recovery in demand from Android smartphone manufacturers. Our L&S segment, in which revenues fell by EUR 40 m to EUR 213 m, was particularly impacted by the deconsolidation of our Digital Systems (DS) business.

2.2 Earnings

in EUR million	2024	2023	Change in %
Revenues	3,428	3,590	-5%
Cost of sales	-2,571	-2,750	-7%
Gross profit	857	840	2%
Gross margin – IFRS reported	25%	23%	
Gross profit – adjusted	984	1,031	-5%
Gross margin – adjusted	29%	29%	

Gross profit increased to EUR 857 m in 2024, compared to EUR 840 m in the previous year. This development was driven by the CSA segment, where the measures of the 'Re-establish the Base' program had a positive effect and were not overcompensated by the weak market performance, as was the case in the OS and L&S segments. The increase was partly offset by portfolio effects in the L&S segment, however, due to the sale of the Digital Systems (DS) business in Europe and Asia in the 2023 financial year. In the 2024 financial year, impairment losses on property, plant, and equipment of EUR 33 m were recognized within Cost of sales. In the previous year, the gross profit was negatively impacted by impairment losses of EUR 65 m on property, plant, and equipment, particularly in connection with the expiration of customer contracts in Singapore. The gross profit margin reported in accordance with IFRS consequently rose to 25%, compared to 23% in the previous year. The gross profit margin for the full year 2024, adjusted for acquisition-related expenses, expenses incurred for the microLED adaption and transformation costs, and expenses for share-based payments, was 29%, as in the previous year.

in EUR million	2024	2023	Change in %
Research and development expenses	-419	-480	-13%
Selling, general, and administrative expenses	-422	-501	-16%
microLED adaption expenses	-576	-	

Research and development expenses accounted for 12% of revenues, which was below the previous year's level of 13%. The absolute expense amount fell to EUR 419 m, down from EUR 480 m in the previous year, which was due firstly to the recognition of government grants of EUR 100 m (2023: EUR 50 m). Secondly, project-specific sales revenues from development services were incurred in OS in 2024, for which the costs were recorded in Cost of sales rather than in research and development expenses. The capitalization of development expenses of EUR 58 m (2023: EUR 109 m) also had an effect. The long-term target is that research and development expenses should account for 11-14% of revenues.

Selling, general, and administrative expenses fell to EUR 422 m, down from EUR 501 m in the previous year. This development was related in particular to the sale of the DS business in Europe and Asia in financial year 2023, which eliminated ongoing costs as well as spin-off and disposal costs. In addition, measures implemented to adjust our cost base as part of our 'Re-establish the Base' program and lower expenses for share-based payments had a positive impact, while selling and administrative expenses accounted for 12% of revenues, down from 14%.

The adjustment of the microLED strategy due to the termination of the microLED project with a key customer led to net expenses of EUR 576 m, which are reported in the consolidated statement of income under microLED adaption expenses. In particular, this includes impairment losses on property, plant, and equipment in the amount of EUR 364 m, and on capitalized project-specific development costs in the amount of EUR 125 m.

in EUR million	2024	2023	Change in %
Result from operations (EBIT) – IFRS reported	-547	-1,430	-62%
Amortization, depreciation, and impairment	942	1,892	-50%
EBITDA – IFRS reported	**395**	**463**	**-15%**
EBITDA margin – IFRS reported	12%	13%	
EBIT margin – IFRS reported	-16%	-40%	
Result from operations (EBIT) – adjusted	241	233	3%
EBIT margin – adjusted	7%	7%	
Result from operations (EBIT) – adjusted	**241**	**233**	**3%**
Amortization, depreciation, and impairment (excluding acquisition-related expense)	334	370	-10%
EBITDA – adjusted	**575**	**604**	**-5%**

IFRS-reported EBIT amounted to EUR -547 m (2023: EUR -1,430 m). In the 2024 financial year, IFRS-reported EBIT included net expenses of EUR 576 m in connection with the microLED adaption. In the 2023 financial year, impairment losses on goodwill had an impact of EUR 1,313 m.

The primary parameters for managing and evaluating our operating results are EBITDA and adjusted EBITDA. EBITDA amounted to EUR 395 m in 2024, compared to EUR 463 m in the previous year, which was attributed in particular to the EBITDA-impacting expenses incurred in connection with the microLED adaption of EUR 85 m. Adjusted EBITDA fell by EUR 29 m to EUR 575 m compared to the previous year. This development can be attributed to the fact that positive effects such as savings in the context of the 'Re-establish the Base' program and a lower cost basis as a result of sales were overcompensated by the weak market performance in the end markets of Industrial and Medical Technology.

in EUR million	2024	2023	Change in %
Financial income	85	62	37%
Financial expenses	-290	-233	24%
Net financial result	**-205**	**-171**	**20%**

Our net financial result deteriorated from EUR -171 m to EUR -205 m. This development was attributable to a EUR 92 m increase in interest expenses, largely due to the higher average interest rate on outstanding interest-bearing loans and borrowings. In addition, interest expenses for the sale and leaseback financing of our semiconductor plant in Kulim, which was concluded on December 15, 2023, were included for a full financial year for the first time in the 2024 financial year. This was offset by an EUR 18 m increase in interest income.

Currency and valuation effects from derivatives had a positive impact of EUR 35 m on the change in our net financial result. Net negative currency effects fell to EUR 12 m, down from EUR 38 m in the previous year, while income from derivatives, which are mainly foreign currency derivatives for hedging purposes, rose to EUR 42 m, up from EUR 33 m in the previous year.

in EUR million	2024	2023	Change in %
Current taxes	-45	-59	-24%
Deferred taxes	12	47	-74%
Income taxes	**-33**	**-12**	**175%**

Tax expenses of EUR 33 m were reported in the 2024 financial year, compared to EUR 12 m in the previous year. Actual income taxes of EUR -45 m (2023: EUR -59 m), which mainly resulted from foreign companies that were profitable due to our global transfer pricing system, were offset by a positive net effect totaling EUR 12 m (2023: EUR 47 m) from deferred taxes.

Our net result amounted to EUR -785 m, compared to EUR -1,613 m in the previous year. The return on equity was -64% (2023: -85%), while the return on revenues was -23% (2023: -45%).

in EUR million	2024	2023	Change in %
Gross profit	857	840	2%
Gross margin – IFRS reported	25%	23%	
Gross profit – adjusted	984	1,031	-5%
Gross margin – adjusted	29%	29%	
EBITDA (IFRS)	395	463	-15%
EBITDA margin (IFRS)	12%	13%	
EBITDA – adjusted	575	604	-5%
EBITDA margin – adjusted	17%	17%	
Result from operations (EBIT) – IFRS reported	-547	-1,430	-62%
EBIT margin – IFRS reported	-16%	-40%	
Result from operations (EBIT) – adjusted	241	233	3%
EBIT margin – adjusted	7%	7%	
Financial result	-205	-171	20%
Result before income taxes	-752	-1,601	-53%
Net result	-785	-1,613	-51%
Net result – adjusted	3	50	-94%
Return on equity	-64%	-85%	
Return on revenues	-23%	-45%	

The gross margin (adjusted) is based on gross profit adjusted for goodwill impairment, acquisition-related expenses, microLED adaption and transformation costs, and expense for share-based compensation. In 2024, expenses for the restructuring of property, plant, and equipment are included in the transformation costs.

The result from operations (EBIT, adjusted) and EBIT margin (adjusted) are additionally adjusted for the result from investments accounted for using the equity method and from the sale of businesses, which are included in the result from operations (EBIT, IFRS).

EBITDA (adjusted) is derived from EBIT (adjusted) by adding non-acquisition and non-transformation-related depreciation, amortization, and impairment losses.

The net result (adjusted) is based on the result from operating activities (EBIT, adjusted) and takes into account the financial result and income taxes.

Acquisition-related expenses include depreciation, amortization, and impairment losses on assets from purchase price allocations, as well as integration, carve-out, and acquisition costs.

The expenses associated with the microLED adaption reflect net charges (impairment losses and reversals of impairment losses on fixed assets and changes in provisions) since the termination of the microLED project on February 28, 2024.

Transformation costs result primarily from necessary measures to improve our competitiveness and cost position, as well as efficiency measures and other restructuring expenses. For 2024, expenses for the restructuring of property, plant, and equipment are part of the transformation costs. Asset restructuring includes costs incurred in connection with the consolidation of our production sites, as well as impairment losses on technical equipment and machinery.

Reconciliation of adjusted financial figures to the financial figures reported in accordance with IFRS:

in EUR million	2024	2023
Gross profit – adjusted	**984**	**1,031**
Acquisition-related expense	-44	-82
Asset restructuring[1]	-	-65
Share-based compensation	-3	-9
Transformation costs	-79	-35
Gross profit – IFRS reported	**857**	**840**
Operating expenses – adjusted	**-743**	**-798**
microLED adaption expenses	-576	-
Goodwill impairment	-	-1,313
Acquisition-related expense	-40	-71
Share-based compensation	-15	-40
Transformation costs	-21	-43
Result from the sale of businesses	-2	18
Results from investments accounted for using the equity method, net	-7	-24
Operating expenses – IFRS reported	**-1,405**	**-2,270**
Result from operations (EBIT) – adjusted	**241**	**233**
microLED adaption expenses	-576	-
Goodwill impairment	-	-1,313
Acquisition-related expense	-84	-152
Asset restructuring	-	-65
Share-based compensation	-18	-49
Result from the sale of businesses	-100	-78
Transformation costs	-2	18
Results from investments accounted for using the equity method, net	-7	-24
Result from operations (EBIT) – IFRS reported	**-547**	**-1,430**

[1] The figure for transformation costs incurred in 2024 includes expenses from asset restructuring amounting to EUR 33 m.

Result from operations (EBIT) – adjusted	**241**	**233**
Amortization, depreciation, and impairment (excluding acquisition-related expense)	334	370
EBITDA – adjusted	**575**	**604**
microLED adaption expenses	-85	-
Acquisition-related expense	-5	-35
Share-based compensation	-18	-49
Transformation costs	-62	-51
Result from the sale of businesses	-2	18
Results from investments accounted for using the equity method, net	-7	-24
EBITDA – IFRS	**395**	**463**
Result from operations (EBIT) – adjusted	**241**	**233**
Financial result	-205	-171
Income taxes	-33	-12
Net result – adjusted	**3**	**50**

2.3 Assets and financial position

Assets in EUR million	2024	2023	Equity and liabilities in EUR million	2024	2023
Inventories	809	716	Interest-bearing loans and borrowings	2,511	2,458
Trade receivables	496	470	Trade liabilities	472	572
Other current assets	1,437	1,434	Other liabilities	2,249	2,041
Non-current assets	4,085	4,710	Provisions	436	425
Deferred tax assets	74	72	Equity	1,235	1,905
Total assets	**6,903**	**7,401**	**Total equity and liabilities**	**6,903**	**7,401**

The balance sheet of the ams OSRAM Group has a high ratio of non-current assets to total assets, which is common in the semiconductor industry. At the same time, intangible assets reflect the significant acquisitions carried out in recent years. At 55%, the proportion of total assets accounted for by property, plant, and equipment and by intangible assets at the end of 2024 was slightly below the previous year's figure of 57%. The equity ratio fell to around 33% at the end of the past financial year, compared to 45% in the previous year.

Inventories increased to EUR 809 m up from EUR 716 m in the previous year, in particular due to the market launch of a new sensor product for mobile devices. Trade receivables amounted to EUR 496 m as at the reporting date (2023: EUR 470 m).

Assets held for sale amounted to EUR 23 m, and included property, plant, and equipment to be sold to a customer in our OS segment as part of a development project for new LED technologies.

The carrying value of property, plant, and equipment (after taking government grants into account) fell to EUR 1,729 m (2023: EUR 1,997 m). This development resulted from, among other factors, impairment losses of EUR 393 m (EUR 364 m of which was related to the adjustment of the microLED strategy), which exceeded the additions to fixed assets (after consideration of government grants). Additions to fixed assets included, among others, investments to expand CMOS production capacity in Premstaetten (Austria) and investments in the 8-inch LED factory in Kulim (Malaysia). The additions to fixed assets were reduced by a grant of EUR 130 m from the European Commission's European Chips Act that reduced the cost of acquisition. This was offset by a withdrawal of the previously promised EUR 143 m in funding for the microLED project due to the cancellation of this project.

The decrease in intangible assets to EUR 2,054 m (2023: EUR 2,249 m) is due in particular to impairment losses of EUR 127 m, of which EUR 125 m was attributable to capitalized project-specific development costs in connection with the termination of the microLED project.

Cash-effective investments in fixed assets (CAPEX) were EUR 502 m in the reporting period. Depreciation in the amount of EUR 942 m (2023: EUR 1,892 m) included scheduled non-acquisition-related and non-transformation-related depreciation totaling EUR 334 m (2023: EUR 370 m).

The EUR 108 m reduction in other non-current non-financial assets is primarily due to the derecognition of receivables from grants described above regarding property, plant, and equipment.

Interest-bearing loans and borrowings increased by EUR 53 m (2023: EUR 345 m) to EUR 2,511 m (2023: EUR 2,458 m). The EUR bond issued in November 2023 with a nominal volume of EUR 625 m was increased by a nominal volume of EUR 200 m in the course of a private placement on September 20, 2024, which had a carrying amount of EUR 206 m as of December 31, 2024. The repayment of bank loans and promissory note loans, which were only partially refinanced by taking out new loans, led to a decrease of EUR 180 m. As interest-bearing loans and borrowings increased by EUR 53 m, and cash and cash equivalents fell by EUR 47 m at the same time, net financial debt increased to EUR 1,413 m, up from EUR 1,312 m in the previous year. Taking into account liabilities of a financing nature – i.e. liabilities from sale and leaseback financing of EUR 441 m (2023: EUR 384 m) reported under other non-current financial liabilities – net financial debt increased from EUR 1,696 m in the previous year to EUR 1,854 m. The increase in liabilities from sale and leaseback financing resulted both from currency effects of EUR 37 m, from a holdback payment received of EUR 10 m, and from capitalized interest of EUR 10 m, which is recognized as part of the liabilities and will only be paid at the end of the term.

Trade payables decreased to EUR 472 m as of the reporting date (2023: EUR 572 m). Among other things, existing trade payables for capacity expansions undertaken in connection with our key microLED project were settled at the end of the previous year. Other non-current non-financial liabilities increased to EUR 296 m (2023: EUR 79 m), EUR 224 m of which relates to a long-term advance payment from a customer, which is a one-off, non-interest-bearing advance payment made in connection with an agreement for the delivery of customized products in the consumer business.

Group equity decreased by a total of EUR 670 m to EUR 1,285 m as of December 31, 2024. The change was mainly due to the result after taxes of EUR -785 m, a positive other comprehensive income of EUR 141 m, and the decrease in the capital provision of EUR 49 m as a result of the increase in liabilities for the guaranteed dividend to shareholders of OSRAM Licht AG. Other comprehensive income included currency effects of EUR 129 m from the euro translation of foreign subsidiaries, resulting from the depreciation of the euro against other currencies, in particular the US dollar and the Malaysian ringgit.

The ratio of financial liabilities to equity was 203% (2023: 129%), while the equity ratio amounted to 18% (2023: 26%).

For information on financial instruments and changes in equity, please refer to the disclosures in the notes to the consolidated financial statements.

	2024	2023
Equity ratio	18%	26%
Debt to equity ratio	203%	129%
Equity to fixed assets ratio	33%	45%
Net debt	1,413	1,312
Net debt including liabilities from a sale and leaseback financing transaction	1,854	1,696

The above performance indicators are derived directly from the consolidated financial statements. The equity ratio is calculated as the share of equity in the balance sheet total. The equity to fixed assets ratio expresses the proportion of the carrying amounts of property, plant, and equipment and intangible assets that are financed by equity. Net debt is calculated from the carrying amounts of current and non-current interest-bearing loans and borrowings less cash and cash equivalents. In addition to interest-bearing loans and borrowings, the line item Net debt including liabilities from a sale and leaseback financing transaction also includes the liability from the sale and leaseback financing of the semiconductor plant in Kulim (Malaysia).

2.4 Cash flow

in EUR million	2024	2023	Change in %
Cash flows from operating activities	435	493	-12%
Cash flows from investing activities	-424	-826	-49%
Free cash flow	12	-332	-104%
Cash flows from financing activities	-98	426	-123%
Effects of changes in foreign exchange rates on cash and cash equivalents	40	-45	-188%
Cash and cash equivalents	1,098	1,146	-4%

Free cash flow includes cash flows from operating activities, payments for the acquisition of intangible assets and property, plant, and equipment, proceeds from the disposal of financial assets, intangible assets and property, plant, and equipment, and proceeds from the sale of business units less outgoing cash and cash equivalents. Due to a change in presentation in the consolidated statement cash flows, interest paid, which was reported under cash flows from financing activities in the 2023 financial year, is now reported under cash flows from operating activities. The previous year's figures for the 2023 financial year have been adjusted accordingly, leading to a reduction of EUR 181 m in the presentation of cash flows from operating activities for the 2023 financial year, and an offsetting effect in cash flows from financing activities.

in EUR million	2024	2023	Change in %
Cash flows from operating activities	435	493	-12%

Cash flows from operating activities decreased to EUR 435 m in the period under review, down from EUR 493 m in the 2023 financial year. This was due to the increase in capital employed of EUR 50 m under current assets and liabilities (2023: reduction of capital employed of EUR 242 m), the main reason for which was the EUR 79 m in capital tied up in inventories, particularly as a result of the market launch of a new sensor product for mobile devices. Trade receivables were impacted by lower use of factoring programs. In the 2024 financial year, advance payments from customers had a positive effect of EUR 248 m on cash flows from operating activities. Of that amount, EUR 224 m is attributable to a one-off long-term advance payment from a customer, which is a non-interest-bearing advance payment in connection with an agreement for the delivery of customized products in the consumer business, and EUR 24 m in advance payments for the procurement of further assets and asset relocation services. Interest paid amounted to EUR 180 m (2023: EUR 181 m) and was lower than interest expenses, in particular due to non-cash interest expenses calculated using the effective interest method, and an increase in interest accrued as of December 31, 2024, compared to the previous year.

in EUR million	2024	2023	Change in %
Cash flows from investing activities	**-424**	**-826**	**-49%**
therein:			
Additions to intangible assets and property, plant, and equipment	-502	-1,049	-52%
Inflows from sale of investments, intangible assets, and property, plant, and equipment	36	90	-61%
Inflows and payments from disposals of businesses, net of cash and cash equivalents disposed	43	134	-68%

Cash flows from investing activities amounted to EUR -424 m in 2024 (2023: EUR -826 m). Investments in intangible assets and property, plant, and equipment decreased from EUR -1,049 m to EUR -502 m. This was mainly due to the termination of our key microLED project in the 2024 financial year. As in the previous year, one focus of investment in the 2024 financial year was the expansion of production capacities for CMOS products in Premstaetten (Austria). In the 2024 financial year, advance payments for the contractually agreed sale of property, plant, and equipment to a customer had a positive effect of EUR 25 m on cash flows from investing activities.

Proceeds from the sale of businesses amounted to EUR 43 m (2023: EUR 134 m) and resulted from the sale of our passive optical components business (OC business) in Singapore and Switzerland. In the 2023 financial year, EUR 74 m was attributable to the sale of our Digital Systems (DS) business Europe and Asia, EUR 39 m to the sale of our automotive lighting systems business (AMLS Italy), and EUR 17 m to the sale of Clay Paky S.p.A. (Italy).

Free cash flow amounted to EUR 12 m (2023: EUR 332 m). Freely available liquidity in the form of cash and cash equivalents decreased by EUR 48 m to EUR 1,098 m. As of December 31, 2024, ams OSRAM had unused committed credit facilities from banks totaling EUR 666 m (2023: EUR 1,006 m). The change resulted in particular from the provision of guarantees for liabilities, especially for a customer prepayment in the amount of USD 250 m (EUR equivalent as of December 31, 2024: EUR 241 m). The carrying amount of unused credit facilities of EUR 666 m may change due to the EUR/USD exchange rate risk.

in EUR million	2024	2023	Change in%
Cash flows from financing activities	**-98**	**426**	**-123%**
therein:			
Inflows from issuance of common stock	-	827	
Inflows from issuance of bonds	201	981	-80%
Transaction costs from the issuance of common stock and bonds	-17	-56	-70%
Repayment of bonds	-	-1,288	
Inflows from a sale and leaseback financing	10	382	-97%
Acquisition of non-controlling interests in OSRAM Licht AG	-25	-232	-89%

Cash flows from financing activities amounted to EUR -98 m in the past financial year (2023: EUR 426 m). This included inflows from a EUR bond issued in September 2024 in the amount of EUR 201 m, with which the EUR bond issued with a nominal volume of EUR 625 m in November 2023 was increased by a nominal volume of EUR 200 m as part of a private placement. The repayment of bank loans and promissory note loans, which were only partially refinanced by taking out new loans, led to a net cash outflow of EUR 180 m in 2024. The inflows of EUR 981 m before transaction costs from the issue of bonds in the 2023 financial year resulted from the bonds issued at the end of November 2023: a EUR bond with a nominal volume of EUR 625 m, and a USD bond with a nominal volume of USD 400 m. In the 2023 financial year, financing activities included EUR 827 m (before transaction costs) from the issue of 724,154,662 new no-par-value bearer shares in ams-OSRAM AG, and EUR 382 m from a sale and leaseback transaction that constitutes a financing transaction.

EUR 25 m was paid for the acquisition of shares in OSRAM Licht AG in 2024 (2023: EUR 232 m). As a result, the stake held by ams-OSRAM AG in OSRAM Licht AG increased from 85.76% to 86.35% as of December 31, 2024.

3. Research and development

The Group’s 41 development sites are globally positioned, with LED development in Germany and Malaysia, while IC design and development takes place in Austria, Germany, India, USA, Italy, Spain, and Switzerland. Packaging development activities, conversion solutions, CMOS technologies, and optical filters are spread across Austria, Germany, Malaysia, China, and Singapore. This global network and the associated leading expertise give ams OSRAM a strategic and competitive advantage.

As one of the technological leaders in the development and production of high-quality sensor and lighting technologies for use in automotive lighting, industrial applications, medical diagnostic technology, and mobile devices, ams OSRAM boasts expertise based on intensive research and development activities. In order to secure and expand its strong market position, ams OSRAM invests heavily in research and development. Research and development expenses amounted to EUR 419 m (12% of revenues) in the 2024 financial year, compared with EUR 480 m (13% of revenues) in the 2023 financial year. The average number of employees working in R&D was 2,783 in 2024, compared with 3,144 in 2023.

ams OSRAM’s R&D activities mainly comprise optical technologies for applications involving sensors, lighting, and visualization. Our broad technology portfolio serves the automotive, industrial, medical, and consumer end markets. Furthermore, the development of software and algorithms, including the integration of machine learning and artificial intelligence, are an integral part of ams OSRAM’s R&D activities.

One development focus of ams OSRAM was high-performance ambient light sensors for mobile applications. ams OSRAM once again affirmed its market leader position by combining state-of-the-art CMOS technology with extremely sensitive integrated photodiodes, high-performance IC designs, and hybrid optical filters manufactured using advanced thin-film processes. The combination of advanced designs and customized high-performance technologies and chip-scale packaging solutions enables finely tuned and brilliant displays for smartphones, wearables, and automotive applications.

Over the past decade, the intensive development of intelligent multi-pixel LEDs has paved the way for a new era in automotive lighting. The EVIYOS 2.0 LED, featuring over 25,600 pixels (320 x 80), has been successfully launched and has garnered high satisfaction from end customers. This groundbreaking innovation earned the prestigious German Future Award for Digital Light in 2024 for the development teams from ams OSRAM and the Fraunhofer IZM.

The new ALIYOS™ LED-on-foil technology creates unprecedented effects in automotive lighting, delivering ‘light out of nowhere.’ Significant strides toward the first product launch of thin, transparent, and 2.5D bendable solutions were made in 2024. This progress will enable automotive customers to express their brand personality through both exterior and interior lighting in previously unattainable ways.

In 2024, ams OSRAM launched a variety of new LED and laser products that improve performance, expand end-device design possibilities, and enable new applications such as the next generation of IR:6 LED chips. With an innovative design based on our thin-film semiconductor technology, these chips boost brightness by up to 35% and achieve up to 42% higher efficiency. This new generation of IR chips sets new benchmarks in performance and supports a wide range of applications, from precise biometric authentication and advanced machine vision to medical imaging and environmental security monitoring.

In the field of automotive lighting, ams OSRAM is introducing advanced LED drivers for the highly demanding automotive dynamic lighting applications both inside and outside the vehicle, using synergies and expertise in drivers and LEDs. The LED drivers support the Open System Protocol (OSP) provided by ams OSRAM for high-speed dynamic lighting applications in software defined vehicles. When it comes to vehicle front lighting, ams OSRAM introduced a new type of intelligent multi-pixel LED that enables fully adaptive, dynamic headlight operation and image projection at the same time.

Thanks to the latest optical packaging technologies, ams OSRAM sensors meet performance and robustness requirements for innovative consumer applications, such as smart glasses for augmented reality and virtual reality. The new image sensors combine industry-leading high performance with low power consumption and a small footprint of just 1mm^2, providing greater flexibility for manufacturers of smart glasses and endoscopy or other products with limited installation sizes. A new eye-tracking LED driver for AR/VR applications enables high accuracy, fast update rates, minimum power consumption, and a tiny form factor. ams OSRAM offers a leading portfolio of components for this purpose.

In medical imaging, ams OSRAM is pushing the limit of ultra-low noise solutions, providing unprecedented image quality with reduced radiation exposure. By introducing groundbreaking photon-counting technology components that can capture individual photons, ams OSRAM is paving the way for clearer images at lower doses, thus providing a safer, more precise CT imaging alternative.

Collaboration takes place, for example, through research programs supported by the European Commission, as well as country-specific funding programs around the world. For example, the IPCEI funded ‘OptoSuRe’ Program, which is publicly funded by the German Federal Government (through the Federal Ministry of Economics and Climate Protection) and the Free State of Bavaria, promotes the further development of semiconductor technology and is making good progress. As part of our approach to working with strategic partners, ams OSRAM also collaborates with leading research institutes, universities, and other partners worldwide. One example of a successful cooperative project is “DIOHELIOS,” which explores the necessary technologies and developments along the value chain for laser-induced nuclear fusion for energy generation. Another successful cooperation is “NewLife,” where a new remote non-invasive monitoring solution will ensure the health of mothers and babies before and after birth.

The creation, maintenance, enforcement, and use of patents, trademarks, and other intellectual property rights is an important aspect of our strategy to differentiate ourselves in the marketplace and to protect and monetize our R&D investments. Our global patent portfolio comprises around 13,100 patents and patent applications (2023: 13,600), corresponding to approximately 5,000 patent families (2023: 5,200).

4. Purchasing and manufacturing

Overall, cost savings were achieved in the procurement of materials, primary products, and services in the 2024 financial year. The market price trend for precious metals counteracted the savings achieved through price negotiations and productivity projects, however. Nevertheless, inflation increases in labor-intensive materials were largely offset by supplier portfolio optimization.

As of December 31, 2024, the ams OSRAM Group had 16 production sites and 2 test sites (unchanged from the previous year), in Premstaetten (Austria), Regensburg, Herbrechtingen (both in Germany), Singapore, Wuxi (China), Penang and Kulim (both in Malaysia), Antwerp (Belgium), Nové Zámky (Slovakia), Hillsboro (New Hampshire, USA), Exeter (New Hampshire, USA), and Calamba City (Philippines), among other locations.

As in the previous year, investment in the 2024 financial year focused on the expansion of our production site in Premstaetten (Austria) and the 8-inch LED factory in Kulim (Malaysia). The production site in Austria is intended to increase the Company's internal CMOS capacity and to provide ams OSRAM with better opportunities to respond more quickly and flexibly to increased demand, as well as to reduce the risk of dependence on external producers and thereby strengthen production and profitability in the long term. The 8-inch LED factory in Kulim did not go into operation as planned following the termination of a key microLED project, resulting in annual vacancy costs in the very low double-digit million EUR range.

5. Employees

Our employees form the foundation for our long-term business success and, with their expertise and commitment, they create the added value ams OSRAM wants to offer its customers. It is important to us to offer our employees a long-term job with appealing working conditions and prospects, to contribute to their development, and to pay them fairly. Furthermore, as a globally active company, we place great emphasis on diversity among our employees. As of December 31, 2024, the ams OSRAM Group had 19,665 employees (2023: 20,378). The average number of employees for the year was 19,577 (2023: 20,530), based on FTEs (full-time equivalents).

At ams OSRAM, we are aware of our responsibility as an important employer in the regions where we operate our own sites. Accordingly, we continued to offer comprehensive internal and external training and development opportunities for all of our employee groups during the past year, and are committed to training apprentices in various professions.

We seek to retain our employees by offering an attractive, long-term remuneration concept. A profit-sharing program for all ams OSRAM employees adds an attractive direct component to our existing stock option plans and employee remuneration programs, which is intended to honor the joint contribution of all employees to the success of ams OSRAM.

A profit-sharing bonus totaling EUR 5 m was paid out to employees in the reporting year for the 2023 financial year (in 2023 for the 2022 financial year: EUR 6 m). The amount of the bonus is generally determined on the basis of adjusted earnings after tax and was voluntary in the 2024 financial year, since the calculation basis would not have resulted in a bonus payment.

In addition, active internal company and employee communication as well as recurring employee events – a long-standing company tradition – support employee identification with the Company. Such events include dialog formats such as town hall meetings or webcasts given by our Management Board and other management representatives. ams OSRAM also conducts employee surveys to obtain feedback from employees. Our first global employee survey was conducted in 2022. A follow-up survey of all employees on organizational health (Organizational Health Index, OHI) took place in 2024. With a high level of participation, employees took the opportunity to provide feedback on various dimensions such as communication, collaboration, and decision-making. The findings are being used to implement measures to increase the attractiveness of ams OSRAM as an employer and to improve employee satisfaction.

6. Environmental management

As an industrial company, ams OSRAM consumes natural resources and causes greenhouse gas emissions at its production facilities. In order to meet our environmental responsibilities, we have committed to conserving resources through environmental management and to developing innovative and energy-efficient products, and have developed a climate strategy that is in line with the Paris Climate Agreement. Through that strategy, we firstly aim to achieve CO_2 neutrality in our own value creation (Scope 1 and 2[1]) by 2030. Secondly, we aim to reduce emissions in the 'purchased goods and services' category of our supply chain (Scope 3) by 47.5% per euro of value added by 2030, and by 97% per euro of value added by 2050, compared to our base year 2021. As part of our environmental reporting, we also collect data on energy consumption, greenhouse gas emissions, water abstraction, and waste generation.

The ways in which we implement environmental management and address other aspects of sustainability are described in a separate chapter of this annual report, which can be found at: > 7. Sustainability report. In addition to describing our organizational structure, responsibilities, guidelines, and processes, the report also explains the specific goals, measures, and results relating to all topics of importance to ams OSRAM.

[1] ams OSRAM bases the recording and reporting of its greenhouse gas emissions on the recognized standard of the Greenhouse Gas (GHG) Protocol, which classifies greenhouse gas emissions into three scopes, among others, as well as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The GHG Protocol creates a comprehensive, globally standardized framework for the measurement and management of greenhouse gas (GHG) emissions from the private and public sectors, from value chains, and from measures to reduce emissions.

7. Subsidiaries and investments

As the parent company of the ams OSRAM Group, ams-OSRAM AG had 76 subsidiaries in 38 countries as of December 31, 2024 (December 31, 2023: 86 subsidiaries in 39 countries). The decline resulted from the disposal of businesses and other measures intended to optimize our Group structure. In addition, ams-OSRAM AG held direct or indirect interests in 20 companies as of December 31, 2024 (December 31, 2023: 23 companies).

As of December 31, 2024, ams-OSRAM AG held 86.35% (2023: 85.76%) of the outstanding shares in OSRAM Licht AG. OSRAM Licht AG directly or indirectly holds 100% of the shares in all fully consolidated OSRAM companies, with the exception of OSRAM China Lighting Ltd., in which it holds only 90% of the shares.

Significant associates and other investments:
As of December 31, 2024, significant associates for ams OSRAM that are accounted for using the equity method particularly included the following:

Name of holding	Country of incorporation	Ownership interest
Jinan Smart Sensing Sensor Co, Ltd.	China	49.00%
Sciosense Holding B.V.	Netherlands	45.22%

Jinan Smart Sensing Sensor Co. Ltd. is a holding company for a provider of environmental sensors and high-performance flow sensing systems. Sciosense Holding B.V. is a direct subsidiary of Jinan Smart Sensing Sensor Co. Ltd.

As of December 31, 2024, significant investments for ams OSRAM that are accounted for at fair value particularly included the following:

Name of holding	Country of incorporation	Ownership interest
LeddarTech Inc.	Canada	4.49%
Recogni, Inc.	USA	3.60%
SiLC Technologies Inc.	USA	3.48%

8. Risk report

Main features of the accounting-related internal control system
The accounting-related internal control system (ICS) of the ams OSRAM Group is based upon principles, requirements, and processes established by the Management Board. These are coordinated by the central office for risk management and ICS. The ICS covers the significant entities of the Company included in the consolidated financial statements. The Management Board bears overall responsibility for the ICS. The management of each area of responsibility is obligated to apply the company-wide principles and guidelines in its area of responsibility and to implement appropriate controls. The ICS is continuously refined to enable fulfilment of the relevant requirements.

The overarching goal of the ams OSRAM ICS is to ensure the accuracy of financial reporting in the annual and consolidated financial statements. The system consists of preventative and detective controls, which ensure that company-wide standards for accounting, valuation, and account assignment are continuously updated and maintained. It should ensure that all actual transactions are recorded promptly, completely, and accurately, and that company-internal transactions are properly eliminated. Existing processes and rules for the separation of functions and the dual control principle in the preparation of the financial statements, as well as individual access authorizations for accounting-related IT systems, are continuously refined and contribute to the effectiveness of the ICS.

The effectiveness of the internal control system is reviewed on an annual basis. The relevant internal controls are revised as necessary to eliminate any detected areas of weakness. The internal audit function of ams OSRAM uses continuous and company-wide audits to ensure compliance with company-wide guidelines as well as the reliability and functionality of the control system.

In connection with the ICS, the audit committee of the Supervisory Board monitors the accounting process and the effectiveness of the ICS, and issues recommendations or suggestions for ensuring its reliability. It is also responsible for auditing the individual financial statements of ams OSRAM AG and the consolidated financial statements. In doing so, it discusses the individual financial statements of ams-OSRAM AG, the consolidated financial statements, and the Group management report with the Management Board and the auditor.

Enterprise Risk Management (ERM) System
ams OSRAM practices systematic risk management to identify, assess, and control risks. Risks that could jeopardize the ams OSRAM Group's continued existence as a going concern or the achievement of strategic, operational, financial, and compliance objectives are to be identified at an early stage and risk-mitigating measures initiated on the basis of such systematic risk management. The existing risk management system is continually refined and adapted in order to meet changing internal and external requirements. For example, the existing project risk management was expanded and integrated in the ERM system. The central office for risk management and ICS coordinates the risk management process and risk reporting. Responsibility for the identification, assessment, reporting, and management of significant risks is borne by management at the level of the central units and the business units.

Semi-annual meetings are held with management to assess any material risks identified. In these meetings, the reported risks are assessed uniformly based upon their effects on the Company's business activity and their probability of occurrence. ams OSRAM's assessments follow the net principle, in which the Company assesses risks in light of previously initiated effective actions. Starting in financial year 2025, risk reporting will take place at quarterly intervals.

Non-financial risks, such as transitory and physical climate risks, are also included in the ERM process and are qualitatively assessed using the aforementioned method. Should this assessment show significant risks for the Group, the risks would be shown as part of the subsequent risk reporting.

At ams OSRAM, the ERM system is a part of the interrelated processes and systems used for managing the Company. Strategic business planning, controlling, and reporting provide detailed information about the Company's performance. Although enterprise risk management focuses primarily on addressing risks to the Company, business opportunities that arise and the means to achieve them form the core of the strategy, planning, and controlling process.

At present, reports on significant risks to the Company are generally submitted to the Management Board and the Audit Committee of the Supervisory Board on a semi-annual basis, although the regular reporting process is supplemented by ad-hoc reports as necessary. This ensures that the Management Board and the Supervisory Board receive complete and timely information on significant risks to the Company. From financial year 2025 onward, the regular reporting intervals will be switched to quarterly reporting. The Management Board of the ams OSRAM Group assesses whether risks, either individually or in their entirety, represent an existential threat and whether there is any substantial threat to the going concern. The Audit Committee of the Supervisory Board monitors the effectiveness of the ERM system.

Material risks
The following section provides a description of the material risks to which the ams OSRAM Group was exposed as of December 31, 2024, and which could have particularly negative effects overall on ams OSRAM's business activity and on the results of operations, financial position, and net assets. The risks that were classified and reported as particularly negative in the previous year also represent in their entirety the material risks for the Company as of December 31, 2024.

Strategic risks

Competition for the introduction of new technologies
The ams OSRAM Group operates in a high-tech industry with a strong focus on technologically advanced applications and relatively short product life cycles. There is a risk that disruptive technologies could quickly become market-ready. Competitors could also introduce alternative products or technologies that are more cost-effective, of higher quality, possess greater functionality, or are more energy-efficient or more competitive for other reasons. As a result, there is a risk that the products concerned might suffer price erosion. There is also the risk that changes in market and customer requirements are not considered early enough and to a sufficient extent, or that such changes can be implemented only at a higher cost. In addition to entirely product-specific and technical requirements, requirements from other areas, such as meeting expanded customer-specific and regulatory requirements > Legal and Compliance Risks, are also becoming increasingly important, including those related to climate change and environmental protection. With the introduction of new technologies in particular, there are also various uncertainties involving if, when, and to what extent sales will be generated from the products based on these new technologies. These uncertainties may lie within the Company's sphere of influence (e.g. product and technology development) or could be outside of its control (e.g. dependencies on other parts of the customer's value chain or market acceptance by customers) and could result in significant dependencies. It is possible that the actual adoption of new and highly innovative technologies by the markets

will deviate from the Company's or the customer's expectations and may require an adjustment of the technology roadmap. As a result, there is a risk that investments already made in research and development or investments in property, plant, and equipment cannot be recovered, or that the amortization through sales may change over time or may not be sufficient. In particular, production capacities that have been newly created or are under construction could not be utilized or not used to a sufficient extent and thus lose value. Moreover, already received government grants related to technology developments could be reclaimed. This risk could occur if funded projects are abandoned or milestones relevant to the funding cannot be achieved by the Company to a sufficient extent, or if the funding provider is unable to provide sufficient funding. These risks may have a negative impact on the results of operations, financial position, and net assets of the ams OSRAM Group.

The microLED strategy was revised in the course of the 2024 financial year due to the unexpected cancellation of the key project in the microLED area. Some of the risks related to the development of the microLED technology materialized in the course of the 2024 financial year and impacted on the OSRAM Group's results of operations, financial position, and net assets. Irrespective of the above, the risk arising from 'Competition for the introduction of new technologies' continues to be a material risk for ams OSRAM as a technology group. ams OSRAM must therefore develop innovative and differentiated technologies, as well as products that can be manufactured competitively in terms of technology and cost for the right applications and markets, and must make them market-ready in a timely manner. The future success of ams OSRAM also depends upon whether its internally developed intellectual property can be sufficiently protected and profitably utilized. Failure to do so may endanger the future growth and competitiveness of the entire Group. It may lead to a rapid decline in market share in established areas of business or failure to achieve growth objectives in new fields of technology. Investments already made in research and development could not be sufficiently (or at all) recouped through revenues, which would reduce the profitability of the entire Group.

ams OSRAM counters these risks with specific measures. Potential new fields of technology are monitored and the results are considered in its strategic planning. Technological expertise that will be necessary in the future is incorporated into the technology roadmap for the respective business segments at an early stage. The technology roadmap is an integral part of medium and long-term strategic planning. Special teams regularly perform market analyses and review areas of technology as well as research and development projects so that they can be focused on more sharply and reinforced if needed. The most important areas of application for new technologies are monitored, and the progress of implementation for ongoing projects is tracked systematically using dedicated project management. Any necessary measures are initiated, and their implementation is verified as needed. Risk management for the most important innovation projects has been further intensified. For example, project management was further enhanced and integrated in the ERM system to a greater extent in the course of financial year 2024. In addition, the Company is working to continuously optimize the efficiency of its operational product development processes.

Macroeconomic effects as well as volatile and cyclical market developments
Current macroeconomic trends continue to be strongly influenced by the consequences of the ongoing war in Ukraine, as well as the escalated conflict in the Middle East, which has broadened within the region. In addition, other factors such as the emergence of new geopolitical conflicts or an intensification of existing conflicts (> Geopolitical risks), intensification of trade disputes, or the introduction of additional tariffs could negatively affect global economic trends. On the whole, ams OSRAM considers that significant uncertainties currently exist regarding ongoing global economic developments, and that these uncertainties could further increase in future.

Over the course of the reporting year, the high inflation rates in many regions decreased and approached the target values of individual governments. A number of central banks loosened their monetary policy stances in 2024 and lowered interest rates accordingly, which led to a slight overall expansion of the global economy. This trend was nevertheless highly differentiated both regionally and in terms of specific industries. Business forecasts currently presume that the global economy in 2025 can reach the growth level of 2024. At the same time, there is a risk that the economic climate will develop more weakly than assumed and that the global situation, as well as the environment in relevant regional submarkets, will turn out more poorly than assumed in the current planning for financial year 2025.

The global semiconductor market also depends upon the growth of the global economy and is therefore subject to fluctuations. In the markets served by ams OSRAM, there is a risk of short-term market fluctuations. Economic and above all industry-specific trends could cause end customer demand for technologically advanced consumer products and vehicles to decline more strongly than anticipated in plans. This could also have negative effects on the demand for semiconductor-based technologies such as sensors, LEDs, or optical solutions, and could cause customers to make short-term adjustments to their purchase quantities. In addition to the revenue risk, this also creates a cost risk for ams OSRAM due to fluctuations in capacity utilization of our own production and possibly high inventories. Economic fluctuations could also cause individual countries and regions to experience significant increases in wages and salaries, which could lead to a higher than expected increase in personnel costs.

ams OSRAM monitors appropriate early warning indicators on an ongoing basis and incorporates them into continuously refined market models that enable the development and adaptation of effective response strategies. Appropriate proactive measures are introduced where needed to safeguard the generation of profits and financial resources. ams OSRAM precisely monitors inventory levels and structures, and has installed a strict receivables management system. Planned investments are also regularly assessed in light of changing conditions, and are rescheduled or even reduced if necessary and possible.

In addition, the value chain, i.e. the Company's global and regional presence as well as relevant processes, is reviewed at regular intervals. With these measures, ams OSRAM strives to achieve cost savings and operational improvements that will enable the Company to secure its profitability, even in unfavorable economic conditions.

Geopolitical risks
The ongoing war in Ukraine and the escalated conflict in the Middle East continue to dominate the current geopolitical situation. There could also be a further escalation in China's claims of sovereignty over Taiwan and therefore an increased decoupling of the relationship between the USA and China.

The ongoing and regionally expanded war in the Middle East leads to indirect risks for the business of ams OSRAM. These risks are described in greater detail under > Macroeconomic effects as well as volatile and cyclical market developments. These risks could have direct effects on the existing procurement and sales markets of ams OSRAM, as well as indirect consequences due to changing macroeconomic conditions.

A possible geographical expansion of the war in Ukraine and in the Middle East, including the NATO countries, could have serious effects on the macroeconomic environment and the market environment of ams OSRAM. Even a continuation of the current military conflicts entails significant risks, however. Energy supply shortages could result in energy prices remaining at their current high levels over the long term or even increasing further. Such a situation could dampen the current decrease in inflation and negatively affect economic growth. This could increase the risks described under > Macroeconomic effects as well as volatile and cyclical market developments, > Business interruption risk, > Financial risk, and > Dependence on suppliers, and, if they should materialize, could negatively affect the results of operations, financial position, and net assets of the ams OSRAM Group.

The business of ams OSRAM could also be impaired by increasing protectionism and the expansion of trade barriers due to political conflicts between individual countries. First and foremost, a further increase in the political tensions between the USA and China could impair the trade relationships of both nations' economies – which are also important for ams OSRAM's business – and lead to further restrictions. Such restrictions could have a particular effect on sales volume and procurement by ams OSRAM in both markets. Customers and suppliers could also be directly affected by the negative consequences of the geopolitical conflicts. The indirect consequences as described under > Macroeconomic effects as well as volatile and cyclical market developments could also affect sales volumes and procurement markets. Furthermore, it cannot be ruled out that the change in government administration in the USA will lead to adjustments in US economic policy. These changes could have negative effects on the trade and business conditions of foreign market participants like ams OSRAM. For example, punitive tariffs on high-technology products could have negative effects on the results of operations, financial position, and net assets.

There is also the risk that despite enormous care and systematic implementation of the increasing regulatory requirements within international supply chains, violations of foreign regulations could occur, leading to negative effects on the businesses of ams OSRAM > Legal and Compliance Risks. In this context, there is also the risk that possible future export restrictions, particularly in the areas of semiconductor technology, could lead to customer-specific and country-specific trade restrictions. Were this risk to materialize, it could result in an inability to completely realize future sales potentials.

ams OSRAM is monitoring developments very closely to be prepared for changing business conditions and to be able to react quickly. Resources in the areas involved within the Company have been and are being reviewed and adjusted as necessary. Geopolitical developments are also playing an increasingly important role in pending investment decisions.

Competitive environment
Competitive pressure in the semiconductor industry is generally high due to a large number of existing competitors and new companies entering the market. Production capacities have also been expanded worldwide, in some cases with substantial government subsidies, due to the semiconductor shortage in recent years.

Given the declining demand for semiconductor products caused by the current economic climate, the simultaneously available expansions of capacity by market participants, and the existing risk (also described under > Macroeconomic effects as well as volatile and cyclical market developments) of continuing subdued global economic growth or a possible deterioration of growth prospects in individual submarkets served by ams OSRAM, there is a risk that manufacturers such as ams OSRAM will have to differentiate themselves through price to a greater degree than expected in future in order to fully utilize their production capacities. This increased price competition could negatively influence the achievement of Company objectives in terms of profitability and market share.

ams OSRAM continuously monitors and analyses its competitive environment. Moreover, the Company regularly reviews additional productivity enhancement and cost reduction measures, including the consolidation of production capacities. ams OSRAM also focuses on targeted research and development expenditures that allow it to differentiate its products through technological advances, thereby ensuring the profitable utilization of existing capacities. Applications for participation in government subsidy programs are also reviewed on a regular basis. These efforts also help the Company to counteract the risk described under > Competition for the introduction of new technologies.

The effectiveness of the Company's own marketing and distribution channels is also reviewed on a regular basis.

Operational risks

Customer concentration
If a high percentage of the ams OSRAM Group's revenue and profit are to be earned from individual customers, the Company may become dependent upon the business success or market share of these individual customers. If these customers cannot be contractually committed to minimum order quantities, customer order quantities may be reduced, and projects and orders may be delayed or even completely cancelled. In such a case, it may be impossible (or possible only to a limited extent) to recoup through revenues the investments already made in research and development and in customer-specific production capacities.

Above all, newly created production capacities or production capacities being built up for specific customers could not be sufficiently utilized and would therefore lose value. This can lead to an overall deterioration of profitability or of the financial position of the Group as a whole.

There is also the risk that customer-specific product adaptations for orders from key accounts could lead to higher development and production costs in serial production, and additional costs thereby incurred could not be adequately compensated, for example through price adjustments. Thus, there is the risk that profit contributions from business with key accounts could be lower than forecast in the original plans.

At the beginning of financial year 2024, a customer-specific key project for microLEDs was unexpectedly cancelled > Competition for the introduction of new technologies. As a result, parts of the customer concentration risk also materialized over the course of 2024 and had a negative effect on the Company's results of operations, financial position, and net assets. This meant, the significance of the risk for ams OSRAM was reduced, although it continues to be considered a material risk.

ams OSRAM strives to achieve further diversification of its customer and product portfolio in order to reduce possible negative effects from business with key accounts. ams OSRAM has also established project management for important individual orders at key accounts.

Cyber risks and IT risks

Given the increasing digitization of our business processes, the reliability and security of our system infrastructure are extremely important. Regulatory requirements for data protection, integrity, and availability are also on the rise. IT systems and networks are subject to disruptions for a number of reasons, including increasing complexity, unauthorized access, cyber attacks, power failures, application errors, and an array of other hardware, software, and network problems.

There has been a worldwide increase in cyber attacks by organized groups and individuals with a broad range of motives. The quality of these attacks continues to increase due to the use of advanced technology such as AI. Therefore, external attacks on the Company's IT systems also cannot be ruled out. Such attacks could result in the theft of business information, intellectual property, or personal data, and could also cause intentional disruptions. Insufficient risk awareness by employees and improper handling of IT systems could also make external attacks easier, or could lead to situations in which data are lost or can be recovered only at significant expense. IT system malfunctions could also result in significant interruptions in production or supply chains, which would entail a loss of revenue.

To counter these risks, ams OSRAM has already transferred IT systems and applications to sufficiently secure cloud solutions, and conducts independent tests at regular intervals to determine the vulnerability of existing IT systems. The Company bases its information security efforts on the ISO 27001 standard and the TISAX standard for the automotive industry. The Company held external certifications for both in 2024. Employee training sessions are also conducted at regular intervals. In the event of a serious cyber attack, the Company has contracted with an emergency response service provider. Organizationally, information security at ams OSRAM is established in an independent department, whose director reports to the persons responsible for company-wide IT. In addition to technical measures, effective communication and governance measures are also fundamental aspects of a functioning information security structure. The existing system at ams OSRAM is continually refined and its effectiveness monitored through internal and external audits. The Supervisory Board is kept informed about the results of these activities.

A comprehensive data protection management system has been implemented within the Company, and globally applicable corporate guidelines ensure company-wide standards for handling personal data. Data protection efforts are further refined by actions including training for all employees and the implementation of uniform technical and organizational measures, particularly when data are being processed by external service providers.

Business interruption risk

The continuous optimization and focusing of the integrated production environment means that dependence on individual production locations is increasing. Thus, there is a risk that disruptions at our own plants or external influences could result in an inability to produce or deliver products in the planned scope. That is why, in addition to insuring against damage to equipment and buildings, ams OSRAM also maintains appropriate insurance cover to protect against risks arising from business interruption. The Company also conducts improved maintenance and has defined emergency plans for critical areas to ensure the availability and quality of its products. Fire and disaster protection for significant locations is also continually reviewed and improved. Existing or potentially emerging geopolitical conflicts and crises, as well as a possible increase in protectionist measures, also pose a threat to international supply chains. The risk of supply bottlenecks is reduced where possible by diversifying the Company's supplier base and closely monitoring critical vendors and materials. In addition, ams OSRAM has a forward-looking inventory and procurement management system and can adjust the stockpiling of critical materials according to the situation (> Dependence on suppliers).

The ongoing war in Ukraine is having enormous effects on global energy supply, particularly in Europe (> Geopolitical risks). For example, OSRAM has been working to secure gas supplies for the plants in Germany and Austria since the beginning of financial year 2022 and has largely eliminated the risk that could arise from a gas shortage. Nevertheless, energy supply bottlenecks could lead to rationing of energy supplies, or in a worst-case scenario could even cause unannounced, longer lasting, and widespread power outages. ams OSRAM is countering this risk with appropriate contingency plans.

Dependence on suppliers

To avoid dependence on individual suppliers for critical materials, ams OSRAM generally vets at least one secondary source in addition to the preferred vendor. This is not always possible or economically practical, however. Moreover, certain production services in the semiconductor industry can be outsourced to only a limited number of wafer producers. ams OSRAM faces the risk of price increases by suppliers. In addition, one or more suppliers may fail to fulfil their supply obligations, which would impair the Company's delivery capacity and thus have a negative impact on revenues. Changes on the international capital and raw materials markets can also affect the prices of individual raw materials required by ams OSRAM in production.

While alternatives have been found in recent years for the Russian suppliers affected by the current sanctions, there are still dependencies on suppliers based in Taiwan. The occurrence or worsening of the geopolitical risks described under > Geopolitical risks could negatively affect the supply situation for these suppliers, and in a worst-case scenario could even lead to business interruptions (> Business interruption risk). It is also possible that the Company will be unable to develop a long-term business relationship with some of its alternate suppliers and must therefore establish new supplier relationships. If existing or potentially emerging trade conflicts result in export or import restrictions for certain critical goods, e.g. due to China's export controls on gallium (over 80% of global demand), the purchase of affected goods could also become significantly more expensive (e.g. due to punitive tariffs) or, in a worst-case scenario, lead to business interruptions (> Business interruption risk).

Information collection and regular monitoring of its suppliers' financial situation are fixed components of ams OSRAM's supplier risk management process. Dedicated employees coordinate ams OSRAM's collaboration with important production service providers. ams OSRAM also maintains a forward-looking inventory and procurement management process and concludes long-term delivery agreements wherever possible. ams OSRAM is also working on substituting important substances with alternative materials and hedging procurement prices for important raw materials.

Manpower shortages and the loss of skilled employees

To develop, produce, and sell its high-tech products and solutions, and also in other areas, the ams OSRAM Group requires highly qualified employees in the engineering sciences and other technical areas, as well as executives with international experience. There is tough competition for such talent, particularly in the semiconductor industry, which is characterized by long-term growth, and in the regions where ams OSRAM is active. In addition, the restructuring measures and realignment of the business led to employees leaving the Company, and it had not been possible to retain certain key personnel to the desired extent. Measures in connection with the 'Re-establish the Base' program may also mean that specialists and key personnel cannot be retained to the desired extent. The future performance of ams OSRAM also depends upon the degree to which the Company can identify, recruit, develop, and retain talent.

ams OSRAM is countering this risk with a mix of professional measures in the areas of recruiting and personnel marketing. These measures are continuously adapted and optimized to meet current market conditions. For example, the Company has strongly expanded its social media presence and ams OSRAM also uses these channels to hire specialists. In addition, the Company participates in a large number of career events, such as training days and career fairs for students to present the Company as an attractive employer. Furthermore, ams OSRAM is working to increase the attractiveness of engineering sciences for women and thus expand the pool of potential talent.

Moreover, ams OSRAM is using information gained from employee surveys to implement measures aimed at making working at the Company even more attractive. ams OSRAM places a high priority on further enhancing opportunities for career development and employee satisfaction in order to ensure the long-term retention of important skilled employees and top performers. Well-defined processes and programs, as well as targeted succession planning for key functions, help with staff development and prepare staff for internal promotion to management positions if they are suitable and willing to take on such functions.

Quality risk
Meeting market-related, customer-specific, and legal requirements for its products is particularly important for ams OSRAM's business success. The increasing complexity of products and the manufacturing processes required for their manufacture, as well as ever-shorter development cycles, increase the risk of possible quality issues. Products manufactured by ams OSRAM are integrated into complex electronic systems. Errors or functional defects could directly or indirectly compromise the property, health, or life of third parties and therefore lead to recalls from customers. In addition to having a direct negative impact on the results of operations, financial position, and net assets, such events could also have negative effects on the Company's reputation.

This risk is countered through group-wide quality processes, which are audited internally and externally (by customers) at regular intervals based upon established standards (e.g., ISO 14001, ISO 13485, ISO 9001, and IATF 16949), and are also certified by external companies. ams OSRAM suppliers are also systematically integrated into these quality processes. The Company has established an effective reporting system to ensure a timely response in the event of quality defects or product safety incidents.

Financial risks

The ams OSRAM Group is subject to a variety of financial risks. These include in particular liquidity risk, interest-rate risk, foreign currency risk, and credit risk.

Changes in credit ratings, currency exchange rates, interest rates, and the general capital market situation can influence both the Company's operational business and its investment and financing activities. Market price fluctuations can lead to significant volatility in profits and payment flows.

The Central Treasury department manages financial risk in accordance with the policies set out by the Company's Management Board and Supervisory Board. The Treasury department assesses and hedges against financial risks, which also encompasses the use of financial derivatives, in close collaboration with the operational business areas.

Liquidity risk
The liquidity risk is that ams OSRAM could be incapable of meeting its financial obligations when they come due. Debt financing undertaken in conjunction with the acquisition of the OSRAM Group has generally increased both the need for financing and expectations concerning the Group's financial performance. Short-term and long-term liquidity and business planning, which also takes into account the sale of parts of companies and the achievement of cost synergies from the completed integration, as well as the 'Re-establish the Base' program, are aimed at securing the future financial success of the ams OSRAM Group. In the 2024 financial year, the program was increased by a further EUR 75 m in run-rate cost savings to a total of EUR 225 m. To secure the refinancing that will come due in the coming years and the targeted structural growth, ams OSRAM prepared a multi-stage financing plan and implemented it in financial year 2023. This included a capital increase of EUR 827 m (before transaction costs) and two bonds with a nominal volume of EUR 625 m and USD 400 m, respectively. Another bond with a nominal volume of EUR 200 m was issued in financial year 2024. In addition, ams OSRAM received a long-term advance payment from a customer in the amount of USD 250 m in the 2024 financial year in connection with an agreement for the delivery of customized products. The refinancing arrangement implemented in 2023 and diversification of financing instruments increases the predictability of the financial result, which also counteracts the risk explained under > Interest rate risk. The Company also had cash and cash equivalents of EUR 1,098 m (2023: EUR 1,146 m) as of December 31, 2024, as well as unused committed credit facilities of EUR 666 Mio. (2023: EUR 1,006 m).

Several financing agreements contain arrangements customary for the market, under which the ratio of net financial debt to adjusted EBITDA (as defined in each case) in the 2025 financial year may not exceed 4.25:1 as of March 31, 2025, and 4.00:1 as of June 30, 2025, and thereafter. If this ratio, which is reviewed on a quarterly basis, is exceeded, the banks are generally entitled to terminate the agreement. If the majority of banks do not waive their right of termination, lenders under the other financing agreements (including all debt capital market instruments) generally also have a right of termination (pari passu). The resulting risk of calls for early repayment or blocks on utilization of credit is intensively analyzed in the context of short- and long-term business and financial planning. The 'Re-establish the Base' program is also intended to sustainably strengthen the Group's profitability.

Most notably, the realization, either to their full extent or in a disadvantageous combination, of the risks described under > Macroeconomic effects as well as volatile and cyclical market developments, > Geopolitical risks, > Competition for the introduction of new technologies, and > Customer concentration could significantly increase future financing risk.

Interest rate risk
In particular, the effects and risks described under > Macroeconomic effects as well as volatile and cyclical market developments and > Geopolitical risks have led to changes on the financial markets over the course of financial year 2024. On the one hand, decreasing global inflation rates have prompted individual central banks to cut interest rates, and the interest rates overall have fallen compared to the previous year. On the other hand, the high level of debt of individual countries and companies continues to lead to restrictive financing.

In principle, an increase in interest rates could lead to rising financing costs for ams OSRAM and thus increased interest-rate risk, while falling interest rates could lead to lower interest income from financial investments. This risk of changes in interest rates is countered by the fact that almost all of the Company's interest-bearing financial liabilities existing as of December 31, 2024, have fixed interest rates. Upcoming refinancing of existing fixed-interest-rate financing may encumber the future interest result, depending upon how the market develops. Under assets, risks of changes in interest rates primarily relate to short-term time deposits, which are linked to the market interest rate.

Most notably, the realization, either to their full extent or in a disadvantageous combination, of the risks described under > Competition for the introduction of new technologies and > Customer concentration, > Macroeconomic effects as well as volatile and cyclical market developments and > Geopolitical risks could cause rating agencies to adjust the financial valuation of the ams OSRAM Group. Possible adjustments could negatively affect the Group's future individual financing terms. The 'Re-establish the Base' program is also intended to sustainably strengthen the Group's profitability and thus have a positive impact on the assessment basis used by the rating agencies.

Foreign currency risk
As a global company, ams OSRAM conducts financial transactions in various currencies. This results in risks caused by fluctuations in foreign currency exchange rates, both in the operational business and in financial reporting resulting from currency conversion into the group reporting currency. Given the Company's corporate structure and investing activities, currency risk results primarily from fluctuations of the euro vis-à-vis the US-dollar and the Malaysian ringgit. Exchange rate fluctuations can have a negative impact on the Company's profit, equity, and cash flow. In order to hedge currency risks from its operational business and financial exposures, the Company monitors all transaction risks and conversion risks. Depending on the respective risk situation, it also uses financial derivatives to hedge against net risks from monetary balance sheet items and possible risks from scheduled transactions.

Credit risk
Credit risks arise when a customer or a counterparty to a financial instrument is incapable of fulfilling their payment obligations. The maximum default risk corresponds to the carrying amounts of the recognized financial assets. In accordance with the treasury and risk management policy, investments and transactions involving derivative financial instruments are carried out only with a diversified selection of financial institutions having a high level of creditworthiness (i.e. having an investment grade rating or higher). Individual credit limits for customers and financial institutions are defined on the basis of external and internal data and are monitored on an ongoing basis to avoid any concentrations of credit risk at the level of customers and financial institutions.

Legal and compliance risks

As a global company, the ams OSRAM Group with its subsidiaries is subject to a variety of legal and compliance risks. These include the risk of litigation, the risk of infringement of industrial property rights, and the risk of non-compliance with regulatory requirements. ams OSRAM may therefore be confronted with various court proceedings, claims, and official investigations. These could cause the Company to incur costs, e.g for damages, recalls, fines, or other financial detriments, as well as reputational damage.

Like ams OSRAM itself, many of its competitors, suppliers, and customers also protect their technology through patents or other industrial property rights. The enforcement of claims by other parties based upon an alleged infringement of industrial property rights could lead to significant costs in the form of court costs, damages, and/or license fees. In addition, ams OSRAM's business may be hindered by such claims. ams OSRAM mitigates this risk by maintaining, and if necessary enforcing, a strong IP and brand portfolio and monitoring the external IP landscape. If necessary, ams OSRAM also acquires licenses to ensure freedom of action.

ams OSRAM is also subject to a wide range of government regulations worldwide in areas such as climate and environmental protection, product safety, and labor conditions. Particularly the increasing regulations relating to reporting obligations in the area of sustainability, the implementation and meeting of emission targets, and in dealing with the protection of human rights in the supply chains are very complex. Under certain circumstances, a failure to comply with the applicable regulations may result in significant fines and reputational risk. To preclude this to the extent possible and to anticipate future regulatory changes in a timely manner, ams OSRAM monitors global changes in the legal landscape through central departments that support the country-specific implementation of appropriate processes and controls. Due to the significant increase in complexity and the growing number of new export control regulations and laws, there is also a risk that penalties or fines could be imposed. ams OSRAM continuously monitors the global development of the legal landscape in the individual countries in order to preclude these risks and minimize their impact as far as possible.

Insofar as economically practical, ams OSRAM also purchases insurance to cover a portion of the risks. > Note 22. Provisions of the Notes to the Consolidated Financial Statements provides an overview of significant legal disputes. ams OSRAM also has a group-wide compliance management system in order to avoid and, if necessary, identify compliance-related events in a timely manner.

Overall estimate of risks
In the past financial year 2024, the ams OSRAM Group's risk situation was particularly influenced by the continuing uncertain macroeconomic conditions and their impact on the markets that are important to the Company.

The continuing high risks in the area of > Macroeconomic effects and volatile and cyclical market developments are primarily to be seen in connection with the high and increasing geopolitical uncertainties and risks (> Geopolitical risks). The major geopolitical uncertainties and their consequences for the global economy and the sectors relevant to ams OSRAM are the reason for the financial risks > Financial risks, which remain significant despite successful refinancing. While the significance of risks from the competitive environment > Competitive environment increased again slightly, the relevance of risks on the procurement side > Dependence on suppliers decreased. This change should also be seen in the context of the current industry-specific development of the semiconductor industry and ams OSRAM's key markets. In addition, ams OSRAM was able to further reduce its dependence on suppliers with the help of appropriate measures. The aforementioned risks, which continue to be strongly influenced by the current wide range of geopolitical crises, could have a significant impact on ams OSRAM's business and require further operational measures and strategy adjustments. The extent and duration of these effects on our business are being carefully monitored.

In the 2024 financial year, our risk profile was also influenced by the unexpected cancellation of our key microLED technology project reported in the previous year. The cancellation led to a revision of our microLED strategy over the course of the year, which led to the partial materialization of the risks > Competition for the introduction of new technologies and > Customer concentration during the year, and had an overall negative impact on the results of operations, financial position, and net assets of the ams OSRAM Group. Despite the extensive materialization of the two risks mentioned, both risks are still classified as material risks for ams OSRAM. In particular, the risk > Competition for the introduction of new technologies continues to be very significant for ams OSRAM.

Taking into account the respective probability of occurrence, the potential effects, and also the described partial materialization of individual risks, the risks enumerated in this report do not currently threaten ams OSRAM's ability to continue as a going concern, either individually or in their entirety. Given our balance sheet structure and current business prospects, the Management Board does not anticipate any substantial threat to ams OSRAM's ability to continue as a going concern either. This assessment is also supported by the current financing structure (see > Note 20. Interest-bearing loans of the Notes to the Consolidated Financial Statements).

9. Outlook

At the beginning of 2025, ams OSRAM expects continued subdued demand for automotive semiconductor products as a result of the continuing uncertainties and corrections in the global automotive supply chain. The outlook for demand from the industrial and medical markets also remains cautious, although initial signals indicate that the bottom has been reached. The Company's business in semiconductor products for mobile devices will weaken significantly in the first half of the year, which is customary for the season. In the L&S segment, the volume of halogen lamps for the automotive spare parts market will likewise decrease slightly in accordance with typical seasonal demand behavior.

ams OSRAM expects a significantly stronger second half of the year, primarily due to the ramp-up of new products and also to a certain extent because of market normalization. Moreover, we expect profitability to improve through our 'Re-establish the Base' program, even in the event of moderate sales performance. Cash-effective investments in intangible and tangible assets (CAPEX) are forecast to be less than 8% of sales (including capitalized R&D expenditures and expected investment grants, e.g. from the European Chips Act). On the basis of the current corporate planning and the improved profitability derived from it, lower capital expenditures, and more or less unchanged operational net working capital, the Management Board expects a positive free cash flow (including net interest payments) of more than EUR 100 m in 2025.

On November 7, 2024, ams OSRAM extended the 'Re-establish the Base' program until the end of 2026 and increased the savings target compared to financial year 2023 from an initial approx. EUR 150 m by the end of 2025 to approx. EUR 225 m by the end of 2026. All necessary measures to achieve this expanded target have already been generated and will be fully implemented by the end of 2026. The adjustments established in the course of the program in the semiconductor portfolio that is not part of core business largely expired by the end of 2024. The focus on the core portfolio for 2025 is therefore essentially completed.

For the second half of 2025, ams OSRAM expects the final court decision on the contest of the cash settlement amount from the domination and profit and loss transfer agreement (DPLTA). The total liabilities for the put options of the minority shareholders of OSRAM Licht AG, which were EUR 585 m on December 31, 2024, would be completely covered by a revolving credit facility (RCF). However, a full exercise of the put option under the DPLTA cannot be assumed.

Following the primary customer's surprising decision to halt the key project for the introduction of disruptive microLED technology, which was announced with an ad hoc notification on February 28, 2024, the necessary change in strategy led to a significant impairment loss in property, plant, and equipment associated with the microLED technology, as well as capitalized development costs. The Company continues to pursue the sale of the Kulim2 factory, which was constructed for the manufacture of the microLED technology.

10. Other information

For information on equity, treasury shares, and equity investments, please refer to the Notes to the Consolidated Financial Statements

Premstaetten, March 3, 2025

Aldo Kamper
Chief Executive Officer
CEO

Rainer Irle
Chief Financial Officer
CFO

Group Financial Statments

IFRS Consolidated Financial Statements as of December 31, 2024

Consolidated Statement of Income

for the financial year ending December 31, 2024, including prior period

in EUR million	Note	2024	2023
Revenues	> Note 2	3,428	3,590
Cost of sales		-2,571	-2,750
Gross profit		**857**	**840**
Research and development expenses		-419	-480
Selling, general and administrative expenses		-422	-501
microLED adaption expenses[1]	> Note 5	-576	0
Goodwill impairment	> Note 14	-	-1,313
Other operating income	> Note 3	39	81
Other operating expenses	> Note 4	-21	-34
Results from investments accounted for using the equity method, net	> Note 16	-7	-24
Result from operations		**-547**	**-1,430**
Financial income	> Note 6	85	62
Financial expenses	> Note 6	-290	-233
Net financial result		**-205**	**-171**
Result before income taxes		**-752**	**-1,601**
Income taxes	> Note 7	-33	-12
Net result		**-785**	**-1,613**
Attributable to:			
Non-controlling interests		1	1
Shareholders of ams-OSRAM AG		-786	-1,613
Basic earnings per share (in EUR)[2]	> Note 28	-7.94	-52.00
Diluted earnings per share (in EUR)[2]	> Note 28	-7.94	-52.00

[1] The expenses related to the microLED adaption reflect net charges (impairments and reversals of impairments on assets and recognition of provisions) due to the cancellation of the microLED project on February 28, 2024, see > Note 5. microLED Adaption Expenses.
[2] Earnings per share for 2023 were adjusted due to a reverse stock split, see > Note 28. Earnings Per Share.

Consolidated Statement of Comprehensive Income

for the financial year ending December 31, 2024, including prior period

in EUR million	Note	2024	2023
Net result		-785	-1,613
Remeasurements of defined benefit plans	> Note 25, > 26	21	14
therein income tax effect		-4	5
Fair value measurement of equity instruments (FVOCI)	> Note 26	-1	-36
therein income tax effect		0	0
Items that will not be reclassified in profit or loss		**20**	**-22**
Currency translation differences	> Note 26	129	-118
Fair value measurement of debt instruments (FVOCI)	> Note 26	2	-4
therein income tax effect		-1	1
Derivative financial instruments for hedging purposes	> Note 26	-10	-8
therein income tax effect		5	4
Items that may be reclassified subsequently to profit or loss		**121**	**-130**
Other comprehensive income (loss), net of tax		**141**	**-152**
Total comprehensive income (loss)		**-644**	**-1,765**
Attributable to:			
Non-controlling interests		2	0
Shareholders of ams-OSRAM AG		-646	-1,765

Consolidated Balance Sheet

for the financial year ending December 31, 2024, including prior period

in EUR million	Note	December 31, 2024	December 31, 2023 reclassified[1]
ASSETS			
Cash and cash equivalents	> Note 8	1,098	1,146
Trade receivables	> Note 9	496	470
Other current financial assets	> Note 10	49	55
Inventories	> Note 11	809	716
Other current non-financial assets	> Note 12	267	230
Assets held for sale	> Note 31	23	3
Total current assets		**2,743**	**2,620**
Property, plant, and equipment	> Note 13	1,729	1,997
Intangible assets	> Note 14	2,054	2,249
Right-of-use assets	> Note 15	189	215
Investments in associates	> Note 16	4	11
Other non-current financial assets	> Note 17	58	77
Deferred tax assets	> Note 18	74	72
Other non-current non-financial assets	> Note 19	52	160
Total non-current assets		**4,160**	**4,782**
Total assets		**6,903**	**7,401**

in EUR million	Note	December 31, 2024	December 31, 2023 reclassified[1]
LIABILITIES AND EQUITY			
Liabilities			
Current interest-bearing loans and borrowings	> Note 20	495	322
Trade payables		472	572
Other current financial liabilities	> Note 21	1,001	1,021
Current provisions	> Note 22	227	236
Income tax payable		45	64
Other current non-financial liabilities	> Note 23	274	238
Liabilities associated with assets held for sale	> Note 31	-	0
Total current liabilities		**2,514**	**2,455**
Non-current interest-bearing loans and borrowings	> Note 20	2,016	2,136
Other non-current financial liabilities	> Note 21	587	580
Employee benefits	> Note 25	150	147
Non-current provisions	> Note 22	58	43
Deferred tax liabilities	> Note 18	46	58
Other non-current non-financial liabilities	> Note 23	296	79
Total non-current liabilities		**3,153**	**3,042**
Equity			
Issued capital		998	998
Additional paid-in capital		2,090	2,130
Treasury shares		-87	-103
Other components of equity		292	162
Retained earnings		-2,064	-1,289
Total equity attributable to shareholders of ams-OSRAM AG		**1,229**	**1,899**
Non-controlling interests		6	6
Total equity	> Note 26	**1,235**	**1,905**
Total liabilities and equity		**6,903**	**7,401**

[1] Please see > Note 1. General Principles for details concerning reclassifications

Consolidated Statement of Cash Flows

for the financial year ending December 31, 2024, including prior period

in EUR million	Note	2024	2023 reclassified[1]
Operating activities			
Net result		-785	-1,613
Reconciliation between net result and cash flows from operating activities			
Amortization, depreciation, and impairment	> Note 13, > 14, > 15	942	1,892
Expenses from stock option plans (acc. to IFRS 2)	> Note 4	18	49
Income taxes	> Note 7	33	12
Net financial result	> Note 6	205	171
Result from sales of businesses, intangible assets and property, plant, and equipment	> Note 31	-1	-11
Result from investments in associates	> Note 16	7	24
Other adjustments for non-cash items		-	0
Changes in current assets and current liabilities			
Inventories	> Note 11	-79	96
Trade receivables	> Note 9	-7	24
Other current assets	> Note 12	11	32
Trade payables		-4	-73
Current provisions	> Note 22	-14	-13
Other current liabilities	> Note 21, > 23	43	175
Changes in other assets and liabilities		31	-30
Non-current prepayment received from a customer	> Note 23	224	-
Income taxes paid	> Note 7	-48	-85
Dividends received		0	0
Interest received	> Note 6	38	22
Interest paid	> Note 6	-180	-181
Cash flows from operating activities		**435**	**493**

[1] Please see > Note 1. General Principles for details concerning reclassifications

in EUR million	Note	2024	2023 reclassified[1]
Investing activities			
Additions to intangible assets and property, plant, and equipment	> Note 13, > 14	-502	-1,049
Acquisition of financial investments	> Note 17	-1	-1
Inflows from sale of investments, intangible assets, and property, plant and equipment	> Note 13, > 14, > 17	36	90
Inflows from sale of businesses, net of cash and cash equivalents disposed	> Note 31	43	134
Cash flows from investing activities		**-424**	**-826**
Financing activities			
Inflows from capital increase	> Note 26	-	827
Inflows from bonds	> Note 20, > 30	201	981
Transaction costs for the capital increase and the issue of bonds	> Note 20, > 26	-17	-56
Repayment of bonds	> Note 20	0	-1,288
Acquisition of treasury shares	> Note 26	-	0
Sale of treasury shares	> Note 26	2	9
Inflows from loans	> Note 20, > 30	243	378
Repayment of loans	> Note 20, > 30	-422	-481
Repayment of lease liabilities	> Note 20, > 30	-57	-57
Inflows from sale and lease back financing	> Note 21, > 30	10	382
Acquisition of non-controlling interests in OSRAM Licht AG	> Note 21	-25	-232
Dividends paid to shareholders of OSRAM Licht AG	> Note 21	-30	-37
Dividends paid to non-controlling shareholders		-1	-1
Cash flows from financing activities		**-98**	**426**
Change in cash and cash equivalents		-47	47
Effect of changes in foreign exchanges rates on cash and cash equivalents		40	-45
Cash and cash equivalents at the beginning of the period		1,146	1,098
Cash and cash equivalents at the end of the period		**1,098**	**1,146**
Less: Cash and cash equivalents of assets held for sale at the end of period		-	0
Cash and cash equivalents at the end of the period		**1,098**	**1,146**

Consolidated Statement of Changes in Equity

for the financial year ending December 31, 2024, including prior period

in EUR million	Note	Issued capital	Additional paid-in capital	Treasury shares	Other components of equity	Retained earnings	Total equity attributable to shareholders of ams-OSRAM AG	Non-controlling interests	Total equity
Balance as of January 1, 2023		**274**	**2,036**	**-121**	**280**	**358**	**2,826**	**7**	**2,833**
Net result						-1,613	-1,613	1	-1,613
Other comprehensive income (loss), net of tax	> Note 25, > 26				-118	-33	-151	-1	-152
Total comprehensive income (loss)		**0**	**0**	**0**	**-118**	**-1,647**	**-1,765**	**0**	**-1,765**
Capital increase	> Note 26	724	73				797		797
Share based payments	> Note 4		30				30		30
Acquisition and sale of treasury shares	> Note 26		-8	17			8		8
Reissuance of treasury shares				2			2		2
Dividends paid	> Note 28							-1	-1
Balance as of December 31, 2023 = January 1, 2024		**998**	**2,130**	**-103**	**162**	**-1,289**	**1,899**	**6**	**1,905**
Net result						-786	-786	1	-785
Other comprehensive income (loss), net of tax	> Note 25, > 26				129	11	140	0	141
Total comprehensive income (loss)					**129**	**-755**	**-646**	**2**	**-644**
Share based payments	> Note 4		9				9		9
Acquisition and sale of treasury shares	> Note 26			0			0		0
Reissuance of treasury shares	> Note 28			16			16		16
Non-controlling interests – Put Option	> Note 21		-49				-49		-49
Dividends paid								-1	-1
Total equity as of December 31, 2024		**998**	**2,090**	**-87**	**292**	**-2,064**	**1,229**	**6**	**1,235**

Notes to the Consolidated Financial Statements

1. General Principles

Reporting Entity

ams-OSRAM AG (the Company) is a stock corporation under Austrian law and is headquartered in 8141 Premstaetten, Austria. The Company is one of the world's leading companies in the design, manufacture, and sale of high-performance LED solutions for automotive and industrial applications as well as of optical sensor solutions for the automotive, industrial, medical technology, and consumer end-user markets. The Company is also a leading provider of optical technologies and solutions for sensors, lighting, and visualization. These technologies and solutions may also contain packaging and software. The IFRS consolidated financial statements as of December 31, 2024 encompass the parent company ams-OSRAM AG and its subsidiaries (together referred to as ams OSRAM Group, the Group, or ams OSRAM).

The Management Board prepared the IFRS consolidated financial statements as of December 31, 2024 on March 3, 2025 and released them to the Supervisory Board for approval. The consolidated financial statements were prepared on the basis of the going concern assumption.

The section below describes general presentation and financial reporting principles that are not directly addressed on a topic-specific basis in other sections of the notes.

Statement of Compliance

The consolidated financial statements were prepared in accordance with all International Financial Reporting Standards of the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee (IFRS IC) that were required to be applied in 2024. Furthermore, these financial statements comply with all applicable International Financial Reporting Standards for financial year 2024, as adopted by the European Union, and the additional requirements pursuant to section 245a of the Austrian Commercial Code (UGB).

Changes to Material Accounting Policies

The standards and interpretations, or amendments to standards and interpretations, issued by the IASB and applicable for the first time in 2024, and which were not adopted early by ams OSRAM, relate to the following amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants:

Previously, companies classified a liability as current if they did not have an unconditional right to defer repayment for at least 12 months after the balance sheet date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead requires that a right to defer settlement must exist and be substantive at the reporting date. These amendments had no impact as no such case existed as at December 31, 2024.

Non-current liabilities with covenants: These amendments also relate to the classification of liabilities as current or non-current for which certain credit terms (covenants) have been agreed. With the published amendments, the IASB clarifies that only those covenants that an entity must comply with on or before the reporting date affect the classification of a liability as current or non-current.
These amendments had no impact as the associated covenants were complied with as of December 31, 2024. For further disclosures on covenants, please see > Note 29 Financial Instruments and Management of Financial Risks.

Other issued amendments to standards concern Amendments to IAS 21 – Lack of Exchangeability; amendments to IFRS 9, which are to be applied by ams OSRAM for the first time in the 2025 financial year, and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments, which are to be applied by ams OSRAM for the first time in the 2026 financial year). The effects of these new standards were deemed not material.

A new standard, IFRS 18 Presentation and Disclosures in Financial Statements, was published to replace IAS 1 Presentation of Financial Statements. IFRS 18 is to be applied by ams OSRAM for the first time in the 2027 financial year and contains the following new requirements in particular:

- The income statement must be broken down into five categories for each of the following areas: operating, investing, and financing activities, income taxes, and discontinued operations.
- For certain key financial figures defined by management (e.g. adjusted earnings figures), additional disclosures must be made in a separate section of the Notes, such as reconciliations to comparable IFRS subtotals.
- Additional regulations on how information is to be structured and broken down in the financial statements.

Furthermore, IFRS 18 requires the use of the result from operating activities as the starting value in the statement of cash flows if the statement of cash flows is prepared using the indirect method, as is the case at ams OSRAM. ams OSRAM is currently analyzing the effects of IFRS 18, particularly with regard to the structure of the consolidated statement of income, the consolidated statement of cash flows and the disclosures in the notes to the consolidated financial statements.

The published changes to IFRS 9 and IFRS 7 (Contracts Referencing Nature-dependent Electricity) contain clarifications regarding the application of the own use exception according to IFRS 9 for nature-dependent electricity contracts, the applicability of hedge accounting if these contracts are used as hedging instruments, as well as new disclosure requirements. ams OSRAM is currently analyzing the effects of these changes, which are to be applied by ams OSRAM for the first time in 2026.

The collective amendment standard (Annual Improvements to IFRS Accounting Standards—Volume 11) was also published. It contains amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows. The annual improvements of the IASB are restricted to changes that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights, or conflicts between requirements in the standards. ams OSRAM is currently analyzing the effects of these changes, which are to be applied by ams OSRAM for the first time in the 2026 financial year.

For all new IFRS standards and amendments to IFRS standards described above, the application of which was not yet mandatory as of December 31, 2024, ams OSRAM is currently not planning an early application, but an initial application on the dates on which they become mandatory for ams OSRAM.

Basis of Presentation

The consolidated financial statements have been prepared in millions of euros (EUR m), rounded to the nearest million. The use of automated calculation systems may give rise to rounding differences in the totals of rounded amounts and percentages. All individual assets are measured on the basis of historical cost, with the exception of the following material line items:

- Certain financial assets and financial liabilities: fair value
- Derivative financial instruments: fair value
- Employee benefits: present value of the defined benefit obligation
- Stock option plans (share-based compensation): fair value
- Non-current provisions: present value of expected future cash outflows
- Deferred taxes

The presentation of the consolidated statement of income, consolidated balance sheet and consolidated statement of cash flows was adjusted as of the reporting date of December 31, 2024 and for the 2024 financial year (including the comparative reporting date and the comparative period for the previous year) in the following areas, as we believe these adjustments provide a clearer understanding of the results of operations, net assets and financial position.

- Due to the significance of the issue, a separate item ‘microLED adaption expenses’ has been added to the consolidated statement of income, which includes net charges (e.g. impairment losses or write-ups of assets) and other expenses incurred since the termination of the related project (see > Note 5. microLED Adaption Expenses).
- In the consolidated balance sheet, financial and non-financial items that were previously split in the notes to the consolidated financial statements are now shown as separate balance sheet items. Previously, they were reported together in the balance sheet items Other current receivables and assets, Other non-current assets, Other current liabilities, and Other non-current liabilities. These changes are summarized in the table presented below.
- Derivatives with a positive fair value, which were previously reported in the balance sheet item Current financial assets, are now included in the balance sheet item Other current financial assets.
- Interest paid, which was previously reported under Cash flows from financing activities, is now reported under Cash flows from operating activities to include interest paid in free cash flow and to reflect the increased focus on free cash flow. This has led to a reduction of EUR 181 m in Cash flows from operating activities for the 2023 financial year and an offsetting effect in Cash flows from financing activities.

in EUR million	Structure as reported 2023	Allocation to new structure	2023 reclassified
Assets			
Current financial investments	6	-6	
Other current receivables and assets	279	-279	
Other current financial assets		55	55
Other current non-financial assets		230	230
Total	**286**	**0**	**286**
Other non-current assets	216	-216	
Non-current financial investments	22	-22	
Other non-current financial assets		77	77
Other non-current non-financial assets		160	160
Total	**237**	**0**	**237**
Liabilities			
Other current liabilities	1,259	-1,259	
Other current financial liabilities		1,021	1,021
Other current non-financial liabilities		238	238
Total	**1,259**	**0**	**1,259**
Other non-current liabilities	659	-659	
Other non-current financial liabilities		580	580
Other non-current non-financial liabilities		79	79
Total	**659**	**0**	**659**

Contingencies and Main Judgments

The preparation of the consolidated financial statements in accordance with IFRS requires senior management to make judgments in applying accounting rules and estimates when making assumptions about future developments that may materially impact the recognition and measurement of assets and liabilities, the disclosure of other obligations as of the reporting date, and the recognition of income and expenses during the financial year.

The main judgments made in applying accounting rules relate to:

- The consolidated financial statements have been prepared on a going concern basis. This assessment is based on assumptions that are based on estimates about future developments that are subject to uncertainty and are not fully within the control of ams OSRAM. If the results of measures do not materialize to a significant extent, this could lead to a breach of covenants and thus to an immediate repayment of borrowings (> Notes 20. Interest-bearing Loans and Borrowings and > 29. Financial Instruments and Management of Financial Risks). Key assumptions regarding the availability of sufficient and available liquidity relate in particular to assumptions regarding the development of the operating business and the extent to which put options are exercised by remaining OSRAM Licht AG minority shareholders. ams OSRAM expects a significantly stronger second half of 2025 in operational terms, particularly in connection with the introduction of new products and a slight market recovery. In addition, ams OSRAM expects profitability to improve due to measures taken as part of the 'Re-establish the Base' strategy and efficiency program.
- Classification of the option rights for the convertible bond issued in euros as equity (> Notes 20. Interest-bearing Loans and > 26. Equity)
- ams OSRAM applied for a significant amount of government funding in the 2024 financial year. The approval processes are very complex and require the interpretation of the underlying funding agreements, including further clarification with the authorities providing the funds. As a result, the assessment as to whether final approval by the authorities providing the funds can be assumed with reasonable certainty as of the reporting date and whether ams OSRAM meets current and future underlying conditions of the subsidies is subject to significant discretionary judgment by senior management. The determination of the grant amounts expected to be received as of the reporting date likewise involves the use of estimates by the management team. With regard to the final approval by the competent authorities and an assessment as regards meeting the funding conditions, ams OSRAM is in close contact with the authorities providing the funds and has come to the conclusion that it can be assumed with reasonable certainty that the final approvals will be granted and that ams OSRAM is in a position to meet the funding conditions. With regard to the amount of grants to be taken into account as of the reporting date (as a reduction in the acquisition costs of the underlying assets), the following factors in particular were taken into account where relevant: the total amount of the investment requirements, the investment progress of the respective projects as of the reporting date, and the subsidy gap. As a result of possible deviations in future actual developments from current expectations and possible changes in estimates, it may therefore be necessary to adjust the amount of grants recognized.
- In the case of the existing government funding, the assessment of compliance with the funding conditions and the determination of the grant amounts are also based on management's discretionary judgement and estimates. In the case of a significant funding commitment provided in Germany, ams OSRAM, in extensive dialogue with the authorities providing the funds, has come to the conclusion that the funding conditions are currently being met and will continue to be complied with in the future and that it can therefore be assumed with reasonable certainty that the funding will be received and that it will likely not be reclaimed; the grant amounts were recognized accordingly (see > Note 24. Government Grants).

In the case of the following assumptions and estimates, there is a risk, which is not insignificant, that they could lead to changes in the value of assets and liabilities in the next financial year:

- The assessment of the recoverability of goodwill (> Note 14. Intangible Assets), property, plant and equipment (> Note 13 Property, Plant and Equipment) and capitalized development costs (> Note 14. Intangible Assets) is subject to major estimation uncertainties, particularly with respect to the assets that had been written down in the context of the microLED adjustment and their write-ups (see > Note 5 microLED Adaption Expenses).
- Estimation uncertainties also exist as regards the measurement of leases, particularly with respect to the estimation of lease term and discount rates as well as concerning sale and leaseback transactions with respect to meeting the true sale criteria (see > Note 15. Right-of-use Assets).
- Deferred tax assets are recognized if sufficient future taxable profit is available. This taxable result is derived from corporate planning over a period of five years and existing taxable temporary differences and is therefore subject to risks and uncertainties associated with forecasting of future performance. The eligibility of recognized and unrecognized deferred tax items is verified at every reporting date (see > Note 18. Deferred Tax Assets and Deferred Tax Liabilities).
- Measurement of the existing long-term obligations to employees, primarily pension obligations: assumptions about the discount rate, retirement age, employee turnover, and future salary and pension increases are used for this purpose (see > Note 25. Employee Benefits).
- ams OSRAM is subject to litigation and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties, or disgorgement orders against ams OSRAM. Litigation, regulatory proceedings, or investigations by authorities often involve complex legal issues and are subject to substantial uncertainties. Accordingly, senior management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such an obligation will result in an outflow of resources, and whether the amount of the obligation can be reliably estimated. Provisions and obligations in connection with ongoing legal proceedings may have to be adjusted in the future due to new developments (see > Note 22. Provisions, > Note 21. Other Financial Liabilities)
- Estimates are subject to increased uncertainty with respect to macroeconomic effects, geopolitical conflicts, and business interruption risks.

As part of the systematic enterprise risk management process (ERM process) applied at ams OSRAM, non-financial risks – including potential climate-related risks – are recorded and evaluated uniformly in accordance with the methodology defined in the ERM process. The identified and evaluated risks are reported, depending on specified materiality thresholds. As of December 31, 2024, there were no material climate-related risks with an impact on balance sheet line items.

As the ams OSRAM product portfolio focuses on energy-efficient products, the trend towards environmentally friendly and energy-saving products could create considerable sales opportunities. Significant negative effects of increased climate awareness on demand for our products or the solvency of our customers have not been apparent. In terms of costs, our climate strategy (becoming CO_2 neutral with respect to our own business activities by 2030) currently has no significant impact on planning, as its implementation will lead to only a slight increase in energy costs in the medium term, and the future costs to obtain green electricity are currently estimated at a manageable level. Furthermore, investments required as part of the implementation of the climate strategy are largely in line with our long-standing objective of efficient and energy-saving production. In addition to feasibility considerations, climate-friendly implementation is being taken into account in investments that are being implemented or planned.

In addition, potential climate risks are generally taken into account in the course of impairment tests of cash-generating business units and goodwill if they are sufficiently specific in accordance with the requirements of IAS 36.

From a current perspective, identified physical and transition climate risks do not have any significant effects in the short or medium term. For a long-term assessment (beyond five years), ams OSRAM closely monitors developments and incorporates the results into our evaluations as appropriate. These risks are generally taken into account during the impairment test by general risk parameters in cash flow planning, the discount rate, and the terminal value growth rate. Likewise, there are currently no effects on useful lives or residual values of our property, plant, and equipment and intangible assets.

Sustainability and climate-related targets are also enshrined in the remuneration policy for the Management Board of ams-OSRAM AG. Accordingly, a Scope 1&2 CO_2 emissions reduction target with a 20% weighting in line with our sustainability and climate strategy was included in the LTIP program in financial year 2023 (see > Note 4. Expenses). In addition, individual government grants received or approved are linked to compliance with climate and environmental conditions, which ams OSRAM expects to fulfill as planned (see > Note 24. Government Grants).

Basis of Consolidation

Subsidiaries are all companies that are under the control of ams-OSRAM AG. ams-OSRAM AG controls a company if it is exposed, or has rights, to variable returns from its investment in the company and has the ability to affect those returns through its power over the investee. For the following German subsidiaries, the exemption option in accordance with Section 264 (3) HGB was applied with regard to the preparation, audit, and disclosure of individual financial statements: ams Sensors Germany GmbH, ams Offer GmbH, OSRAM GmbH, OSRAM Beteiligungen GmbH, ams-OSRAM International GmbH, OSRAM SL GmbH, OSRAM SBT GmbH, and Fluxunit GmbH.

Revenue from Contracts with Customers

ams OSRAM generates most of its revenue from the manufacture and supply of products that are sold to end customers, either directly or via distributors. Sales revenues are generated from licenses and development services (engineering services) only to a minor extent.

If individual products can be sold to several customers (standard products), revenue is recognized when the customers obtain control over these products. This is generally the case when the risks and rewards are transferred to the customers in accordance with the applicable terms of delivery (Incoterms). The transaction price for revenue includes both fixed and variable price components. ams OSRAM takes into account possible price adjustments due to contractual agreements, volume discounts, rebates, and other price reductions (see > Note 23. Other Non-financial Liabilities).

In the case of customer-specific products, which due to their nature can be sold only to one specific customer and therefore have no alternative use for ams OSRAM, the products are generally manufactured on the basis of advance information and orders from the customer, often based on existing framework agreements. In this context, control passes to the customer if an unconditional order exists and ams OSRAM is entitled to compensation for the costs incurred, including an appropriate margin, in the event that the customer withdraws from the contract. In this case, revenue is recognized in accordance with the stage of completion over the period of time. Due to the short lead time in the manufacturing of products and the fact that binding orders are often placed by customers at relatively short notice, there were no material circumstances as of January 1 and December 31, 2024 in which contract assets and revenue would have had to be recognized before the invoice has been issued. ams OSRAM applies the practical expedient under IFRS 15.63 and does not adjust the transaction price for the effects of a significant financing component if the payment terms are one year or less. Performance obligations are usually satisfied within a period of less than one year. Consequently, the option pursuant to IFRS 15.121 is exercised and no disclosures on existing performance obligations are made at the end of the respective reporting period.

2. Segment Reporting and Revenue

Business segments are the business units (BUs) in accordance with the independent operating activities and the internal reporting structure. At the start of the 2024 financial year, ams OSRAM adjusted its corporate structure to promote a more entrepreneurial approach at business unit (BU) level, and to strengthen innovation by decentralizing certain functions. The change in corporate structure is reflected in the internal reporting structure, with each BU representing a separate operating and reporting segment in accordance with IFRS 8.

Group activities are now managed via three business units:

1. BU Opto Semiconductors (OS) with a focus on emitters
2. BU CMOS Sensors and ASICs (CSA) with a focus on sensor technology and analog mixed-signal chips. BU CSA bundles the business activities of the previous BUs Advanced Optical Sensors (AOS) and Image Sensor Solutions (ISS).
3. BU Lamps & Systems (L&S) specializing in traditional lamps and lighting products with a focus on the automotive, industrial and medical end markets.

From the 2024 financial year, the costs of corporate functions that are not directly allocated to the BUs and functions shared in the Semiconductor business are no longer allocated to the BUs, but are recorded centrally and now reported as ‘Corporate Items’. This and a harmonization of cost allocation within the Group lead to an adjustment of the cost allocations reported in the previous year (BU L&S: EUR 13 m decrease in expenses; BUs focused on semiconductors: EUR 10 m decrease in expenses; Corporate Items: EUR 23 m increase in expenses).

In addition, the segment indicator for the segment result was adjusted in accordance with internal reporting and now comprises gross profit, research and development expenses, selling, general and administrative expenses, microLED adaption expenses, other operating income and expenses, as well as the result from investments in associates. The segment result does not include depreciation, amortization and impairment losses.

The previous year's figures and the segment result have been adjusted to reflect the new corporate structure.

Business Segments

Business segments in EUR million	OS		CSA		L&S		Corporate Items		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Consolidated revenues	**1,448**	**1,386**	**981**	**1,039**	**1,000**	**1,165**	**-**	**-**	**3,428**	**3,590**
Segment result	**168**	**242**	**102**	**58**	**156**	**198**	**-31**	**-36**	**395**	**463**
Material Items:										
Research & development expenses	-212	-227	-163	-205	-29	-31	-15	-17	-419	-480
Therein: depreciation, amortization and impairment	-43	-49	-23	-49	-1	-1	-1	-1	-68	-100
Depreciation, amortization and impairment1	-728	-250	-153	-248	-61	-69	-1	-2	-942	-569
Goodwill impairment	-	-1,019	-	-294	-	-11	-	-	-	-1,323
MicroLED adaption expenses	-576	-	-	-	-	-	-	-	-576	-
Therein: depreciation, amortization and impairment	-491	-	-	-	-	-	-	-	-491	-

Reconciliation of the Segment Result to Earnings before Income Tax

in EUR million	2024	2023
Segment result	**395**	**463**
Depreciation, amortization and impairment	-942	-1,892
Net financial result	-205	-171
Result before income taxes	**-752**	**-1,601**

Segment assets include only those assets that are directly attributable to the segment, such as segment-specific property, plant, and equipment, intangible assets, right-of-use assets, and inventories that are presented as such in the context of internal reporting.

Segment Assets

Business segments	OS		CSA		L&S		Total	
in EUR million	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	**2,907**	**3,160**	**1,153**	**1,063**	**722**	**953**	**4,782**	**5,177**
Reconciliation to the consolidated financial statements								
Cash and cash equivalents							1,098	1,146
Trade receivables							496	470
Deferred tax assets							74	72
Assets held for sale							23	3
Other non-current financial assets							58	77
Investment in associates							4	11
Other non-allocated assets							368	446
Total assets							**6,903**	**7,401**

[1] Excluding impairment of goodwill, but including net impairment on microLED-related assets

In terms of geographical regions, the Group is broken down into the following three regions: EMEA (Europe, Middle East, and Africa), Americas (North and South America), and Asia/Pacific. Revenue is allocated to these regions based on customers' geographical location (billing address). The highest amount of revenue came from a customer in the OS and CSA segments and accounted for more than 10% and less than 20% of revenue (2023: more than 10% and less than 20% of revenue).

Revenue by Region

Business segments in EUR million	OS		CSA		L&S		Total	
	2024	2023 reclassified[1]	2024	2023 reclassified[1]	2024	2023 reclassified[1]	2024	2023 reclassified[1]
EMEA	**394**	**447**	**183**	**233**	**347**	**449**	**924**	**1,129**
thereof Austria	21	25	9	1	15	14	45	40
thereof Germany	207	253	64	111	68	84	339	449
Americas	**257**	**180**	**50**	**52**	**439**	**465**	**747**	**697**
thereof USA	213	138	32	37	370	387	615	563
Asia / Pacific	**797**	**757**	**748**	**754**	**213**	**253**	**1,757**	**1,764**
thereof Greater China[2]	521	481	699	662	106	116	1,326	1,260
Total	**1,448**	**1,386**	**981**	**1,039**	**1,000**	**1,165**	**3,428**	**3,590**

Non-current Assets by Region

in EUR million	2024	2023
EMEA	1,942	2,299
Americas	453	458
Asia / Pacific	1,578	1,704
Total	**3,972**	**4,461**
thereof Austria	324	442
thereof Germany	1,309	1,526
thereof Malaysia	993	1,088

[1] The revenue distribution by region and segment was updated as part of the change in corporate structure, resulting in changes to the figures reported for the previous year.
[2] The Greater China line combines China, Hong Kong and Taiwan.

3. Other Operating Income

in EUR million	2024	2023
Gains from disposal of businesses	10	14
Gains from the disposal of property, plant, and equipment, and intangible assets	9	44
Gains from sale of patents	4	2
Other	16	21
Other operating income	**39**	**81**

Gains from the disposal of businesses mainly include gains from the sale of the assets pertaining to the Passive Optical Components business in the amount of EUR 9 m (see > Note 31. Disposal of Business Activities and Property, Plant and Equipment; Assets and Liabilities Classified as Held for Sale).

Gains from the disposal of property, plant and equipment and intangible assets in the 2023 financial year mainly result from the sale of production facilities in Singapore (EUR 39 m).

The item Other mainly includes income from the reversal of provisions and income from transitional service agreements as part of disposal of businesses.

4. Expenses

Other Operating Expenses

in EUR million	2024	2023
Losses from disposal or liquidation of businesses	13	11
Losses on sales of property, plant and equipment and intangible assets	2	3
Impairment of assets held for sale	-	13
Allowances on receivables	0	4
Other	6	4
Other operating expenses	**21**	**34**

Losses from the disposal of businesses mainly result from realization of accumulated currency differences on the liquidation of subsidiaries in the amount of EUR 9 m, and from the sale of OOO OSRAM, Moscow, (Russia) in the amount of EUR 3 m (see > Note 31. Disposal of Business Activities and Property, Plant and Equipment; Assets and Liabilities Classified as Held for Sale).

Personnel Expenses

in EUR million	2024	2023[1]
Wages and salaries	1,053	1,105
Statutory social welfare contributions	175	184
Personnel expenses for share-based compensation	18	49
Expenses relating to pension plans and employee benefits	11	14
Total	**1,258**	**1,352**

[1] The previous year's figure for wages and salaries was decreased by EUR 38 m, which includes social welfare contributions. This amount was added to the Statutory social welfare contributions expenses category in order to improve comparability with the reporting year.

Number of Employees by Function

in FTE	2024	2023
Production and service	13,857	14,098
Research and development	2,783	3,144
Administration and sales	2,938	3,289
Total	**19,577**	**20,530**

The number of employees fell by 953 in the 2024 financial year due to staff reduction measures and the sale or closure of business segments.

Share-based Compensation
The Group uses share-based compensation arrangements to remunerate the members of the Management Board and selected groups of managers, under which a defined number of awards or options to purchase ams OSRAM shares are issued, subject to the specified terms and conditions being met. The share-based compensation granted can be settled by ams OSRAM either through granting equity instruments or through cash settlement.

The share-based compensation arrangements are classified as equity-settled plans and are therefore measured at fair value at the grant date. The options and awards are measured on the basis of the Black-Scholes model. The expected volatility was derived from the historical price performance of the ams OSRAM share during the last three years (source: Bloomberg). For share-based compensation whose exercisability depends on the fulfillment of market-related performance criteria, the probabilities of fulfillment are determined using a Monte Carlo simulation and taken into account in the measurement of the options and awards at the time they are granted. The interpretation of the market information needed to determine fair values is subject to management judgment. This can result in a difference between the disclosed values and the values subsequently realized on the market.

The determined value of the share-based compensation is expensed over the vesting period until the options become exercisable and the awards become vested. The amount recognized as an expense is adjusted if expectations regarding the achievement of service conditions and non-market-based performance conditions change in such a way that the amount ultimately recognized as an expense is based on the number of those options and/or awards that satisfy the relevant service conditions and non-market-based performance conditions at the end of the vesting period.

Impact of Equity Measures
In the first half of 2024, ams OSRAM completed the measures to offset the dilution of share-based compensation that were announced following the capital increase in December 2023. Details can be found in the notes to the consolidated financial statements as of December 31, 2023 under > Note 4. Expenses.

In this regard, ams OSRAM reissued the awards granted under the LTIP 2023 to eligible employees in the 2024 financial year. In the process, 4,130,229 awards granted in 2023 were withdrawn and 8,215,346 awards (including 5,197,365 restricted share units (RSUs) and 3,017,981 performance share units (PSUs)) were issued with unchanged grant date, vesting period and performance criteria. On December 21, 2023, the date on which the offer was announced, the fair value of one RSU was EUR 2.15, and the fair value of one PSU was EUR 1.54. The plan amendment led to an additional expense of EUR 5 m in the 2024 financial year.

As a result, ams OSRAM redeemed in cash 7,754,655 options granted under the LTIP 2014, the SSOP 2017, the SLTIP 2018, the SSOP 2019, and the LTIP 2019 in the 2024 financial year. The total cash payment, including social welfare contributions and taxes incurred, amounted to EUR 11 m. The fair value of unredeemed options of EUR 2 m was reclassified from liabilities to equity.

On June 24, 2024, the Company's General Meeting resolved to consolidate the Company's shares at a ratio of 10:1 (reverse share split). This measure was implemented in September 2024 (see > Note 26. Equity). The awards and options held by plan participants were adjusted in the corresponding ratio (with ten old awards resulting in one new share award). The exercise price of the options and awards under the respective plans was also adjusted at a ratio of 10:1. Accordingly, 32,886,300 awards were withdrawn and 3,288,630 new awards and options were transferred. The resulting fractions of awards and options were rounded up to full units. This results in 15,612 new awards and options granted in the 2024 financial year.

Key information on the individual plans is as follows:

Long Term Incentive Plan 2014
The Long Term Incentive Plan (LTIP 2014) was adopted in October 2014 and entitles the participants to purchase, for each option held and exercisable, one no-par value share in ams-OSRAM AG at an exercise price of EUR 6.76 (adjusted for equity measures). As of the balance sheet date, all outstanding options from the LTIP 2014 are exercisable and no further options have been allocated.

The options developed as follows:

Long Term Incentive Plan 2014

LTIP 2014	2024		2023	
	Options	Weighted average exercise price (in EUR)	Options	Weighted average exercise price (in EUR)
Outstanding at January 1	**723,297**	**0.68**	**815,811**	**0.68**
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	2,183	0.68	70,396	0.68
Expired during the period	10,422	0.68	22,118	0.68
Cash settlement options	492,115	-	-	-
Reduction due to equity measures[1]	204,311	0.68	-	-
Outstanding at December 31 (2024 after reverse stock split)	**14,266**	**6.76**	**723,297**	**0.68**
Exercisable at December 31	14,266	6.76	723,297	0.68
Not yet granted	-	-	-	-
Weighted average share price at the date of exercise (in EUR)	2.17		6.17	
Range of exercise price (in EUR)	6.76		0.68	
Remaining contractual life	Until June 30, 2028		Until June 30, 2028	

[1] As part of the 10:1 reverse share split in the 2024 financial year, the options held were adjusted at the corresponding ratio (with ten old options resulting in one new option).

Special Stock Option Plan 2017
The special stock option plan (SSOP 2017) was adopted in June 2017 and entitles the participants to purchase, for each option held and exercisable, one no-par-value share in ams-OSRAM AG at an exercise price of EUR 186.30 (adjusted for equity measures). As of December 31, 2024, all options outstanding from the SSOP 2017 are exercisable and no further options will be granted.

The options developed as follows:

Special Stock Option Plan 2017

SSOP 2017	2024		2023	
	Options	Weighted average exercise price (in EUR)	Options	Weighted average exercise price (in EUR)
Outstanding at January 1	**2,366,441**	**18.63**	**2,793,434**	**18,63**
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	10,438	18.63	426,993	18.63
Cash settlement options	1,132,386	-	-	-
Reduction due to equity measures[2]	1,101,233	18.63	-	-
Outstanding at December 31 (2024 after reverse stock split)	**122,384**	**186.30**	**2,366,441**	**18.63**
Exercisable at December 31	122,384	186.30	2,366,441	18.63
Not yet granted	-	-	-	-
Weighted average share price at the date of exercise (in EUR)	-		-	
Range of exercise price (in EUR)	186.30		18.63	
Remaining contractual life	Until June 30, 2027		Until June 30, 2027	

[2] As part of the 10:1 reverse share split in the 2024 financial year, the options held were adjusted at the corresponding ratio (with ten old options resulting in one new option).

Special Long Term Incentive Plan 2018
The special long term incentive plan (SLTIP 2018) was adopted in October 2018 and entitles the participants to purchase, for each option held and exercisable, one no-par-value share in ams-OSRAM AG at an exercise price of EUR 293.40 (adjusted for equity measures).

As of December 31, 2024, all options outstanding from the SLTIP 2018 are exercisable and no further options will be granted.

The options developed as follows:

Special Long Term Incentive Plan 2018

SLTIP 2018	2024		2023	
	Options	Weighted average exercise price (in EUR)	Options	Weighted average exercise price (in EUR)
Outstanding at January 1	411,246	29.34	411,246	29.34
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Cash settlement options	380,849	-	-	-
Reduction due to equity measures[3]	27,351	29.34	-	-
Outstanding at December 31 (2024 after reverse stock split)	**3,046**	**293.40**	**411,246**	**29.34**
Exercisable at December 31	3,046	293.40	411,246	29.34
Not yet granted	-	-	-	-
Weighted average share price at the date of exercise (in EUR)	-	-	-	-
Range of exercise price (in EUR)	293.40		29.34	
Remaining contractual life	Until October 11, 2028		Until October 11, 2028	

[3] As part of the 10:1 reverse share split in the 2024 financial year, the options held were adjusted at the corresponding ratio (with ten old options resulting in one new option).

Special Stock Option Plan 2019
The special stock option plan (SSOP 2019) was adopted in February 2019 and entitles the participants to purchase, for each option held and exercisable, one no-par-value share in ams-OSRAM AG at an exercise price of EUR 139.40 (adjusted for equity measures).

As of December 31, 2024, all options outstanding from the SSOP 2019 are exercisable and no further options will be granted.

The options developed as follows:

Special Stock Option Plan 2019

SSOP 2019	2024		2023	
	Options	Weighted average exercise price (in EUR)	Options	Weighted average exercise price (in EUR)
Outstanding at January 1	671,170	13.94	671,170	13.94
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Cash settlement options	408,502	-	-	-
Reduction due to equity measures[1]	236,278	13.94	-	-
Outstanding at December 31 (2024 after reverse stock split)	**26,390**	**139.40**	**671,170**	**13.94**
Exercisable at December 31	26,390	139.40	671,170	13.94
Not yet granted	-	-	-	-
Weighted average share price at the date of exercise (in EUR)	-		-	
Range of exercise prices (in EUR)	139.40		13.94	
Remaining contractual life	Until February 5, 2029		Until February 5, 2029	

[1] As part of the 10:1 reverse share split in the 2024 financial year, the options held were adjusted at the corresponding ratio (with ten old options resulting in one new option).

Long Term Incentive Plan 2019
The long-term incentive plan 2019 (LTIP 2019) was adopted in June 2019; options from the LTIP 2019 were last granted in 2022.

Three different types of options were granted: PSUs, RSUs, and SPSUs (performance share units, restricted share units, and special performance share units). The PSUs depend on the performance of the Total Shareholder Return (TSR, defined as the change in share price plus reinvested dividends over the performance period) of ams-OSRAM AG compared to a defined peer group and the achievement of a certain level of earnings per share (EPS) in the year that the options are granted. They become exercisable after three years. The RSUs and SPSUs become exercisable within the next four years. Each year, a quarter of the total tranche of RSUs and SPSUs becomes exercisable.

At the date of the implementation of the LTIP 2019, each PSU and RSU granted entitled the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 1.00. Each SPSU granted entitles the participant to purchase one no-par-value share at a price based on the average share price of the last 60 days prior to the grant date.

The exercise price of the PSUs and RSUs issued so far was increased to EUR 6.78 per share and the average exercise price of the SPSUs was increased to EUR 166.36 per share following the equity measures.

All options granted can be exercised only up to ten years from allocation.

The options developed as follows:

Long Term Incentive Plan 2019

LTIP 2019	2024		2023	
	Options	Weighted average exercise price (in EUR)	Options	Weighted average exercise price (in EUR)
Outstanding at January 1	8,451,219	4.84	12,178,903	5.86
Granted during the period	-	-	-	
Forfeited during the period	-	-	-	
Exercised during the period	4,390	0.91	131,294	0.91
Expired during the period	1,110,048	0.68	3,596,390	3.44
Cash settlement options	5,340,803	-	-	-
Reduction due to equity measures[2]	1,796,056	16.66	-	-
Outstanding at December 31 (2024 after reverse stock split)	**199,922**	**166.36**	**8,451,219**	**4.84**
Exercisable at December 31	124,858	211.15	2,652,285	8.82
Not yet granted	-	-	-	-
Weighted average share price at the date of exercise (in EUR)	1.82		6.13	
Range of exercise price (in EUR)	6.78-226.90		0.68-22.69	
Remaining contractual life	Until June 30, 2032		Until June 30, 2032	

Long Term Incentive Plan 2023
The Supervisory Board and Management Board adopted a new long-term incentive plan (LTIP 2023) on May 25, 2023 that replaced the LTIP 2019.

The LTIP 2023 comprises a maximum of 27,428,928 awards, which correspond to about 10% of the Company's share capital as of the date of the implementation of the LTIP 2023. The awards issued under the LTIP 2023 are granted within five years of the plan's adoption and were granted for the first time in July 2023. The maximum number of awards was reduced to 9,984,439 following the reverse share split at a ratio of 10:1 in financial year 2024 and the capital increase carried out in the previous year.

[2] As part of the 10:1 reverse share split in the 2024 financial year, the options held were adjusted at the corresponding ratio (with ten old options resulting in one new option).

Each award granted entitles the participant to receive, without payment of a consideration (exercise price of EUR 0.00), one no-par-value share in ams-OSRAM AG subject to the conditions applicable to the LTIP 2023. There are two distinct types of awards: PSUs and RSUs (performance share units and restricted share units).

The PSUs are conditional upon satisfying the following performance criteria: (a) the cumulative adjusted EBIT defined for one performance period (in the future, this performance criterion will be measured on the basis of adjusted EBITDA for subsequent grants from the 2025 financial year onwards), (b) the relative total shareholder return (Relative TSR) of the Company compared with a defined peer group over one performance period, and (c) the fulfillment of environmental, social and governance (ESG) targets, as specified by the Company.

In case there is an overachievement of the performance criteria for the PSUs (achievement between 100% and 150%), the participant may receive up to 50% more shares per PSU when PSUs are redeemed. If the performance criteria are not met, however, the participant may receive fewer shares.

The PSU awards will be redeemable after three years from the grant date, with the exception of the first award, where the grant date began on June 30, 2023 and the vesting periods ends on March 31, 2026. In addition, a waiting period of one year after the end of the vesting period applies to the members of the Management Board. For the RSU awards, one-third of the awards will be redeemable in each case on the first, second, and third anniversaries of the grant date, with the exception of the first award, where the vesting period is shorter and one-third of the RSU awards will be redeemable on March 31, 2024, 2025, and 2026, respectively. PSUs and RSUs will become redeemable subject to the condition that the participant remains employed throughout the entire vesting period.

All awards granted can be exercised only up to ten years from allocation.

As of March 31, 2024, ams OSRAM granted 23,019,191 awards under the LTIP 2023. Under the LTIP 2023, 14,605,855 RSUs and 8,413,336 PSUS were issued, which resulted in an expense of EUR 11 m.

The following parameters were used to determine the value of the awards for one, two, three, and four years:

Valuation of Awards (Weighted Average) for the 2024 Grant

		PSU	RSU
Share price at grant (before reverse stock split)	in EUR	1.39	1.39
Duration	in years	10	10
Risk free rate	in %	2.56	2.56
Dividend yield	in %	0	0
Expected volatility	in %	62.97	62.97
Fair value per stock award (before reverse stock split)	in EUR	1.22	1.39

The awards developed as follows:

LTIP 2023	2024	2023
Outstanding at January 1	**4,206,495**	**-**
Granted during the period	23,019,191	4,212,654
Forfeited during the period	-	-
Exercised during the period	1,729,562	-
Expired during the period	461,710	6,159
Reduction due to equity measures[1]	22,132,462	-
Outstanding as at December 31 (2024 after reverse stock split)	**2,901,952**	**4,206,495**
Exercisable at December 31	-	-
Not yet allocated	7,261,255	23,216,274
Share price at the time of exercise (weighted average in EUR)	-	-
Exercise price (in EUR)	-	-
Remaining contractual life	Until March 31, 2027	Until March 31, 2026

[1] 4,085,117 additional awards (based on the former denomination of units prior to reverse share split) were granted in financial year 2024 due to the 2023 capital increase. As part of the 10:1 reverse share split in the 2024 financial year, the awards held were adjusted at the corresponding ratio (with ten old awards resulting in one new award).

5. microLED Adaption Expenses

On February 28, 2024, the Management Board was informed by a customer of the unexpected termination of a key project involving the development of a microLED program. The termination resulted in a revision of the microLED strategy and initially led to expenses of EUR 744 m in the 2024 financial year, which are fully allocated to the Opto Semiconductors business unit and recognized in the consolidated statement of income under the line item ‘microLED adaption expenses’.

Due to the termination of the microLED project, an impairment test was carried out in accordance with IAS 36 for the individual assets associated with the project. Impairment losses of EUR 482 m were recognized for property, plant and equipment. These mainly relate to the pilot line in Regensburg (Germany), and production facilities in Kulim (Malaysia). In addition, EUR 77 m is attributable to the 8-inch LED production building and associated assets in Kulim (Malaysia). The fair value less costs to sell, which is allocated to level 3 of the IFRS 13 measurement hierarchy, amounts to EUR 405 m and represents the recoverable amount of the production building and associated assets. The amount was determined using the direct capitalization method in accordance with the income capitalization approach. Estimates are subject to increased uncertainty with respect to the significant assumptions when determining the recoverable amount. These assumptions were made regarding expected price and market developments, the discount rate (11.11%), the realizability of the assets in their present condition, the expected vacancy and selling period (2 years) as well as associated costs, among other things. The values of the assumptions are based on management’s expectations and on the analyses of an external expert and take into account external inflation and market growth expectations, macroeconomic data and industry-specific trends, as well as expectations regarding the sale process.

In addition, the capitalized project-specific development costs were fully impaired by EUR 125 m. Impairment losses on right-of-use assets amounted to EUR 1 m.

The impairment of other property, plant and equipment and other non-current assets was based on fair value less costs to sell, which is classified as level 3 of the IFRS 13 measurement hierarchy. Key valuation assumptions are based on past experience.

Valuation allowances of EUR 11 m were recognized for inventories. Provisions of EUR 70 m were mainly recognized for cancellation fees and contract terminations, and EUR 34 m for outstanding orders for fixed and current assets.

In addition, expenses of EUR 2 m were incurred in connection with personnel adjustments. Other expenses amounted to EUR 4 m. Effects on the grants related to the canceled project are shown under > Note 24. Government Grants.

Furthermore, an impairment test in accordance with IAS 36 was carried out for the OS BU and its goodwill, which did not result in any need for impairment of assets (see > Note 14. Intangible Assets).

Over the course of the 2024 financial year, ams OSRAM acquired a customer for a development project for innovative LED technologies in the Opto Semiconductors business unit, which partially offset the effects of the termination of the key microLED project. In addition, an alternative use was found within the ams OSRAM Group for some of the previously impaired assets. As a result, the reasons for the impairment of some assets no longer applied and reversals of impairment on property, plant and equipment amounting to EUR 118 m were recognized in the second half of 2024. Of this amount, EUR 62 m was attributable to assets that are used as part of the new development project and that form a CGU. The recoverable amount was determined as the value in use on the basis of a discounted cash flow analysis. Significant assumptions were made regarding the amount of future cash flows, reinvestment and the discount rate, among other things. A factor of 12.1% was used for discounting. Reversals of impairment of EUR 56 m were attributable to assets for which an alternative use could be found independently of the development project. The write-up was made up to the deemed amortized cost had there not been any impairment.

In addition, write-ups on inventories were recognized in the amount of EUR 5 m. Provisions were reversed in the amount of EUR 46 m. The write-ups and reversals are included in the income statement in the line item microLED adaption expenses.

In total, the net expense occurred in connection with the microLED adaption strategy amounted to EUR 576 m.

6. Net Financial Result

in EUR million	2024	2023
Income from derivatives	42	33
Interest income	40	22
Amortization of adjustment of carrying amount of bonds for embedded derivatives	3	-
Valuation of options for early repayment of outstanding bonds	-	5
Other financial income	1	2
Financial income	**85**	**62**
Interest expenses	-272	-180
Exchange differences	-12	-38
Valuation of options for early repayment of settled bonds	-2	-
Other financial expense	-4	-15
Financial expenses	**-290**	**-233**
Net financial result	**-205**	**-171**

Interest expenses include an amount of EUR 13 m (2023: EUR 10 m) in connection with the supply chain financing programs from the sale of trade receivables to the factor; the amount was reclassified from other comprehensive income reported under retained earnings to the consolidated statement of income. In the 2024 financial year, borrowing costs of EUR 4 m (2023: EUR 10 m) were capitalized in accordance with IAS 23 as part of the cost of property, plant, and equipment and intangible assets. At the last capitalization date, the capitalization rate, which results from the borrowing costs weighted in line with the financing structure, was 1.84% p.a.

7. Income Taxes

in EUR million	2024	2023
Current tax expense, net, current financial year	-53	-66
Current tax benefit, net, prior financial years	8	7
Current taxes	**-45**	**-59**
Deferred tax benefit, net, from changes in temporary differences	12	47
Deferred tax expenses, net, others	0	0
Deferred taxes	**12**	**47**
Income taxes	**-33**	**-12**

Reconciliation to Actual Income Tax Expenses

in EUR million	2024	2023
Result before income taxes	-752	-1,601
Group tax rate	23%	24%
Expected income tax benefit	**173**	**384**
Increase/decrease in income taxes resulting from:		
Non-deductible expenses and change in permanent differences	-24	-323
Tax-free income	16	17
Taxes for prior years	8	23
Change in realizability of unrecognized deferred tax assets including unrecognized deferred tax assets arising in the current financial year	-246	-92
Foreign tax rate differential	41	-11
Change in tax rates	0	-2
Other, net	-1	-8
Actual income tax expenses as presented in the Consolidated Statement of Income	**-33**	**-12**

In the previous year, the line item Non-deductible expenses and change in permanent differences included the effect of non-tax-deductible goodwill impairment.

Income Taxes

in EUR million	2024	2023
Income taxes	-33	-12
Taxes in other comprehensive income	0	11

Deferred tax assets are recognized for all temporary differences and losses carried forward, to the extent that it is probable that future taxable profit against which they can be utilized will be available within a foreseeable period. No deferred tax assets were recognized for tax loss carryforwards and interest carryforwards of EUR 3,167 m (2023: EUR 2,194 m), for temporary differences of EUR 716 m (2023: EUR 530 m), and for tax credits of EUR 44 m (2023: EUR 85 m).

Of the tax loss carryforwards for which no deferred tax assets have been recognized as of December 31, 2024, EUR 10 m (2023: EUR 10 million) are subject to a time limitation. The expiry of these loss carryforwards will start after 2034.

For distributable profits of subsidiaries, income and withholding taxes arising in connection with the distribution are recognized as deferred tax liabilities if it is either expected that these profits will be subject to corresponding taxation, or it is intended that they will not be permanently reinvested.

As of December 31, 2024, no deferred tax liabilities have been recognized for temporary differences arising from investments in subsidiaries of EUR 3,170 m (2023: EUR 3,490 m).

ams OSRAM is subject to the local statutory provisions on the global minimum tax of 15% in accordance with the Pillar Two rules. The binding national law has been in effect in Austria since December 2023. The regulations have to be applied from December 31, 2023. ams OSRAM applies the mandatory exception under IAS 12 for the recognition and disclosure of information on deferred tax assets and liabilities in connection with Pillar Two.

In accordance with the Pillar Two rules, a jurisdiction-related top-up tax in the amount of the difference between the global minimum tax rate of 15% and the lower effective tax rate has to be levied. For ams OSRAM, the application of Pillar Two results in an actual immaterial tax expense of less than EUR 1 m for 2024.

8. Cash and Cash Equivalents

in EUR million	2024	2023
Bank deposits	1,098	1,146
Valuation allowance	0	0
Cash and cash equivalents	**1,098**	**1,146**

Expected credit losses with respect to deposits with banks are measured using publicly available credit ratings.

9. Trade Receivables

in EUR million	2024	2023
Gross carrying amount of trade receivables	512	488
Valuation allowance	-16	-18
Net carrying amount of trade receivables	**496**	**470**

Loss Allowances

in EUR million	Total	Expected impairment losses	Impairment losses on credit impaired receivables
Balance as of January 1, 2023	**-25**	**-7**	**-19**
Reclassification in assets held for sale	1	1	0
Derecognition of receivables	10	0	10
Change in valuation allowances recorded in the statement of income in the current period	-4	-2	-1
Currency translation and other changes	0	0	0
Balance as of December 31, 2023	**-18**	**-8**	**-10**
Balance as of January 1, 2024	**-18**	**-8**	**-10**
Derecognition of receivables	2	0	2
Change in valuation allowances recorded in the statement of income in the current period	0	2	-2
Currency translation and other changes	0	0	0
Balance as of December 31, 2024	**-16**	**-6**	**-10**

Loss allowances for trade receivables are measured at the lifetime expected credit loss. The expected loss rates were derived from historical information and future expectations. A receivable is deemed defaulted, and an impairment is deemed to have occurred if insolvency proceedings have been initiated against the debtor or if there are other significant reductions in the debtor's ability to pay, which is assumed no later than when the amounts are more than 90 days past due. For trade receivables measured at amortized cost, with a gross carrying amount of EUR 222 m (2023: EUR 353 m), the expected loss allowances are calculated on the basis of credit ratings, which are then used to determine portfolio-specific default rates. Customers are grouped in risk categories with low, moderate, and higher credit risk based on credit ratings provided by external agencies.

Gross Carrying Amount of Trade Receivables Measured Based on Ratings

in EUR million	2024	2023
Risk class 1: low risk	54	71
Risk class 2: moderate risk	127	230
Risk class 3: higher risk	35	40
Risk class 4: insolvent	4	5
Customers without individual rating	2	7
Total	**222**	**353**

For some of the trade receivables measured at amortized cost, with a gross carrying amount of EUR 3 m, the expected loss allowances as of December 31, 2023 were calculated on the basis of default rates derived from historical empirical values and estimated according to how far past due they were.

Trade receivables include receivables with a carrying amount of EUR 291 m (2023: EUR 133 m) that are measured at fair value. These are receivables from customers that are sold on a case-by-case basis to a factoring company in connection with customers' supply-chain financing programs. They are subsequently derecognized. In addition, receivables are sold via two own factoring programs and subsequently derecognized. Some of the risk of late payment by the customer (late payment risk) remains with ams OSRAM. In the context of one program, some of the default risk (10%) also remains with ams OSRAM. The original carrying amount of the receivables sold under the two programs amounted to EUR 13 m (2023: EUR 69 m) as of December 31, 2024. For the default and late payment risks remaining with ams OSRAM, other current financial liabilities in an immaterial amount were recognized as at December 31, 2024 and trade receivables in the same amount continued to be reported. Proceeds from the sale of receivables to factoring companies are reported in the consolidated statement of cash flows under cash flows from operating activities.

Of the trade receivables measured at amortized cost, EUR 17 m was pledged to a bank in connection with government-backed export financing as of December 31, 2024.

The gross carrying amount of trade and other financial receivables is derecognized if, following an appropriate assessment, the Group no longer believes that the financial asset can be fully or partially realized. In general, this is the case particularly when the statute of limitations has elapsed, when a debtor is legally released from the original obligation, or when insolvency proceedings are not initiated for lack of assets.

Trade Receivables by Region

in EUR million	2024	2023
EMEA	142	103
Americas	187	180
Asia / Pacific	167	187
Trade receivables	**496**	**470**

10. Other Current Financial Assets

in EUR million	2024	2023
Derivative financial instruments	8	6
Debit balances of trade payables	4	3
Accrual for financial transaction costs	-	1
Other	37	44
Other current financial assets	**49**	**55**

As of December 31, 2024, the line item Other included receivables in the amount of EUR 12 m (2023: EUR 9 m) in connection with the sale of business units.

11. Inventories

in EUR million	2024	2023
Raw materials and supplies	297	261
Work in progress	248	211
Finished goods and merchandise	260	239
Advances to suppliers	4	5
Inventories	**809**	**716**

As of December 31, 2024, EUR 37 m (2023: EUR 38 m) relate to spare parts and tools, which are reported under raw materials and supplies. Cumulative loss allowances for inventories stood at EUR 199 m as of December 31, 2024 (2023: EUR 191 m).

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on either the first-in-first-out allocation method (FIFO) or the weighted average cost method. The cost of inventories produced comprised an appropriate share of the production overheads based on average production capacity utilization. Raw materials and supplies are recognized at the lower of cost on the basis of average values or the FIFO method and the net realizable value. For certain inventories, this is measured at the replacement price. Work in progress and finished goods are measured at the lower of cost or net realizable value. The net realizable value is calculated based on the expected sales proceeds in the ordinary course of business, less the estimated costs of completion and the expected administrative and selling expenses still to be incurred. The cost of inventories includes all costs incurred in acquiring the item and bringing it to the required condition and location. In the case of finished goods and work in progress, cost comprises the direct cost of materials and production, the directly attributable proportion of materials and production overheads, and production-related depreciation. Fixed cost items are allocated on the basis of an average capacity utilization of the production facilities.

12. Other Current Non-Financial Assets

in EUR million	**2024**	**2023**
Receivables from government grants	152	54
Tax receivables	80	116
Prepaid expenses	22	50
Other	12	10
Other current non-financial assets	**267**	**230**

In the 2024 financial year, receivables from government grants mainly include a claim under the European Chips Act in the amount of EUR 130 m. In the previous year, receivables from government grants mainly included the current portion of the grant from the Malaysian Investment Department Authority (MIDA) and from the IPCEI project ME/KT (Important Project of Common European Interest, Micro-electronics and Communication Technologies, see > Note 24. Government Grants).

13. Property, Plant, and Equipment

in EUR million	Gross carrying amount as of January 1, 2024	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2024	Accumulated depreciation and impairment as of January 31, 2024	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2024	Net book value as of December 31, 2024	Net book value as of January 1, 2024
Land and buildings	690	0	-20	0	433	34	1,136	-423	-30	20	-64	0	-	-12	-508	630	267
Technical machinery and equipment	4,192	108	-298	-25	588	181	4,746	-3,453	-221	290	-303	2	-	-136	-3,821	922	739
Furniture and office equipment	203	7	-34	0	6	5	187	-186	-5	34	-5	0	-	-5	-166	21	18
Advances to suppliers and assets under construction	974	207	-2	0	-1,027	29	181	-1	0	0	-21	0	-	-3	-25	156	973
Property, plant, and equipment	**6,059**	**321**	**-355**	**-25**	**-**	**250**	**6,250**	**-4,062**	**-257**	**344**	**-393**	**3**	**-**	**-155**	**-4,521**	**1,729**	**1,997**

As of December 31, 2024, commitments to purchase fixed assets amounted to EUR 74 m (2023: EUR 152 m). Impairment losses and reversals of impairment losses amounted to EUR 393 m, of which EUR 364 m was attributable to the impairment of microLED assets in the Opto Semiconductors (OS) business unit; the corresponding impairment loss is reported in the consolidated statement of income under microLED adaption expenses (see > Note 5. microLED Adaption Expenses). Other impairments of assets result from the adjustment of production capacities in the OS reporting segment (EUR 15 m), the CSA reporting segment (EUR 2 m), and the L&S reporting segment (EUR 12 m), and are mainly reported under cost of sales. The derecognition of government grants in connection with the adaption of the microLED strategy was recognized as an addition to advance payments and assets under construction (see > Note 24. Government Grants).

in EUR million	Gross carrying amount as of January 1, 2023	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2023	Accumulated depreciation and impairment as of January 1, 2023	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2023	Net book value as of December 31, 2023	Net book value as of January 1, 2023
Land and buildings	813	3	-121	-	13	-17	690	-471	-32	83	-12	-	-	10	-423	267	342
Technical machinery and equipment	4,430	80	-293	-	102	-127	4,192	-3,534	-236	276	-55	-	-	97	-3,453	739	896
Furniture and office equipment	211	15	-20	0	1	-4	203	-201	-9	19	-0	-	-	4	-186	18	10
Advances to suppliers and assets under construction	614	531	-8	0	-116	-48	974	-6	0	5	-0	-	-	0	-1	973	609
Property, plant, and equipment	**6,069**	**630**	**-443**	**0**	**-**	**-196**	**6,059**	**-4,212**	**-276**	**383**	**-68**	**-**	**-**	**111**	**-4,062**	**1,997**	**1,856**

In financial year 2023, impairment losses amounting to EUR 60 m were recorded following the expiration of customer contracts in Singapore. These impairment losses were mainly recognized on technical machinery and equipment in the Opto Semiconductors (OS) business segment and were primarily included in cost of sales.

Property, plant, and equipment is measured at cost less accumulated depreciation and impairment losses and net of government grants. The cost of internally generated property, plant, and equipment includes the cost of materials, direct labor, the directly attributable proportion of production overheads, and borrowing costs for qualifying assets.

Depreciation of property, plant, and equipment is recognized in profit or loss on a straight-line basis over the estimated useful life of the assets. Land is not depreciated. If the cost of certain components of an item of property, plant, and equipment is significant in relation to the total cost of the item, these components are accounted for and depreciated separately. Residual values and useful lives are reviewed annually and, if expectations differ from previous estimates, adjusted accordingly. An impairment test is carried out if there are indications that the recoverable amount of an asset is lower than its carrying amount.

Carrying amounts are based on the following useful lives:

Buildings	10 – 50 years
Technical equipment and machinery	2 – 15 years
Other non-current assets	3 – 5 years

For some rented buildings, there is an obligation to return the building to the lessor in a certain condition at the end of the lease term (asset restoration obligation). The projected cost of such a restoration is recognized as part of the cost of the respective asset and as a provision for the asset restoration obligation. The provision for the asset restoration obligation is measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The unwinding of the discount on the provision due to the passage of time is recognized as a financial expense. Changes in the estimated expenditure result in an adjustment of the amount recognized as part of the cost.

14. Intangible Assets

in EUR million	Gross carrying amount as of January 1, 2024	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2024	Accumulated depreciation and impairment as of January 1, 2024	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2024	Net book value as of December 31, 2024	Net book value as of January 1, 2024
Goodwill	3,076	0	-5	-	-	-1	3,071	-1,590	-	-	-	-	-	-	-1,590	1,481	1,487
Customer base	677	-	-	-	-	15	692	-484	-49	-	-	-	-	-13	-546	146	193
Technology	313	-	-	-	-	0	313	-240	-31	-	-	-	-	-	-270	42	73
Trademarks	234	-	-	-	-	0	234	-6	-1	-	-	-	-	-	-7	226	226
Capitalized development costs	459	58	-15	-	-2	4	505	-220	-29	10	-125	-	0	-3	-367	138	240
Patents, licenses and other rights	147	1	-10	-	2	4	144	-117	-7	8	-2	-	-1	-4	-123	21	30
Intangible assets	**4,906**	**60**	**-30**	**-**	**0**	**22**	**4,958**	**-2,657**	**-116**	**18**	**-127**	**-**	**-1**	**-20**	**-2,904**	**2,054**	**2,249**

The disposals of goodwill in the financial year amounting to EUR 5 m relate to the disposal of the business with passive optical components (see > Note 31. Disposal of Businesses). The impairment of EUR 125 m reported under Capitalized development costs relates to the capitalized development costs incurred as part of the microLED adaption (see > Note 5. microLED Adaption Expenses).

in EUR million	Gross carrying amount as of January 1, 2023	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2023	Accumulated depreciation and impairment as of January 1, 2023	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2023	Net book value as of December 31, 2023	Net book value as of January 1, 2023
Goodwill	3,099	-	-16	-1	-	-6	3,076	-277	-	10	-1,323	1	-	-	-1,590	1,487	2,821
Customer base	677	-	-	-	-	0	677	-398	-86	-	-	-	-	0	-484	193	279
Technology	317	-	-4	-	-	0	313	-212	-28	-	-	-	-	-	-240	73	105
Trademarks	234	-	-	-	-	-	234	-4	-2	-	-	-	-	-	-7	227	229
Capitalized development costs	349	109	-0	-	-	2	459	-171	-24	0	-23	-	-	-2	-220	240	177
Patents, licenses and other rights	150	4	-3	-	-	-4	147	-117	-6	2	0	-	-	3	-117	30	33
Intangible assets	**4,825**	**113**	**-23**	**-1**	**-**	**-8**	**4,906**	**-1,180**	**-146**	**12**	**-1,347**	**1**	**-**	**2**	**-2,657**	**2,249**	**3,645**

Intangible assets acquired by the Group are recognized at cost less amortization and impairment losses. Goodwill and trademarks arising from business combinations are measured at cost less accumulated impairment losses.

Development expenses are capitalized from the date on which the technical and commercial feasibility of the asset for sale or use has been established. This assessment is subject to judgment and estimation uncertainties. The Group has around 70 projects for which development expenses have been capitalized, some of which are still under development, while others are already in use. The carrying amount of projects still under development is EUR 43 m (2023: EUR 180 m).

One of ams OSRAM's largest development projects, which accounted for around three quarters of the carrying amount of capitalized development expenses at the start of the 2024 financial year, relates to the development of microLED technology and the associated production process. The customer cancellation of the key microLED project in February 2024 led to a full impairment of the development costs of that project in the amount of EUR 125 m (see > Note 5. microLED Adaption Expenses).

Another project relates to automotive lighting using intelligent multi-pixel LEDs. As of the reporting date, the project had a carrying amount of EUR 41 m and a remaining useful life of ten years.

Amortization of intangible assets – with the exception of assets with indefinite useful life and goodwill – is recognized in profit and loss on a straight-line basis over the estimated useful life of the assets. Amortization and depreciation is included in the line item Cost of sales in the consolidated statement of income. As a general rule, the following useful lives are assumed:

Patents, licenses, and software	3 – 5 years
Customer base	5 – 15 years
Technology	5 – 10 years
Capitalized development costs	3 – 10 years

Trademarks are assumed to have an indefinite useful life. The long-term protection of trademarks is an important aspect of the brand strategy for successful differentiation in the market. Brand names are also closely linked to the continued existence of Group companies.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at each balance sheet date or more frequently if there are indications that the recoverable amount of the assets could be lower than their carrying amount. For this purpose, the assets are combined into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets (cash-generating unit). When assessing the recoverability of intangible assets under development, the expected marketability (which is affected by technological changes and competitive pressure, among other factors) and the applicability of the knowledge gained to internal process improvements in particular are associated with increased estimation uncertainties.

Goodwill and Trademarks with Indefinite Useful Lives
Goodwill is allocated to a CGU or a group of CGUs if it is expected to benefit from the synergies of the acquisition. The business units represent the CGUs or groups of CGUs for the consolidated ams OSRAM Group, at which level goodwill is monitored by the Management Board.

For purposes of impairment testing, goodwill and trademarks with indefinite useful lives are allocated as follows:

in EUR million	2024	
	Goodwill	Trademarks
Opto Semiconductors (OS)	993	158
CMOS Sensors and ASICs (CSA)	147	-
Lamps & Systems (L&S)	341	68
Total	**1,481**	**226**

	2023	
	Goodwill	Trademarks
Opto Semiconductors (OS)	997	158
Image Sensor Solutions (ISS)	149	-
Advanced Optical Sensors (AOS)	-	-
Lamps & Systems (L&S)	341	68
Total	**1,487**	**226**

At the beginning of the reporting period, the previously separate BUs AOS and ISS were combined into one BU (CSA - CMOS Sensors and ASICs) for the business with sensors and analog mixed-signal chips in order to better harness the innovative strength and bundle overall responsibility. The goodwill of these BUs is now monitored at BU CSA level and amounts to EUR 149 m.

The recoverable amount of the respective cash generating unit (CGU) or group of CGUs is determined on the basis of the discounted cash flow method. An impairment test was carried out during the fourth quarter of the 2024 financial year for all CGUs and groups of CGUs at the level of which goodwill is monitored. Moreover, at each reporting date, an assessment is made to determine whether there is any indication of impairment. This assessment is based on external factors such as market environment, market interest rates and yields, and market capitalization, as well as internal factors such as obsolescence, damages, discontinuation, or possibilities of alternative uses.

At the end of February 2024, ams OSRAM identified a potential impairment indicator for the BU OS after a key project of the microLED strategy had been discontinued.

The business plan was revised as part of the adaption of the microLED activities. Property, plant and equipment and intangible assets that had no further use within the Group were tested for impairment (see > Note 5. microLED Adaption Expenses), and an impairment test was carried out for the goodwill of BU OS as at March 31, 2024. This impairment test did not identify any need for impairment losses to be recognized.

The impairment tests carried out in the fourth quarter of 2024 for all BUs revealed no need to recognize further impairment losses. The recoverable amount is determined based on the higher of value in use and fair value less costs to sell. The recoverable amount of all BUs was determined using the fair value less costs to sell. The calculations were based on the discounted cash flow method. The measurement based on fair value less costs to sell is classified as level 3 of the IFRS 13 measurement hierarchy. The discounted cash flows are based on five-year forecasts.

The key assumptions used for determining the recoverable amount were the expected sales revenues and EBITDA margins that are used as the basis for business planning, the growth rates pertaining to the detail and perpetuity phase, which are driven in particular by market trends and potential, technological trends, and expected sales prices, and finally the discount rates. The values of the assumptions are based on past experience, and take into account external inflation and market growth expectations, as well as macroeconomic data and industry-specific trends.

Sales revenue is budgeted taking regional circumstances and customer information into account. In this context, possible future price reductions, which are typical for the semiconductor sector in particular, are also factored in. Planning also accounts for factory utilization and capacities. Based on current market expectations and the resulting corporate planning, the growth rates of the detailed planning phase of the BUs CSA and OS are significantly higher than the assumed terminal value growth rate. Direct costs are planned on the basis of these sales, taking into account expected inflation and price developments for cost of materials. The operating costs take into account the expected personnel development and salary trends.

The calculation was based on a planning period up to 2029; the positive cash flow for the subsequent planning period is regarded as sustainable and serves as the basis for calculating the present value of a perpetuity. BU-specific growth rates were used to extrapolate the cash flows in the perpetuity. These growth rates are based, among other things, on long-term inflation expectations for the countries relevant to sales. The discount rates were determined on the basis of BU-specific weighted average costs of capital (WACC), assuming a market yield of 9.25%.
The assumptions regarding growth rate and discount rate for determining the recoverable amount were as follows:

Valuation Parameters (Perpetuity Growth Rate; Pre-tax Discount Rate)

	2024	
	Perpetuity growth rate	Discount rate
CMOS Sensors and ASICs (CSA)	1.2%	14.0%
Opto Semiconductors (OS)	1.4%	12.1%
Lampen & Systeme (L&S)	1.1%	13.5%

	2023	
	Perpetuity growth rate	Discount rate
Advanced Optical Sensors (AOS)	1.2%	11.5%
Image Sensor Solutions (ISS)	1.3%	14.1%
Opto Semiconductors (OS)	1.3%	12.3%
Lampen & Systeme (L&S)	1.0%	14.8%

A reasonably possible change in the key assumptions regarding the discount rate and the long-term EBITDA margin could have the effect that the carrying amount of the BU OS exceeds its recoverable amount: The recoverable amount of the BU OS exceeds its carrying amount by EUR 288 m. The underlying discount rate is 12.1% and the underlying long-term EBITDA margin stands at 25.8%. An increase in the discount rate by 1.0% or a decrease of the long-term EBITDA margin by 2.6% would result in a carrying amount that approximates the recoverable amount.

15. Right-of-Use Assets

in EUR million	Gross carrying amount as of January 1, 2024	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2024	Accumulated depreciation and impairment as of January 1, 2024	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2024	Net book value as of December 31, 2024	Net book value as of January 1, 2024
Land and buildings	324	11	-34	-	-	12	314	-131	-32	25	-6	-	-	-5	-150	164	193
Technical machinery and equipment	33	9	-1	-	-	3	44	-18	-6	0	-1	-	-	-2	-26	18	15
Furniture and office equipment	14	4	-3	-	-	0	15	-7	-4	3	-1	-	-	0	-8	6	7
Right-of-use assets	**372**	**24**	**-38**	**-**	**-**	**15**	**373**	**-157**	**-42**	**28**	**-7**	**-**	**-**	**-7**	**-184**	**189**	**215**

Disposal with a carrying amount of EUR 3 m reported under Land and buildings concern the sale of the business with passive optical components (see > Note 31. Disposals of Business Activities)

in EUR million	Gross carrying amount as of January 1, 2023	Additions	Retirements	Reclassification in assets held for sale	Reclassifications	Translation differences	Gross carrying amount as of December 31, 2023	Accumulated depreciation and impairment as of January 1, 2023	Additions	Retirements	Impairment Losses	Reclassification in assets held for sale	Reclassifications	Translation differences	Accumulated depreciation and impairment as of December 31, 2023	Net book value as of December 31, 2023	Net book value as of January 1, 2023
Land and buildings	350	37	-54	-	-	-9	324	-141	-42	48	-1	-	-	3	-131	193	209
Technical machinery and equipment	30	6	-1	-	-	-2	33	-17	-5	3	-	-	-	1	-18	15	13
Furniture and office equipment	15	4	-5	-	-	0	14	-7	-4	4	-	-	-	0	-7	7	8
Right-of-use assets	**395**	**47**	**-60**	**-**	**-**	**-11**	**372**	**-165**	**-50**	**55**	**-1**	**-**	**-**	**4**	**-157**	**215**	**230**

Expenses Related to Lease Contracts

in EUR million	2024	2023
Rental expenses for short-term leases	4	7
Rental expenses for low-value leases	2	2
Interest expense	9	8
Variable lease expenses	6	0
Expenses related to lease accounting	**21**	**18**

In the 2024 financial year, variable lease expenses of EUR 6 m were incurred in connection with rental agreements concerning factory buildings in Wuxi (China). Variable rental expenses of a similar amount are expected for the 2025 financial year.

16. Investments in Associates

Investments in associates are accounted for using the equity method, with the acquisition costs of the investment being adjusted by the pro rata profit or loss of the associate.

An impairment loss is recognized if there are objective indications of impairment and the recoverable amount of the investment is lower than the carrying amount. Impairment losses are recognized through the statement of income as a loss. If the recoverable amount subsequently increases, the impairment loss is reversed.

in EUR million	2024	2023
Share of profit (loss) from associates	-6	-7
Reversals of impairments/impairments	-1	-17
Result from investments accounted for using the equity method	**-7**	**-24**

The carrying amount of the equity-accounted associates amounted to EUR 4 m (2023: EUR 11 m) as of December 31, 2024.

Summarized financial information of Sciosense Holding B.V.

in EUR million	2024	2023
Reporting date	09/30/2024	09/30/2023
Share of profit and loss	45.22%	45.22%
Current assets	19	26
Non-current assets	80	81
Current liabilities	12	12
Non-current liabilities	9	6
Net assets (100%)	**78**	**89**
Group share of net assets	35	40
Proportionate result	-5	-4
Accumulated impairment losses	-29	-29
Carrying amount of the share in the company	**2**	**7**
Net sales	19	21
Result after taxes	-11	-10
Total comprehensive income	**-11**	**-10**
Dividends received	0	0

The Group holds a share of 45.22% in Sciosense Holding B.V., Amsterdam (Netherlands), via a direct shareholding of 22.15% and indirectly via Jinan Smart Sensing Sensor Co. Ltd, Ji'nan (China), in which ams OSRAM holds a share of 49.00%. Sciosense Holding B.V. is the parent company of the operating units, which offer environmental, flow and pressure sensor solutions.

In December 2024, ams OSRAM and other shareholders of Sciosense Holding B.V. entered into an agreement to merge the company with another company in the same industry. As a result, ams OSRAM would become a shareholder of the new combined company. As the structure of the transaction had not yet been finalized as of December 31, 2024, there is no accounting impact.

agrilution GmbH, in which ams OSRAM held a share of 18.7%, was liquidated in the reporting period. ams OSRAM's shareholding in the company had already been fully impaired in previous periods. In addition, Blickfeld GmbH, in which ams OSRAM held a 9.4% share, was also liquidated in the 2024 financial year. In the course of the disposal, an impairment loss of EUR 1 m was recognized in 2024 financial year.

Other investments in associates account for an immaterial share of the total carrying amount of investments in associates and of the total result from associates.

17. Other Non-current Financial Assets

in EUR million	2024	2023
Financial investments	20	22
Options for early repayment of bonds	22	45
Other	16	10
Other non-current financial assets	**58**	**77**

The financial investments relate to strategic equity investments that do not give rise to significant influence or control. They comprise investments in Recogni, Inc. in the amount of EUR 15 m (2023: EUR 15 m), SiLC Technologies Inc. in the amount of EUR 3 m (2023: EUR 3 m) and LeddarTech Inc. in the amount of EUR 2 m (2023: EUR 3 m).

Upon initial recognition of an equity investment that is not held for trading, there is an irrevocable option to recognize subsequent changes in fair value through other comprehensive income. This option is exercised on a case-by-case basis for each investment. The decision on whether to classify an equity instrument as at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) is made on the basis of an individual assessment of each single investment. FVOCI is generally chosen for transactions of particular strategic significance. As of December 31, 2024, all equity investments were accounted for at fair value through other comprehensive income (FVOCI). The shares in investment funds held by ams OSRAM do not represent equity instruments within the meaning of IFRS 9 due to their contractual terms. Therefore, the option described above does not apply to these shares, and they are measured at fair value through profit or loss (FVTPL).

As of December 31, 2024, the line item Other included a rent deposit in the amount of EUR 6 m (2023: EUR 5 m) in connection with the sale and leaseback financing of the main and adjacent buildings of the 8-inch semiconductor plant in Kulim (Malaysia) (see > Note 21. Other Financial Liabilities).

18. Deferred Tax Assets and Deferred Tax Liabilities

in EUR million	2024			2023		
	Net	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets, property, plant, and equipment and other non-current assets	-114	52	-166	-173	29	-203
Other current receivables and assets	-8	28	-36	5	31	-26
Inventories	26	27	-1	25	25	0
Employee benefits	34	34	0	52	52	0
Current provisions	15	16	-1	24	27	-3
Liabilities	9	29	-20	14	35	-21
Tax losses and tax credit carried forward	69	69	0	69	69	0
Other	-3	0	-3	-1	4	-5
Deferred taxes	**28**	**255**	**-227**	**14**	**272**	**-258**
Netting		-181	181		-200	200
Item in the statement of financial position	**28**	**74**	**-46**	**14**	**72**	**-58**

Deferred tax assets for tax loss carryforwards, mainly relate to ams-OSRAM AG (Austria), ams Offer GmbH (Germany), ams-OSRAM, USA Inc., and ams-OSRAM Asia Pacific Pte. Ltd. (Singapore).

In Austria and Germany, tax losses can be carried forward indefinitely and can be offset against a maximum of 75% of the current taxable profit in Austria and 60% in Germany (as a general rule). For the period 2024-2027, however, 70% of current taxable profit can be offset against tax loss carryforwards for corporation tax in Germany.

ams OSRAM assumes that sufficient positive taxable income from deferred tax assets on temporary differences and tax loss carryforwards and recognized tax credits will be available due to existing taxable differences and future business activities. In this context, deferred tax assets of EUR 3 m (2023: EUR 5 m) have been recognized for entities that generated a loss in the current period or in the prior period. As of 2024, a new corporation tax rates applies in Austria (currently 23%, 2023: 24%). This new tax rate had already been taken into account in the measurement of deferred taxes in the previous year.

Future changes in tax laws and regulations, as well as their interpretation, and other changes in tax systems could materially affect the existing tax assets and liabilities, as well as the deferred tax assets and liabilities. This could result in a higher expense for direct and indirect taxes, as well as higher tax payments. In addition, uncertainty in the tax environment of some regions could limit the ability to enforce ams OSRAM's rights.

Within the ams OSRAM Group some entities have not yet been finally assessed by the tax audit for several years. ams OSRAM recognizes appropriate provisions for those outstanding assessment periods considering numerous factors, including interpretations of tax law and past experience.

The distribution of dividends by ams-OSRAM AG, Austria, to its shareholders has no income tax-related consequences for the distributing company.

19. Other Non-Current Non-Financial Assets

in EUR million	2024	2023
Overfunding of pension plans	24	19
Deferred compensation assets	13	11
Receivables from government grants	3	113
Prepaid expenses	2	1
Other	11	17
Other non-current non-financial assets	**52**	**160**

Refer to > Note 24. Government Grants for details on the changes in receivables from government grants.

Refer to > Note 25. Employee Benefits for more information on the development of funding surplus of pension plans.

20. Interest-bearing Loans and Borrowings

in EUR million	Current		Non-current	
	2024	2023	2024	2023
Bank loans	50	271	116	23
Promissory notes	-	51	10	10
Convertible bond	445	-	691	1,105
Bonds	-	-	1,199	998
Interest-bearing loans and borrowings	**495**	**322**	**2,016**	**2,136**

Repayments, Interest Rates, and Terms

December 31, 2024 in EUR million	Effective interest rate	Carrying amount	Expected cash flow	0-1 year	2-5 years	More than 5 years
Bank loans (R&D loans)						
EUR – fixed rate	1.26%	25	26	10	15	0
Bank liabilities (export credits)						
EUR – floating rate	3.92%	40	42	42	-	-
Other bank loans						
EUR – fixed rate	6.23%	100	110	6	104	-
Promissory note						
EUR – fixed rate	2.05%	10	10	0	10	-
Convertible bond						
EUR – fixed rate (EUR 600 million)	2.11%	445	447	447	-	-
EUR – fixed rate (EUR 760 million)	5.42%	691	808	16	791	-
Bonds						
USD – fixed rate (USD 400 million)	13.78%	379	557	45	512	-
EUR – fixed rate (EUR 625 million)	11.81%	615	908	67	841	-
EUR – fixed rate (EUR 200 million)	11.42%	206	290	21	269	-
Interest-bearing loans and borrowings		**2,511**	**3,198**	**654**	**2,543**	**0**

December 31, 2023 in EUR million	Effective interest rate	Carrying amount	Expected cash flow	0-1 year	2-5 years	More than 5 years
Bank loans (R&D loans)						
EUR – fixed rate	0.92%	30	30	7	23	-
Other bank loans						
EUR – fixed rate	4.25%	164	170	170	-	-
EUR – floating rate	7.78%	100	104	104	-	-
Promissory note						
EUR – fixed rate	1.68%	56	57	47	10	-
EUR – floating rate	5.74%	6	6	6	-	-
Convertible bond						
EUR – fixed rate (EUR 600 million)	2.11%	436	447	-	447	-
EUR – fixed rate (EUR 760 million)	5.42%	669	824	16	808	-
Bonds						
USD – fixed rate (USD 400 million)	13.78%	368	604	45	182	377
EUR – fixed rate (EUR 625 million)	11.81%	630	974	67	266	641
Interest-bearing loans and borrowings		**2,458**	**3,217**	**462**	**1,736**	**1,018**

On February 26, 2018, ams-OSRAM AG issued a convertible bond with a nominal amount of EUR 600 m. The nominal amount still outstanding following the repurchases thereof in earlier financial years stood at EUR 447 m as of December 31, 2024 (2023: EUR 447 m). The term of the bond is seven years. The holders of the convertible bond have the right to convert the bond into a total of 1,028,541 ordinary shares at any time (conversion price: EUR 434.9850 per share). This option constituted equity in the amount of its fair value of EUR 82 m at the time of issue and will not be measured subsequently. No bonds had been converted by December 31, 2024.

On November 3, 2020, ams-OSRAM AG issued a convertible bond with a nominal amount of EUR 760 m. The term of the bond is seven years. The holders of the convertible bond have the right to convert the bond into a total of 5,292,405 ordinary shares at any time (conversion price: EUR 143.6020 per share). This option constitutes equity at a fair value of EUR 151 m at the time of issue and will not be measured subsequently. No bonds had been converted by December 31, 2024.

On November 30, 2023, ams-OSRAM AG issued two bonds: a bond denominated in euros with a nominal volume of EUR 625 m and a bond denominated in U.S. dollars with a nominal volume of USD 400 m. The proceeds from the issuance before transaction costs amounted to EUR 619 m and USD 396 m, respectively. The interest payable is 10.50% p.a. for the euro tranche and 12.25% p.a. for the U.S. dollar tranche. The maturity date for both tranches is March 30, 2029.

The proceeds were used to repay the bonds issued in July 2020 with a nominal volume of EUR 850 m and USD 450 m, for which a total of EUR 1,288 m was paid.

The EUR bond issued in November 2023 with a nominal volume of EUR 625 m was increased by a nominal volume of EUR 200 m on September 20, 2024 as part of a private placement, meaning that EUR bonds with a total nominal volume of EUR 825 m were outstanding as of the balance sheet date of December 31, 2024. The issue proceeds from the private placement amounted to EUR 201 m before transaction costs. The interest payable is 10.50% p.a. with a maturity date of March 30, 2029. The bonds issued in November 2023 and September 2024 contain an option allowing ams OSRAM to redeem them early, at the earliest on March 30, 2026, at contractually agreed redemption prices. These options represent embedded derivatives whose positive fair values were recognized as other non-current financial assets with no effect on profit or loss at the time the bonds were issued, combined with an increase in the carrying amounts of the bonds in the same amount. This adjustment to the carrying amount of the bonds is amortized as income in the net financial result on a straight-line basis over the term of the bonds. The embedded derivatives are subsequently measured at fair value through profit or loss.

As of December 31, 2024, the credit facilities drawn down from banks amounted to EUR 244 m (2023: EUR 264 m). The credit facilities include standard market covenants according to which the ratio of net financial debt to adjusted EBITDA (as defined in each case) in the 2025 financial year may not exceed 4.25:1 as of March 31, 2025, and 4.00:1 as of June 30, 2025 and thereafter. Of this amount, EUR 100 m (2023: EUR 264 m) was attributable to loans paid out in cash and EUR 144 m (USD 150 m) to bank guarantees. If this ratio, which is reviewed on a quarterly basis, is exceeded, the banks are generally entitled to terminate the agreement. If the majority of banks do not waive their right of termination, lenders under the other financing agreements also have a right of termination (pari passu).

Risk of Change of Interest Rates from Interest-bearing Loans

in EUR million	Current		Non-current	
	2024	2023	2024	2023
Fixed rate loans and borrowings	455	217	2,016	2,136
Floating rate loans and borrowings	40	105	-	-
Interest-bearing loans and borrowings	**495**	**322**	**2,016**	**2,136**

	2024		2023	
Impact on Consolidated Statement of Income	**+100 BP**	**-100 BP**	**+100 BP**	**-100 BP**
Floating rate loans	0	0	-1	1

21. Other Financial Liabilities

in EUR million	Current		Non-current	
	2024	2023	2024	2023
Obligation to acquire the non-controlling interests in OSRAM Licht AG	585	611	-	-
Liability from a sale and leaseback financing transaction	-	-	441	384
Liabilities from a supply chain financing program	112	191	-	-
Refund liabilities toward customers	89	84	-	-
Obligation from dividends and interest guaranteed to shareholders of OSRAM Licht AG	78	30	-	29
Lease liabilities	42	43	140	166
Accrued interest	38	14	-	-
Derivative financial instruments	16	16	-	-
Credit balances on trade receivables	7	9	-	-
Other	34	22	6	-
Other financial liabilities	**1,001**	**1,021**	**587**	**580**

A domination and profit and loss transfer agreement was entered into by OSRAM and ams Offer GmbH (ams) on September 22, 2020, amended on November 2, 2020, approved by the Extraordinary General Meeting of OSRAM Licht AG on November 3, 2020, and entered in the commercial register on March 3, 2021. On the basis of this agreement, there is a time-limited obligation to acquire the OSRAM shares of any outside OSRAM shareholder, upon request by such shareholder, in return for a cash settlement of EUR 45.54 per OSRAM share (plus pro-rata interest of five percentage points above the applicable benchmark figure, net of any dividends recognized). The shares held by these shareholders are therefore recognized in other liabilities rather than in non-controlling interests. The non-controlling shareholders will be granted a guaranteed compensation payment of EUR 2.57 (gross) or EUR 2.24 (net) per year starting from financial year 2021 (reduced pro-rata in short financial years) until the OSRAM shareholders have exercised their right to sell the shares. In principle, the obligation to acquire OSRAM shares ends two months after the day on which the entry in the commercial register of the existence of the domination and profit and loss transfer agreement was announced. Owing to legal objections relating to the domination and profit and loss transfer agreement raised by 71 non-controlling shareholders of OSRAM Licht AG up to the end of July 2021, ams OSRAM has an obligation to acquire OSRAM shares at the specified price and to pay the guaranteed annual compensation payment until the proceedings have ended. A liability was recognized against capital reserves for compensation payments (including interest) until the expected conclusion of the proceedings in the second half of the 2025 financial year. In financial year 2024, 553,653 shares of OSRAM Licht AG were acquired, which resulted in a EUR 25 m decline in the liability.

On October 30, 2023, ams OSRAM entered into a sale and leaseback transaction with gross proceeds of EUR 391 m. The transaction involves the main and adjacent buildings of the newly constructed 8-inch semiconductor plant in Kulim (Malaysia) and was entered into on December 15, 2023. The contractual term is ten years. The transaction does not meet the criteria of a true sale in accordance with IFRS 15. The buildings will therefore continue to be recognized as property, plant, and equipment in accordance with IAS 16 (the building with a carrying amount of EUR 405 m as of December 31, 2024, serves as collateral for the investors as part of the underlying financing transaction). On the liabilities side, a financial liability was recognized in accordance with IFRS 9 in the amount of the present value of the future payments, which is subsequently measured at amortized cost using the effective interest method. As of December 31, 2023, a total of EUR 382 m had been received. The remaining amount of EUR 10 million was paid in January 2024 as contractually agreed.

The utilization of a supply chain financing program in the amount of EUR 112 m led to the derecognition of the original trade payables and the recognition of other financial liabilities to the payment service provider. The program comprises liabilities denominated in euros and US dollars. As of December 31, 2024, the program has a maximum volume of EUR 90 m and USD 55 m. The use of the supply chain financing program extends the original payment terms for ams OSRAM by 60 days. However, termination of the supply chain financing program by the payment service provider for an extraordinary reason may result in the liability to the payment service provider becoming due immediately. Payment terms for suppliers are normally between 45 and 90 days. The payment service provider makes a payment of the original trade payables, which are then extinguished. The payments made by ams OSRAM to the payment service provider are reported in the consolidated statement of cash flows as part of operating activities.

The item Other includes prepayments from a customer, of which EUR 19 m relate to the procurement of further assets (of which EUR 6 m are non-current) and EUR 4 m to relocation services for assets to be sold to the customer (see also > Note 13. Property, Plant and Equipment).

22. Provisions

for the financial year ending December 31, 2024 in EUR million	Warranties	Order-related losses and risks	Other personnel	Other	Total
Balance at the beginning of the financial year	22	8	150	99	278
Additions	9	2	120	91	222
Usage	-13	-1	-118	-59	-191
Reversals	-1	-2	-18	-8	-30
Foreign currency translation effects	0	0	0	6	6
Other changes	-1	0	1	0	0
Balance at the end of the financial year	**16**	**6**	**135**	**129**	**286**
therein non-current	2	-	6	50	58

Warranties
Provisions for warranties are recognized for warranty claims asserted by customers.

EBV Elektronik SAS vs. ams-OSRAM International GmbH
On January 20, 2016, ams-OSRAM International GmbH (AOI) was joined in the case pending before the commercial court in Nanterre (France), between EBV Elektronik SAS (EBV) and Société Provence D'Electronique et Cabelage (SPEC) by means of an action in warranty. SPEC is suing EBV for damages relating to the supply of allegedly faulty AOI LEDs in SPEC passenger information boards. EBV brought AOI into the action in order to seek recourse from AOI as the supplier of the allegedly defective products. Following the clarification of preliminary procedural issues, the commercial court in Nanterre was declared as the court competent to hear the case.

In its pronouncement of the judgment/ruling on February 26, 2020, the commercial court ordered that technical and financial expert proceedings shall take place. These proceedings have been pending since May 2020.

In accordance with IAS 37.92, no further information will be disclosed with respect to the aforementioned matters, as ams OSRAM believes that such disclosure could seriously prejudice the outcome of the litigation in question.

ams OSRAM was named as a defendant in various legal disputes and proceedings in connection with its business activities. Some of the legal actions include claims for indeterminate amounts of damages and/or punitive damages claims. In light of the number of legal disputes and other proceedings in which ams OSRAM is involved, there is a possibility that some of these proceedings could result in decisions against ams OSRAM that may have a considerable effect on ams OSRAM's net assets, financial position, and results of operations. In these cases, a provision is recognized only to the extent that ams OSRAM considers it probable that the legal dispute will result in a future payment obligation.

Order-related Losses and Risks
Provisions for order-related losses and risks relate to contracts with customers concerning the development of certain products in which the expected revenue is lower than the necessary costs.

Other Personnel Provisions
Significant amounts of the provisions for other personnel expenses primarily include variable salary components and employee bonuses due within 12 months after the reporting date of EUR 77 m (2023: EUR 87 m) as well as restructuring measures of EUR 18 m (2023: EUR 20 m).

Other Provisions
Other provisions relate mainly to obligations in connection with restructuring measures of EUR 25 m (2023: EUR 22 m) and in connection with the adaption of the microLED strategy largely for open orders placed for fixed and current assets, cancellation fees and contract terminations in the amount of EUR 48 m (see > Note 5. microLED Adaption Expenses). In addition, the item includes provisions for impending losses on the disposal of assets in the amount of EUR 13 m (see > Note 31. Disposal of Business Activities, Assets Classified as Held for Sale), restoration obligations in the amount of EUR 15 m (2023: EUR 14 m), which have a high non-current portion, and outstanding invoices in the amount of EUR 8 m (2023: EUR 27 m).

23 Other Non-Financial Liabilities

in EUR million	Current		Non-Current	
	2024	2023	2024	2023
Customer prepayments	-	-	224	-
Employee related liabilities	73	73	43	44
Liabilities from precious metal lending transactions	70	52	-	-
Accrued vacation days	28	26	-	-
Deferred revenue	13	20	-	-
Liabilities from share-based payments	-	17	-	-
Other	90	51	29	35
Other non-financial liabilities	**274**	**238**	**296**	**79**

The 'Customer prepayments' line item refers to a one-off, non-interest-bearing advance payment of USD 250 m made in connection with an agreement with a customer for the delivery of customer-specific products. The liability of EUR 224 m reported for the customer prepayment represents a contract liability from performance obligations not yet fulfilled in accordance with IFRS 15, for which revenue is expected in the same amount. This is a non-monetary liability that is translated from USD to EUR at the transaction rate and is therefore not measured in foreign currency as of the reporting dates. The revenue with which the contractual liability is to be settled is expected in the financial years 2026 (EUR 90 m), 2027 (EUR 90 m) and 2028 (EUR 44 m). In the event that future revenue from the products is not sufficient to repay the prepayment, the customer has the option of offsetting it against deliveries of other products to the customer or having it repaid in the form of a cash payment from ams OSRAM to the customer. In the consolidated statement of cash flows, the customer prepayment is reported under cash flows from operating activities, as it is directly related to products to be delivered as part of operating activities and therefore represents a prepaid consideration for future product deliveries.

Liabilities arising under precious metal lending transactions represent a non-financial benefit-in-kind obligation. They are recognized at the average acquisition costs of the inventories capitalized as part of the lending transaction. If the benefit-in-kind obligation exceeds the precious metal inventories, this excess is measured at the market price as of the reporting date.

The 'Other' line item includes advance payments from a customer amounting to EUR 25 m as part of a contract for the sale of assets (see also > Note 31. Disposals of Business Activities; Assets Classified as Held for Sale).

24. Government Grants

in EUR million	2024	2023
European Chips Act funding	130	0
Project-related research funding	81	195
R&D premium	23	25
Other funding	2	0
Total government grants	**237**	**220**
Of which reduction of acquisition costs of subsidized assets	132	168
Of which offset against the respective expense items	103	50
Of which recognized in other operating income	2	2

Grants for the acquisition or production of non-current assets and capitalized development costs are generally recognized as a reduction of the cost of the assets concerned and reduce future depreciation and amortization. Grants related to expenses are recognized in the statement of income in the corresponding expense item as the subsidized expenses are incurred. Government assistance without a specific relation to projects or types of costs is recorded as other operating income.

Government grants are recognized when there is reasonable assurance that the conditions attached to the grants will be complied with and that the grants will actually be received. Depending on the type of government grant, the reasonable assurance required for recognition generally arises through the approval of grant applications as well as by way of current and future fulfillment of the conditions set out in the approval. With regard to the factors taken into account to assess the reasonable assurance of fulfilling future conditions for the grant, please refer to the information on the main judgments in > Note 1. General Principles.

European Chips Act

In the 2023 financial year ams OSRAM submitted an application for funding under the European Commission's European Chips Act. The European Chips Act is a European package of measures designed to strengthen Europe's competitiveness, resilience and technological leadership in semiconductor technologies and applications, thus contributing to the realization of its digital and ecological transformation. ams OSRAM intends to use the funding to build a first-of-a-kind (FOAK) semiconductor production facility in Premstaetten (Austria), enabling the future mass production of next-generation semiconductors and integrated sensors in Europe. The project is being implemented using national funds, which are earmarked in Austria until 2031. At national level, the FOAK project was already successfully pre-authorized by the Austrian Federal Ministry of Labor and Economy (BMAW) in December 2024, and the BMAW was invited for authorization by the European Commission, which was successfully completed in the first quarter of 2025.

The funding is calculated on the basis of the eligible costs incurred (EUR 255 m until the end of the 2024 financial year) and the funding rate calculated in the funding application. By the end of the 2024 financial year, this resulted in entitlements to grants amounting to EUR 130 m, which are recognized as a reduction in acquisition costs (reduction in property, plant and equipment). The claim against the funding provider is shown under non-financial receivables (see Note > 12. Other Current Non-Financial Assets).

IPCEI

Since the beginning of financial year 2023, ams OSRAM has participated in the IPCEI ME/CT project (Important Project of Common European Interest, Microelectronics and Communication Technologies).

A major prerequisite for receiving the public funding is the development of sustainable, innovative microelectronics and communication technologies and bringing these to market maturity at the Regensburg site and in the European Union.

The eligible costs amounted to around EUR 143 m in financial year 2024 (2023: EUR 111 m). Multiplied by the funding rate approved by the German Federal Ministry of Economic Affairs and Climate Action, ams OSRAM recognized grants of EUR 58 m in 2024 (2023: EUR 46 m). They have been completely recognized as a reduction in expenses (research and development expenses). In 2023, EUR 24 m was recognized as a reduction in expenses (research and development expenses) and EUR 22 m as a reduction in acquisition costs (reduction in capitalized development costs). In financial year 2024, grants of EUR 75 m (2023: EUR 33 m) had already been paid to ams OSRAM; the difference was reported under non-financial receivables (> 12. Other Current Non-Financial Assets). In addition to the development and production of innovative microelectronics in the European Economic Area and in Switzerland, the payment is essentially linked to the project's profitability. If the project is more profitable than previously assumed or if the funding provider believes that other funding conditions are not met, amounts already paid out can be fully or partially reclaimed. After the key microLED project was canceled by a customer in February 2024, intensive discussions were held with the funding authorities. The amounts recorded from the IPCEI program were evaluated with regard to compliance with the funding conditions in view of the change in the microLED strategy, resulting in the conclusion that the conditions are still being complied with and that funding will continue to be recorded accordingly.

MIDA

In financial year 2023, ams OSRAM entered into a funding agreement with the Malaysian Investment Department Authority (MIDA) in relation to the 8-inch microLED production facility in Kulim (Malaysia). The agreement is essentially for funding investments in buildings and technical equipment. Funding is also used for development activities and establishing high-tech workstations. The main prerequisite for receiving the funding amounts is that certain investment targets in the above-mentioned areas are achieved. In the 2023 financial year, the eligible investments of EUR 811 m made to date were reduced by the calculated funding of EUR 143 m and this amount was presented as a non-financial receivable from the Malaysian Investment Department Authority. No payment was made in 2023. Due to the cancellation of the key microLED project in February 2024 and the resulting adjustment to the microLED strategy, the previously recognized reductions from the acquisition costs in the full amount of EUR 143 m were derecognized against the receivable in the 2024 financial year. As depreciation had not started up to that point, there was no impact on the income statement. Discussions with the Malaysian Investment Department Authority regarding the amended microLED strategy are ongoing and had not yet been concluded in the 2024 financial year.

25. Employee Benefits

At ams OSRAM, almost all employees in Germany and many employees in other countries have defined benefit and/or defined contribution pension entitlements based on contractual arrangements and statutory requirements. ams OSRAM regularly reviews the design of the pension plans, which are predominantly based on defined benefit obligations for historical reasons. The majority of ams OSRAM's pension obligations are funded with assets in segregated entities.

Defined Benefit Plans

ams OSRAM's principal pension plans and similar commitments relate to Germany and the USA.

Germany

In Germany, ams OSRAM provides pension benefits predominantly through the OSRAM Altersversorgung ('BOA') defined contribution plan launched in financial year 2004, legacy defined benefit plans, and deferred compensation plans. The BOA is a pension plan in which the benefits are predominantly based on contributions made by the Company and the returns earned on such contributions, subject to a minimum return guaranteed by the Company. The obligations under this plan thus continue to be affected by the life expectancy of plan participants, inflation adjustments, and salary increases. The plan is therefore recognized as a defined benefit plan in accordance with IAS 19.

No further employee entitlements can be added to the majority of the legacy defined benefit plans. Nevertheless, these frozen plans still expose the Company to financial and demographic risks such as investment risk, interest-rate risk, and longevity risk.

ams OSRAM (at the time: OSRAM) entered into a trust agreement with the Deutsche Treuinvest Stiftung, Frankfurt am Main (Germany), in November 2011 for all funded pension plans. The trustee administers the plan assets and is responsible for ensuring that they are invested in line with the trust agreement with the Company. A deferred compensation plan is also offered to employees.

USA

The majority of the employees at OSRAM SYLVANIA INC., Wilmington (USA), who joined the company up to December 31, 2006 are members of two closed defined benefit pension plans. The benefits for most of the employees under these plans are largely linked to final salary on retirement, although the benefits for a small group of employees are based on fixed amounts. All these defined benefit plans expose the company to financial and demographic risks such as interest-rate risk, risk from salary and wage increases, investment risk, and longevity risk. Benefits for salaried participants are frozen and therefore a risk of future increases in remuneration for these employees is eliminated.

The plans are subject to the applicable legal and regulatory framework, which is determined by the U.S. Employee Retirement Income Security Act (ERISA). Based on this legislation, a funding valuation is undertaken yearly to ensure that the minimum funding level for funded defined benefit plans is achieved. The funding level must be at least 80% to avoid benefit restrictions. The evaluation of the funding level is used as a basis for determining the statutory contributions to the plan assets. As the sponsoring employer, OSRAM SYLVANIA Inc. has set up an investment committee comprising members of the company's senior management to make investment decisions.

The company provides other post-employment benefits in the form of two closed medical benefit plans. For one of the plans, the benefits are indexed with a fixed interest rate, while the other plan is mainly based on life insurance benefits for pensioners.

Unfunded Commitments

Unfunded commitments predominantly relate to a pension plan and similar commitments in the USA, the severance payment obligation at ams-OSRAM AG in Austria, and other similar commitments in a number of countries.

Defined Contribution Plans

The defined contribution plans are structured in such a way that the Company pays contributions to public or private institutions on the basis of statutory or contractual provisions or on a voluntary basis, without assuming any obligation to provide further benefits to employees. In the calendar year 2024, contributions to defined contribution plans amounted to EUR 11 m (2023: EUR 11 m). The contributions are recognized in profit or loss.

Actuarial Assumptions
The amount of the obligation arising from defined benefit plans is generally determined as of the end of the reporting period on the basis of reports prepared by external, independent actuaries. The actuarial measurement of the present value of the defined benefit obligation (DBO) is based on demographic and financial assumptions. Significant assumptions include mortality rates, pension trends, trends in healthcare costs, and the discount rate. Here, the Company makes its best estimate, taking into account the economic environment of the country in question and existing expectations.

The discount rates used are determined by reference to market yields on high-quality fixed-income corporate bonds at the end of the reporting period. In countries where there is no liquid market in such corporate bonds, market yields on government bonds are used.

Funding Policy and Investment Strategy
The policy for funding defined benefit plans is an integral part of ams OSRAM's financial management, and also includes an ongoing analysis of the structure of the defined benefit liabilities. The investment strategy for plan assets is derived from the structure and characteristics of the liabilities and is based on asset-liability modeling studies at the individual plan level.

ams OSRAM intends to reduce the volatility of the proportion of commitments covered by plan assets through liability-driven investing (LDI).

Risk budgets are used as the basis for determining the investment strategy at the individual plan level and also serve as the basis for the strategic asset allocation of key plan assets and the level of appropriate limits for interest-rate and credit spread risk hedging.

The investment strategy, hedging rules, and changes in the proportion of commitments covered by plan assets are regularly reviewed, with the participation of external experts in the international asset management industry, to permit an integral view of the interaction of plan assets and defined benefit obligations. A plan's asset allocation is evaluated regularly in order to initiate appropriate measures at a very early stage. This is done by looking at the duration of the related defined benefit obligation and analyzing trends and events that may affect asset values.

Asset managers are selected on the basis of a process of quantitative and qualitative analysis. The performance of each asset manager mandate and the risk it entails is monitored continually, both individually and in a more general portfolio context.

ams OSRAM's investment strategy is based mainly on investments in securities such as bonds and shares. As part of an integrated risk management approach for assets and liabilities and to reduce risk, ams OSRAM also uses derivatives, either to reduce the fluctuations in the value of plan assets or to reduce volatility in the proportion of commitments covered by plan assets. OTC derivatives are collateralized on a daily basis to mitigate counterparty risk.

Notes on the Obligations Presented in the Consolidated Financial Statements
The consolidated balance sheet contained the items below, related to pension plans and similar commitments as of December 31, 2024.

The funded status of these plans and the reconciliation of the funded status to the carrying amounts contained in the relevant balance sheet items were as follows:

Commitments by Type and Funded Status

in EUR million	2024	2023
DBO for funded plans	-822	-835
Fair value of plan assets	818	821
Non-capitalizable plan assets due to asset celling	-6	-4
Funded status of funded plans (Funding ratio: 99%, previous year: 98%)	-10	-17
DBO for unfunded plans (without funding)	-108	-103
Funded status	**-119**	**-121**
Thereof pension plans	-78	-80
Thereof similar commitments	-40	-41
Reconciliation to the financial position		
Obligation for employee benefits	-143	-139
Other assets	24	19

In financial year 2022 the previously closed Canadian pension plan was sold to an external insurer in return for the transfer of part of the plan assets. The remaining plan assets of EUR 4 m may not be capitalized in the balance sheet until regulatory approval of the distribution of the funds (asset ceiling) has been obtained. In addition, the overfunding in the Swiss pension plan in the amount of EUR 2 m will not be capitalized, as the overfunding cannot be used to offset future employer contributions or reimbursements to the Company.

The following table shows the expenses recognized in connection with the pension plans and similar commitments presented in the consolidated statement of income and consolidated statement of comprehensive income:

Defined Benefit Costs

in EUR million	2024	2023
Current service cost	18	17
Past service cost/(income)	1	-12
Settlement loss/(gain)	0	-
Net interest expense (income)	5	5
Liability administration cost	1	1
Defined benefit cost recognized in consolidated statement of income	**24**	**10**
Thereof Germany	13	14
Thereof USA	5	-8
Thereof other countries	6	5
Return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset)	-1	-38
Actuarial (gains) and losses arising from changes in demographic assumptions	2	-
Actuarial (gains) and losses arising from changes in financial assumptions	-19	36
Actuarial (gains) and losses arising from experience adjustments	-7	-1
(Gains)/losses from change in unrecognizable plan assets due to asset ceiling	2	-
Remeasurements of the net defined benefit liability (asset) recognized in consolidated statement of other comprehensive income	**-24**	**-4**
Thereof Germany	-17	-2
Thereof USA	-7	-2
Thereof other countries	0	0
Defined benefit cost	**0**	**6**

The expected contributions to defined benefit plans in financial year 2025 come to EUR 12 m.

The Group reports the current service cost for the pension entitlements acquired in the reporting period, past service cost, settlement gains and losses, and administrative expenses incurred for the pension obligation under functional costs (cost of sales, research and development expenses, and marketing, selling, and general administrative costs) in line with the functional area of the respective profit centers and cost centers.

A detailed reconciliation of the changes in the present value of the defined benefit obligation (DBO) for the reporting period is provided in the following table.

Development of the Present Value of the DBO

in EUR million	2024	2023
DBO at beginning of financial year	**938**	**936**
Current service cost	18	17
Past service cost/(income)	0	-12
Settlement	-2	-
Interest cost	34	36
Actuarial (gains) and losses arising from changes in demographic assumptions	2	0
Actuarial (gains) and losses arising from changes in financial assumptions	-19	36
Actuarial (gains) and losses arising from experience adjustments	-7	-1
Plan participants‘ contributions	5	6
Benefits paid	-54	-60
Divestments	-1	-11
Foreign currency translation effects	16	-8
Other	2	0
DBO at the end of financial year	**930**	**938**
Thereof Germany	610	616
Thereof USA	243	245
Thereof other countries	77	77

A detailed reconciliation of the changes in the fair value of plan assets for the reporting period is provided in the following table:

Change in Plan Assets

in EUR million	2024	2023
Fair value of plan assets at beginning of financial year	821	795
Interest income	29	31
Remeasurement:		
Return on plan assets, excluding amounts including in net interest on the net defined benefit liability (asset)	1	38
Employer contributions	-4	2
Plan participants‘ contributions	3	4
Benefits paid	-43	-38
Settlements	-2	-
Divestments	0	-5
Liability administration cost	-1	-1
Foreign currency translation effects	12	-5
Fair value of plan assets at end of financial year	**818**	**821**
Thereof Germany	574	582
Thereof USA	202	199
Thereof other countries	41	41

Refunds from plan assets in Germany in the amount of EUR 35 m were made in financial year 2024 with respect to benefits that had previously been paid directly by the employer. Of this amount, EUR 6 m concern benefits paid in financial year 2023 that are reported as negative employer contributions. In the financial year 2024, contributions to plan assets mainly took the form of employer contributions to the pension fund in Switzerland and amount to EUR 2 m.

Composition of Plan Assets

in EUR million	2024	2023
Equities		
Global equities (excl. emerging markets)	68	71
Emerging markets equities	13	12
Fixed income		
Government bonds	167	181
Corporate bonds	451	477
Mixed funds	49	48
Commodities	7	5
Cash and similar assets	74	47
Plan assets that do have a quoted market price in an active market	**828**	**842**
Derivative financial instruments	-10	-21
Plan assets that do not have a quoted market price in an active market	**-10**	**-21**
Fair value of plan assets at end of financial year	**818**	**821**

The main actuarial and demographic assumptions as of the reporting date were as follows:

Key Assumptions for the Calculations of the DBO

	2024	2023
Discount rate	**3.81%**	**3.64%**
Germany	3.33%	3.29%
USA	5.55%	4.97%
Expected pension development[1]	**1.68%**	**1.77%**
Germany	1.64%	1.87%
USA	-	-
Mortality tables		
Germany	Reference tables Heubeck 2018G	Reference tables Heubeck 2018G
USA	Pri-2012 Healthy Generational Projected	Pri-2012 Healthy Generational Projected

The US Society of Actuaries usually publishes an update of its projection tables (Mortality Improvement Scale) once a year, which is subsequently used to measure the ams OSRAM Group's pension obligations in the United States. No update of the projection tables was published in the reporting period, however.

The financial measurement parameters are weighted using the amount of the obligation at the end of the reporting period and include all pension plans and similar commitments.
The measurement assumptions determined at the beginning of ams OSRAM's financial year are used to determine the current service cost, interest income, and interest expenses for the obligations in existence.

The following sensitivity analysis shows the effects of a change in actuarial assumptions on the amount of the defined benefit obligation as of December 31, 2024.

[1] According to plan regulations, 1.00% is always used for BOA in Germany and no adjustment is made to current pensions in the USA.

Sensitivity Analysis

in EUR million	Effect on DBO as of December 31, 2024	
	50-basis-points increase	50-basis-points decrease
Discount rate	-41	45
Rate of pension progression	20	-19

A 10% decrease in mortality probability for each age bracket would result in an increase of EUR 21 m in the DBO. The weighted average duration of the DBO for defined benefit plans and similar commitments was 9.6 years.

26. Equity

As of December 31, 2024, the share capital of ams-OSRAM AG consisted of 99,844,394 no-par value bearer shares with a notional value of EUR 10.00 each. On September 24, 2024, the Company carried out a reverse stock split in accordance with the resolution of the General Meeting on June 14, 2024, in which the previous share capital of 998,443,940 shares with a nominal value of EUR 1.00 each was divided by a factor of 10 (reverse share split). In order to facilitate the division of the issued shares by a factor of 10, the Management Board reduced the share capital by two shares to a total of 998,443,940 on July 9, 2024, following approval by the Supervisory Board. This reduced the number of no-par value shares issued from 998,443,942 to 99,844,394. The share capital remained unchanged as a result of the reverse share split and amounted to EUR 998,443,940.00 as at the reporting date. The first trading day of the new shares on the SIX Swiss Exchange was September 30, 2024.

The holders of ordinary shares have one vote per share at the Company's General Meeting. All shares rank equally with regard to the Company's residual assets.

Contingent Capital
In recent years, the General Meeting has authorized the Management Board on several occasions to issue a limited number of new shares for a specific purpose (contingent capital increases in accordance with section 159 (2) of the Austrian Stock Corporation Act (AktG)). Three contingent capital increases of the Company are currently recorded, each in connection with financial instruments in accordance with section 174 AktG:

Most recently, in June 2024 the General Meeting revoked the existing contingent increase in share capital of June 23, 2023 and authorized a contingent increase in share capital in accordance with Section 159 (2) Z 1 AktG by up to EUR 99,844,394.00, by issuing up to 99,844,394 no-par-value bearer shares (9,984,439 shares after the reverse share split takes effect) with a pro rata amount of the share capital of EUR 1.00 per share (EUR 10.00 per share after the reverse share split takes effect) to creditors of financial instruments in accordance with Section 174 AktG, provided that the creditors of the financial instruments make use of their conversion and/or pre-emption rights with respect to the Company's shares (Contingent Capital 2024).

The contingent capital increase resolved upon by the General Meeting on June 23, 2023 (Contingent Capital 2023) was revoked at the General Meeting on June 14, 2024, as it then represented around 2.75% of the share capital at the relevant time.

There is also an authorization, which was resolved upon by the General Meeting in June 2020, that empowers the Management Board to carry out a contingent increase in the share capital in accordance with section 159 (2) Z 1 AktG of up to EUR 27,428,928.00 by issuing up to 27,428,928 no-par-value bearer shares (2,742,893 shares after the reverse share split takes effect) to creditors of financial instruments in accordance with section 174 AktG, provided that the creditors of the financial instruments make use of their conversion and/or pre-emption rights with respect to the Company's shares ('Contingent Capital 2020'). These potential shares are reserved for the convertible bond that was issued in euros in 2020.

There is also another authorization, resolved upon by the General Meeting in June 2017, which empowers the Management Board to carry out a contingent increase in the share capital in accordance with section 159 (2) Z 1 AktG of up to EUR 8,441,982.00 by issuing 8,441,982 no-par-value bearer shares (844,198 shares after the reverse share split takes effect) to creditors of financial instruments in accordance with section 174 AktG, provided that the creditors of the financial instruments make use of their conversion and/or pre-emption rights with respect to the Company's shares (Contingent Capital 2017). These potential shares are reserved for the convertible bond issued in euros in 2018; the convertible bond issued in U.S. dollars in 2017 was settled in September 2022.

Authorized Capital
The General Meeting on June 6, 2018 resolved to create new authorized capital of 10% of the share capital at that time of EUR 84,419,826.00; this equates to a potential share capital increase of up to EUR 8,441,982.00 (Authorized Capital 2018). The associated authorization granted to the Management Board, with the approval of the Supervisory Board, to increase the share capital against cash and/or contribution in kind, directly disapplying the pre-emption right if needed, and to amend section 3 of the Articles of Association accordingly, expired on June 5, 2023.

The General Meeting on June 2, 2021 resolved to create further new authorized capital of 3.84% of the share capital at that time of EUR 274,289,280.00; this equates to a potential share capital increase of up to EUR 10,544,963.00 (Authorized Capital 2021). The Management Board was authorized until June 1, 2026, with the approval of the Supervisory Board, to increase the share capital against cash and/or contribution in kind, directly disapplying the pre-emption right if needed, and to amend section 3 of the Articles of Association accordingly. The General Meeting on June 23, 2023 revoked the Authorized Capital 2021 and resolved to delete the Authorized Capital 2018 and the Authorized Capital 2021 from the Company's Articles of Association. Thus, there is no authorized capital at this time.

Additional Paid-in Capital
Additional paid-in capital comprises:

- the difference between paid-in capital when shares are issued and the par value of the shares
- expenses for share-based compensation recognized in accordance with IFRS 2
- the fair value of the conversion options resulting from the issue of the convertible bonds denominated in euros
- the difference resulting from the acquisition of further shares in OSRAM Licht AG and the change in the liability arising from compensation payments to non-controlling shareholders of OSRAM Licht AG (see also > Note 21. Other Financial Liabilities).

Treasury Shares
In recent years, the General Meeting has authorized the Management Board to acquire treasury shares in amounts that are within the statutory limits. According to the Austrian Stock Corporation Act, such authorizations are always limited to a maximum of 30 months.

No new authorizations had been approved by the General Meeting on June 14, 2024. Consequently, the authorization arising from the General Meeting held on June 23, 2023 empowering the Management Board in the period up to December 22, 2025, to acquire treasury shares in accordance with section 65 (1) Z4 and Z8 and (1a) and (1b) AktG in an amount equivalent to up to 10% of the issued share capital existing on the date the resolution was adopted is still current. The acquisition of treasury shares is therefore possible up to a maximum of 27,428,928 shares (2,742,893 shares after the reverse share split has become effective), which corresponds to around 2.75% of the Company's current share capital. The treasury shares can be acquired either via the stock market or over the counter. Furthermore, the pro rata disposal rights that may arise with such acquisitions can be excluded (reverse disapplication of pre-emption rights).

Furthermore, the Management Board has been authorized:

- to decide, in accordance with section 65 (1b) AktG, to sell or use treasury shares by way of sale other than via the stock market or through a public offer, analogously applying the rules on disapplying the pre-emption rights of shareholders,
- for a period of five years (until June 22, 2028), to sell treasury shares at any time via the stock market or through a public offer or in any other legally permitted manner, including over the counter, whereby the Management Board can also decide on the exclusion of the general purchase option,
- to reduce the Company's share capital by retiring no-par-value bearer treasury shares without the adoption of a further resolution by the General Meeting, whereby the Supervisory Board is authorized to adopt resolutions on amendments to the Articles of Association resulting from the reduction,

- to use treasury shares to settle stock options and stock awards of employees, executives, and members of the Management Board of the Company or of its affiliates,
- to use treasury shares to settle convertible bonds, and
- to use treasury shares as consideration for the acquisition of companies, operations, partial operations, or shares in one or more companies in Austria or abroad.

Other Components of Equity
Other components of equity contain cumulative currency translation differences, which amounted to EUR 292 m as of December 31, 2024 (2023: EUR 162 million), resulting from the translation of the annual financial statements of foreign subsidiaries.

Accumulated Other Comprehensive Income Reported under Retained Earnings

in EUR million	Defined benefit obligations	Equity instruments FVOCI	Debt instruments FVOCI	Derivative financial instruments held for hedging	Total
Balance as of January 1, 2023	**35**	**-77**	**-3**	**10**	**-35**
Changes from portfolio transactions	-	-	-	-	-
Other changes	14	-36	-4	-8	-33
Balance as of December 31, 2023	**49**	**-113**	**-7**	**2**	**-68**
Balance as of January 1, 2024	**49**	**-113**	**-7**	**2**	**-68**
Changes from portfolio transactions	-	-	-	-	-
Other changes	21	-1	2	-10	11
Balance as of December 31, 2024	**70**	**-114**	**-5**	**-8**	**-57**

Non-controlling Interests
Owing to the domination and profit and loss transfer agreement between ams Offer GmbH, which is a wholly owned subsidiary of ams-OSRAM AG, and OSRAM Licht AG, under which the minority shareholders have a time-limited right to sell their shares in OSRAM Licht AG, the value of OSRAM Licht AG assigned to the non-controlling interests constitutes a liability rather than an item of equity (see > Note 21. Other Current Financial Liabilities).

Management of Capital
Economic capital corresponds to the equity reported on the consolidated balance sheet less non-controlling interests. The Management Board's objective is to provide the Group with a solid capital base in order to maintain the confidence of investors, creditors, and customers, and to ensure that the Company can continue to grow. Among other things, the Management Board continuously monitors the equity ratio and return on equity. Capital increases, dividend payments, and the repurchase of shares are considered possible measures for ensuring capital adequacy.

The Management Board aims to achieve a balance between profitability and liquidity that is customary in the industry. To this end, the Company constantly monitors that liquidity and profitability are ensured on a long-term basis. Profitability is measured on the basis of EBITDA. This indicator comprises gross profit, research and development expenses, selling and administrative expenses, microLED adaption expenses, other operating income and expenses, and the result from investments in associates. EBITDA does not include depreciation, amortization and impairment losses.

27. Statement of Cash Flows

The consolidated statement of cash flows is prepared using the indirect method. Cash and cash equivalents comprise deposits with banks with a term of up to three months. In the 2024 financial year, prepayments received from customers had a positive effect of EUR 248 m on cash flows from operating activities, of which EUR 224 m was attributable to a long-term customer prepayment. Cash flows from investing activities in 2024 included prepayments received from customers in the amount of EUR 25 m in connection with the sale of assets. In financial year 2023, a positive effect on cash flows from operating activities was a return of funds of EUR 31 m from a trust fund in Germany, as trust assets in that amount were replaced by a bank guarantee.

28. Earnings per Share

in EUR million	2024	2023 adjusted
Net result (in EUR million)	-785	-1,613
Net result attributable to non-controlling interests (in EUR million)	1	1
Net result attributable to shareholders of ams-OSRAM AG (in EUR million)	**-786**	**-1,613**
Weighted average number of shares outstanding	98,874,910	31,017,584
Earnings per share (basic)	**-7.94**	**-52.00**
Weighted average number of diluted shares	98,874,910	31,017,584
Earnings per share (diluted)	**-7.94**	**-52.00**
Dividends per share (paid in financial year)	**0.00**	**0.00**

On September 30, 2024, ams-OSRAM AG carried out a reverse share split at a ratio of 10:1 (see > Note 26. Equity). The weighted average number of shares issued and earnings per share for the comparative period were adjusted with retroactive effect to reflect the reverse share split and enable a comparison of the figures.

In principle, the share-based compensation issued under LTIP 2014, SSOP 2017, SLTIP 2018, SSOP 2019, LTIP 2019, and LTIP 2023 may result in a dilutive effect. Such a dilution effect would occur only to the extent that the share-based compensation resulted in the issue of shares at a price below the average market price and would have to be taken into account only if the dilution effects were to lead to lower earnings per share or a higher loss per share. As at December 31, 2024, 942,268 shares from share-based payments were not included in the weighted average number of diluted shares, as they would not have had a dilutive effect due to the negative net result after taxes.

Dilutive effects may arise in connection with the issued convertible bonds. Such dilutive effects have to be taken into account only if they lead to lower earnings per share or a higher loss per share. In financial year 2024 and in the previous year, no dilutive effects had to be taken into account with respect to the convertible bonds issued in euros.

Treasury Shares

in number of shares	2024	2023 adjusted[1]
Reconciliation of number of outstanding shares		
Outstanding shares as of January 1	98,751,178	26,128,371
Acquisition and sale of treasury shares	173,614	207,341
Capital increase	-	72,415,466
Outstanding shares as of December 31	**98,924,792**	**98,751,178**
Reconciliation of number of diluted shares		
Weighted average number of shares outstanding before the capital increase	98,874,910	26,256,019
Weighted average number of shares from the capital increase	-	4,761,565
Weighted average number of diluted shares during the financial year	**98,874,910**	**31,017,584**
Reconciliation of number of treasury shares		
Treasury shares as of January 1	1,093,216	1,300,557
Cancellation of treasury shares[2]	0	
Sale of treasury shares	-	-187,172
Usage as part of share-based compensation	-173,614	-20,169
Treasury shares as of December 31	**919,602**	**1,093,216**

Treasury shares with a carrying amount of EUR 16 m were used for an equivalent value of EUR 2 m. The difference of EUR 14 m was recognized as a reduction of the additional paid-in capital.

[1] Adjusted to reflect the reverse share split at a ratio of 10:1 on September 30, 2024
[2] In order to divide the number of shares by 10, two treasury shares were retired prior to the reverse share split.

29. Financial Instruments and Management of Financial Risks

In the course of its business activities, the Group is exposed to a wide variety of risks attaching to financial instruments, specifically credit risk, interest-rate risk, currency risk, and liquidity risk.

The Central Treasury department manages financial risks in accordance with the policies set out by the Company's Management Board and Supervisory Board. The Treasury department assesses and hedges against financial risks, which also encompasses the use of financial derivatives, in close collaboration with the operational business areas.

Credit Risk
Credit risk arises when a customer or a counterparty to a financial instrument is unable to meet its payment obligations.

The maximum default risk corresponds to the carrying amounts of the recognized financial assets. In accordance with the treasury and risk management policy, investments and transactions involving derivative financial instruments are carried out only with a diversified selection of financial institutions having a high level of creditworthiness (i.e. having an investment grade rating or higher).

Individual credit limits for customers and financial institutions are defined on the basis of external and internal data and are monitored on an ongoing basis to avoid any concentrations of credit risk at the level of customers and financial institutions.

Interest-rate Risk
ams OSRAM may be exposed to interest-rate risk, especially as a result of rising finance costs due to an increase in interest rates; conversely, falling interest rates lead to lower interest income from deposits. This risk of changes in interest rates is countered by the fact that almost all of the Company's interest-bearing financial liabilities have fixed interest rates as of December 31, 2024. Under assets, risks of changes in interest rates primarily relate to short-term time deposits, which are linked to the market interest rate.

Currency Risk
Financial transactions in the semiconductor industry are predominantly conducted in U.S. dollars. All transaction and translation risks are monitored on an ongoing basis in order to hedge against currency risk. Within the Group, cash flows in the same currency are netted. Exchange-rate fluctuation affecting transactions in foreign currencies primarily relate to the U.S. dollar. Depending on the specific risk situation, net risks attaching to monetary line items on the balance sheet and, where applicable, to planned transactions are also hedged using derivative financial instruments, primarily forward exchange contracts.

Liquidity Risk
Liquidity risk is the risk that the Company may be unable to fulfill its financial obligations at the maturity date. ams OSRAM carries out short-term and long-term liquidity planning and corporate planning at regular intervals in order to monitor and manage liquidity risk. The borrowing taken out in connection with the acquisition of OSRAM has increased the Company's need for funding. As of December 31, 2024, the liquidity reserve in the form of cash and cash equivalents amounted to EUR 1,098 m (2023: EUR 1,146 m). As of December 31, 2024, ams OSRAM also had at its disposal unused committed credit facilities from banks amounting to EUR 666 m (2023: 1,006 m). The change results from the provision of guarantees for liabilities, in particular for a prepayment received from a customer in the amount of USD 250 m (EUR equivalent as of December 31, 2024: EUR 241 m). The amount of unused credit facilities of EUR 666 m may change due to the EUR/USD exchange rate risk. Of the entire credit facilities, EUR 656 m (2023: EUR 800 m) relate to a revolving syndicated credit facility arranged with the core banks of ams OSRAM, which may be utilized only in compliance with an arrangement customary for the market, under which the ratio of net financing debt to adjusted EBITDA may not exceed 4.25:1 as of March 31, 2025, and 4.00:1 as of June 30, 2025 and thereafter. Such arrangements also exist for the credit facilities utilized as of December 31, 2024 (see > Note 20. Interest-bearing Loans).

Future Payments for Financial Liabilities

in EUR million	0-1 years	1-5 years	more than 5 years	Total
Interest-bearing loans and borrowings	654	2,543	0	3,198
Trade payables	472	-	-	472
Liability from a sale and leaseback financing transaction	26	108	668	801
Lease liabilities	51	114	60	224
Obligation to acquire the non-controlling interests in OSRAM Licht AG and obligation from dividends and interest guaranteed to shareholders of OSRAM Licht AG	663	-	-	663
Other financial liabilities	280	6	-	286
Liabilities from derivative financial instruments	16	-	-	16
Total	**2,162**	**2,770**	**728**	**5,661**

The amount and timing of the cash payments for the obligation to purchase the non-controlling interests in OSRAM Licht AG depend on when and to what extent the non-controlling minority shareholders exercise their right to sell their shares to ams OSRAM. The future payments for interest-bearing loans and borrowings, the liability from a sale and leaseback financing transaction, and the lease liabilities represent the undiscounted payments, including the interest component. A portion of the interest in the sale and leaseback financing arrangement is only paid at the end of the term.

As of December 31, 2024, the interest-bearing loans and borrowings encompass lines of credit drawn down from banks that involve arrangements that are customary for the market and under which the ratio of net financing debt to adjusted EBITDA (as defined in each case) may not exceed 4.25:1 as of March 31, 2025, and 4.00:1 as of June 30, 2025 and thereafter. If this ratio, which is reviewed on a quarterly basis, is exceeded, the banks are generally entitled to terminate the agreement. If the majority of banks do not waive their right of termination, lenders under the other financing agreements generally also have a right of termination (pari passu) (see > Note 20. Interest-bearing Loans).

The non-current non-financial liability of EUR 224 m reported for a prepayment received from a customer is not included in the above table. In the event that the future revenues from the products are not sufficient to repay the advance payment, the customer has an option to demand repayment in cash, which may result in this liability assuming a financial character (see > Note 23. Other Non-financial Liabilities). This case may also occur if ams OSRAM violates other provisions of the advance payment agreement, in particular if ams OSRAM's available liquidity (cash and cash equivalents plus unused credit facilities) is below the equivalent value of USD 600 m on a quarterly reporting date, or if the ratio of net financial debt to adjusted EBITDA exceeds 4.25:1 as of March 31, 2025 and 4.00:1 on June 30, 2025 and thereafter.

Other financial liabilities also include liabilities from a supply chain financing program in the amount of EUR 112 m. Termination of the supply chain financing program by the payment service provider for an extraordinary reason may result in the liability to the payment service provider becoming due immediately.

Carrying Amounts and Fair Values of Financial Assets and Liabilities

in EUR million		December 31, 2024		December 31, 2023	
	Category according to IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	FAaC	1,098	1,098	1,146	1,146
Trade receivables	FAaC	206	206	338	338
Trade receivables that are to be held/sold under a factoring agreement1	FVOCI	120	120	118	118
Trade receivables that are to be sold under a factoring agreement	FVTPL	171	171	14	14
Other current financial assets[1]					
Derivates not designated in a hedge accounting relationship	FVTPL	8	8	3	3
Derivates in connection with cash flow hedges	n.a.	0	0	3	3
Other financial assets	FAaC	41	41	49	49
Other non-current financial assets					
Option for early repayment of bonds	FVTPL	22	22	45	45
Equity instruments[2]	FVOCI	20	20	22	22
Other	FAaC	16	16	11	11

[1] The derivatives are mainly forward exchange contracts.
[2] The equity instruments assigned to the FVOCI category are set out in > Note 36. Other Equity Investments.

in EUR million		December 31, 2024		December 31, 2023	
	Category according to IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Interest-bearing loans	FLaC	2,511	2,816	2,458	2,793
Trade payables	FLaC	472	472	572	572
Other current financial liabilities[1 2]					
Derivatives not designated in a hedge accounting relationship	FVTPL	4	4	16	16
Derivates in connection with cash flow hedges	n.a.	12	12	0	0
Obligation to acquire the non-controlling interests in OSRAM Licht AG	n.a.	585	585	611	611
Other financial liabilities	FLaC	400	400	394	394
Other non-current financial liabilities[2]					
Liabilities from a sale and leaseback financing transaction	FLaC	441	441	384	384
Other financial liabilities	FLaC	146	146	195	195

[1] The derivatives are mainly forward exchange contracts.
[2] As of December 31, 2024, other current financial liabilities and other non-current financial liabilities included lease liabilities totaling EUR 183 m (2023: EUR 209 m) accounted for in accordance with IFRS 16.

Aggregated Carrying Amounts

in EUR million	Category according to IFRS 9	2024	2023
Financial assets			
Financial assets measured at amortized cost	FAaC	1,361	1,543
Debt instruments measured at fair value through other comprehensive income with recycling to profit or loss	FVOCI	120	118
Equity instruments measured at fair value through other comprehensive income without recycling to profit or loss	FVOCI	20	22
Financial assets at fair value through profit or loss	FVTPL	200	62
Financial liabilities			
Financial liabilities at amortized cost	FLaC	3,971	4,004
Financial liabilities at fair value through profit or loss	FVTPL	4	16

The classification of trade receivables that can be sold on the basis of factoring programs as debt instruments at fair value through other comprehensive income (FVOCI) or as at fair value through profit or loss (FVTPL) depends on the business model as defined under IFRS 9. Receivables that can be sold under supply chain financing programs are attributable to the Hold-or-Sell business model, as these programs are used by ams OSRAM on a selective basis. In contrast, receivables are regularly sold via an internal factoring program. Therefore, the receivables not yet sold as of the reporting date, but which can be tendered to the factor, are to be allocated to the Sell business model.

The fair value of the current financial assets and current financial liabilities essentially corresponds to their carrying amount because they are due to mature soon.

For the financial assets and liabilities measured at fair value, the following tables show the level of the fair value hierarchy to which the fair value is to be assigned. The levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (derived from prices). The fair value of forward exchange contracts is calculated on the basis of forward exchange rates. The measurement of trade receivables measured at fair value is based on future payments, which are discounted at a risk-adjusted interest rate.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).The valuation of options for the early repayment of bonds, which are derivatives embedded in loan agreements, is based on an option pricing model that uses a logarithmic normal distribution model. Some of the data is not based on observable market data such as the exercise probabilities at different points in time. Future changes in unobservable data may materially affect the fair values of financial instruments.

Valuation Category

2024 in EUR million	Level 1	Level 2	Level 3	Total
Current financial assets	-	299	-	299
Non-current financial assets	2	-	41	42
Current financial liabilities	-	16	-	16
Non-current financial liabilities	-	-	-	-

2023 in EUR million	Level 1	Level 2	Level 3	Total
Current financial assets	-	139	-	139
Non-current financial assets	3	-	63	66
Current financial liabilities	-	16	-	16
Non-current financial liabilities	-	-	-	-

EUR 23 m of the decrease in the carrying amount of the non-current financial assets assigned to Level 3 in the 2024 financial year was mainly due to options for the early repayment of bonds. Of this amount, EUR -2 m (2023: EUR 5 m) was attributable to measurement effects that were recognized in profit or loss in the net financial result.

ams OSRAM uses derivative financial instruments, especially forward exchange contracts, to hedge against exchange-rate fluctuation. Certain derivative financial instruments that are used to hedge planned transactions and pending transactions (hedged items) and meet the requirements for hedge accounting are accounted for as cash flow hedges. Derivative financial instruments are initially recognized on the trade date.

There is an economic relationship between each of the hedged items and the hedging instruments, as the terms of the forward exchange contracts match those of the highly probable planned transactions, in terms of both the nominal amount and the expected payment date. The underlying risk of the forward exchange contracts is identical to that of the hedged risk components. A hedge ratio of 1:1 was therefore specified. To test hedge effectiveness, ams OSRAM uses the dollar offset method, which involves comparing the change in the fair value of the hedging instruments to the change in the fair value of the hedged items attributable to the hedged risks. As of December 31, 2024, the net balance of the cumulative change in the fair values of the hedging instruments was EUR -12 m (2023: EUR 3 m), whereas the net balance of the fair values of the hedged items changed by EUR 12 m (2023: EUR -3 m).

Forward Exchange Contracts Designated as Hedging Instruments

in USD million	Maturity					
	up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	13 to 24 months	Total
Balance as of December 31, 2024						
Nominal amount in USD million	96	97	97	78	48	416
Average forward rate (EUR/USD)	1.088	1.090	1.090	1.074	1.072	

in USD million	Maturity				
	up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
Balance as of December 31, 2023					
Nominal amount in USD million	89	77	69	28	263
Average forward rate (EUR/USD)	1.096	1.104	1.100	1.096	

In connection with cash flow hedges, a realized hedging result before taxes amounting to EUR -5 m (2023: EUR 16 m) was reclassified from other comprehensive income within retained earnings to the consolidated statement of income, where it was recognized under cost of sales. This reclassification was due to the realization of the hedged item. Hedging losses of EUR 10 m (2023: hedging losses of 8 m) were recognized under other comprehensive income in the course of the financial year.

Currency Risk

The Company's financial instruments denominated in foreign currency (excluding net investments in subsidiaries and investments in associates) and hedged planned transactions had the following nominal values as of the reporting date:

USD Exposure

Nominal amounts in USD million	2024	2023
Net currency risk before hedging	372	149
Net currency risk after hedging	280	80

Sensitivity Analysis

Appreciation/depreciation of the euro by 10% against the USD would have affected equity and the consolidated statement of income as follows:

Sensitivity Analysis

in EUR million	2024			
	Profit & Loss		Equity	
	+10% increase	-10% decrease	+10% increase	-10% decrease
Sensitivity of the euro against the USD	-2	2	34	-42

	2023			
	Profit & Loss		Equity	
	+10% increase	-10% decrease	+10% increase	-10% decrease
Sensitivity of the euro against the USD	0	0	21	-26

This analysis assumes that all other variables, particularly interest rates, remain constant.

The table above does not include the impact of currency changes on equity resulting from the translation of financial statements prepared in foreign currencies.

The following exchange rates were used during the financial year:

Exchange Rates

In foreign currency units		Middle Spot December, 31		Annual Average Exchange Rate Financial Year	
		2024	2023	2024	2023
US-Dollar	USD	1.039	1.106	1.083	1.082
Malaysian Ringgit	MYR	4.647	5.079	4.946	4.929
Swiss Franc	CHF	0.941	0.926	0.953	0.974
Singapore Dollar	SGD	1.417	1.460	1.447	1.453
Chinese Renminbi	CNY	7.584	7.850	7.784	7.664

The functional currency of the parent company is the euro (EUR). The functional currency of the subsidiaries is the relevant national currency or the U.S. dollar (USD).

The assets and liabilities of subsidiaries located outside the eurozone, including any goodwill arising upon acquisition, are translated at the average exchange rate at the reporting date; income and expenses are translated into euros at the average rate for the financial year.

30. Reconciliation of Changes in Liabilities to Cash Flows from Financing Activities

in EUR million	Loans	Convertible bonds	Bonds	Lease liabilities	Sale and leaseback financing	Total
Carrying amount as of January 1, 2024	**355**	**1,105**	**998**	**209**	**384**	**3,051**
Inflows from bonds			201			201
Transaction costs for the issue of bonds			-3			-3
Inflows from bonds (nominal amount)	243					243
Repayment of loans	-422					-422
Inflows from a sale and lease back financing					10	10
Repayment of lease liabilities				-57		-57
Cash flows from financing activities	**-180**	**0**	**197**	**-57**	**10**	**-29**
Effects of changes in foreign exchange rates			22	4	37	63
Non-cash interest expenses		32	6		10	47
Amortization of carrying amount adjustment from embedded derivatives as income (Options for early repayment)			-3			-3
Carrying amount adjustment for embedded derivatives recognized directly in equity (Options for early repay-ment)			6			6
Other changes			-27	26		-1
Carrying amount as of December 31, 2024	**175**	**1,137**	**1,199**	**183**	**441**	**3,135**

Reconciliation of Changes in Liabilities to Cash Flows from Financing Activities

in EUR million	Loans	Convertible bonds	Bonds	Lease liabilities	Sale and leaseback financing	Total
Carrying amount as of January 1, 2023	**459**	**1,074**	**1,271**	**217**	**-**	**3,020**
Inflows from bonds			981			981
Transaction costs for the issue of bonds			-11			-11
Repayment of bonds (nominal amount)			-1,268			-1,268
Repayment of bonds (Call premium)			-20			-20
Inflows from bonds	378					378
Repayment of loans	-481					-481
Inflows from a sale and lease back financing					382	382
Repayment of lease liabilities				-57		-57
Changes in cash flows from financing activities	**-118**	**-16**	**427**	**-68**	**382**	**-247**
Repayment of bonds (Call premium)			20			20
Effects of changes in foreign exchange rates			-8	-2	2	-8
Transaction costs not yet paid			-8			-8
Non-cash interest expenses		31	2	8	0	42
Amortization of carrying amount adjustment from embedded derivatives as income (Options for early repayment)			-1			-1
Carrying amount adjustment for embedded derivatives recognized directly in equity (Options for early repayment)			40			40
Other changes				42		42
Carrying amount as of December 31, 2023	**355**	**1,105**	**998**	**209**	**384**	**3,051**

31. Disposal of Business Activities, Assets Classified as Held for Sale

Non-current assets, or disposal groups containing assets and liabilities, are classified as held for sale if it is highly likely that their carrying amount will be recovered principally through their sale or distribution rather than through continued use. A sale is generally highly probable when the purchase agreement has been signed.

A disposal group is classified as a discontinued operation if, prior to the intended sale, it was an independent cash generating unit and represented a major line of business or geographical area of operations. Materiality is reviewed on a case-by-case basis and is primarily based on the total assets and external revenues of the disposal group in relation to the entire Group.

Control is generally lost upon the closing of the sales transaction, i.e. at the date when the ownership in the shares of the sold subsidiary is transferred with legal effect to the buyer.

Disposal of Business Activities

OSRAM Russia

On May 25, 2023, ams OSRAM and Daktram LLC, Moscow, (Russia), signed an agreement regarding the sale of the former's stake in OOO OSRAM, Moscow, (Russia). OOO OSRAM was mainly a wholesaler for the Russian automotive market (L&S segment), but all activities were discontinued following the start of the war in Ukraine. As part of the classification as held for sale in 2023, an impairment loss of EUR 3 m was recognized on inventories, goodwill and other assets. In 2024, a further impairment loss of EUR 1 m was recognized, mainly on inventories. The impairment loss is reported under Other operating expenses. Following the approval of the local authorities, the sale process was completed with the execution of the purchase agreement and subsequent official registration on July 4, 2024. The net assets sold amounted to EUR 3 m and corresponded to the purchase price. The purchase price consists of a call option worth EUR 1 m and a cash payment of EUR 2 m. The cash payment is subject to Russian capital controls and was fully impaired due to the uncertainties, resulting in a loss on disposal of EUR 2 m.

Assets of Passive Optical Components Business
On September 2, 2024, ams OSRAM sold the assets of its Passive Optical Components business (OC business) in Singapore and Switzerland to Focuslight Technologies Inc. in Xi'an (China). The OC business was part of the CMOS Sensors & ASICs (CSA) segment. The transaction is part of the Re-establish the Base program, which aims to increase focus on more profitable core activities. As part of the transaction, the majority of OC business employees were transferred to Focuslight, while others were made redundant, resulting in an expense of around EUR 2 m. In addition, ams OSRAM entered into agreements with Focuslight to secure the supply of key components and research and development support, for which a provision for onerous contracts of EUR 13 m was recognized based on current capacity utilization estimates. The purchase price received amounted to EUR 44 m and is recognized under Cash flows from investing activities. The gains from the disposal, less the additional costs incurred, amounted to EUR 9 m and are reported under Other operating income.

Assets and Liabilities Disposed of

in EUR million	OSRAM Russia	OC-Business
Cash and cash equivalents	1	-
Inventories	1	3
Other current assets	1	
Intangible assets	-	9
Other non-current assets	0	12
Assets	**3**	**24**
Current liabilities	0	0
Non-current liabilities	-	5
Liabilities	0	5
Net assets	**3**	**19**

Assets and Liabilities Classified as Held for Sale

Disposal of property, plant and equipment
On December 4, 2024, ams OSRAM signed a contract for the sale of property, plant and equipment to a customer as part of a development project for new LED technologies in its OS segment. The assets concerned were impaired following the termination of the microLED project in the first quarter of 2024 (see > Note 5. microLED Adaption Expenses), and were written up by EUR 13 m to the selling price of EUR 23 m before being classified as held for sale. The acquisition cost of the assets amounted to EUR 25 m, resulting in a net negative effect of EUR 2 m in the 2024 financial year.

32. Related Parties

Identity of Related Parties
The Company has business relationships with the following related parties.

Related parties in key positions within the Company:

- the members of the Management Board and their close family members as well as
- the members of the Supervisory Board and their close family members

The Company's Governing Bodies
Members of the Management Board: Aldo Kamper (Chief Executive Officer (CEO)), Rainer Irle (CFO).

Members of the Supervisory Board: Dr. Margarete Haase (Chairwoman), Andreas Mattes (Deputy Chairman), Andreas Gerstenmayer (member), Dr. Monika Henzinger (member), Yen Yen Tan (member), Kin Wah Loh (member), Mag. Brigitte Ederer (member), Arunjai Mittal (member), Wolfgang Koren (employee representative), Dr. Nadine Raidl (employee representative), Michael Krainz (employee representative), Martin Bauer (employee representative, since September 4, 2024). Patrick Reinisch (employee representative, until September 4, 2024).

Remuneration
The Management Board's remuneration as of December 31, 2024 and as of December 31, 2023 was as follows:

Management Board Remuneration

in EUR million	2024	2023
Salary		
Salary, not variable	2	3
Salary, variable	1	3
Share-based payments	4	2
Other remuneration	0	0

No compensation payments were made to members of the Management Board in connection with their stepping down from the Management Board before the end of their tenure (2023: EUR 2 m).

In the financial year 2024, the members of the Management Board were granted a total of 3,100,766 awards (2023: 669,060 awards) in ams-OSRAM AG. These awards were granted from the PSU tranche under LTIP 2023, which means that their vesting conditions are linked to the achievement of performance targets. As soon as they have been earned and a twelve-month waiting period has elapsed, ams-OSRAM AG shares are transferred to the eligible Management Board members in exchange for the PSUs without requiring any consideration. In the financial year 2024, no awards were available for exercise by members of the Management Board (2023: 638,667).

Due to the consolidation of the Company's shares at a ratio of 10:1 (reverse share split), the awards held were adjusted accordingly. For this purpose, 3,927,680 awards were withdrawn and 392,768 new awards were transferred. The resulting fractions of awards were rounded up to full units, resulting in the granting of 20 new awards.

With regard to the conditions and valuation of the awards for the transfer of shares in ams-OSRAM AG and the equity measures described, please refer to > Note 4. Expenses.

The following table shows the ams-OSRAM AG shares and financial instruments held by the members of the Management Board.

Management Board Members' Holdings of ams-OSRAM AG Shares and Financial Instruments

Number	Dec 31, 2024	Dec 31, 2023
Shares	11,250	27,375
Awards	392,768	158,849

The members of the Management Board in office as at December 31, 2024 held financial instruments for the transfer of shares in ams-OSRAM AG only as part of share-based compensation plans. The change in shareholdings results from the reduction in the size of the Management Board compared with the previous year.

The previous year's figures have been adjusted for the 10:1 reverse share split carried out in the 2024 financial year. As of December 31, 2024, persons related to these Management Board members held neither shares (2023: 0) nor financial instruments (2023: 0) for the acquisition of shares in ams-OSRAM AG.

The remuneration for the Company's Supervisory Board amounted to EUR 1 m in financial year 2024 (2023: EUR 1 m). All remuneration was and is paid directly by the Company. The remuneration shown relates to the amounts actually paid in the financial year. The remuneration and the amounts payable for financial year 2024 were determined on the basis of the principles adopted by the Annual General Meeting in 2021, which were not changed by the Annual General Meeting on June 14, 2024.

Supervisory Board members' holdings of ams-OSRAM AG shares and financial instruments were as follows:

Supervisory Board Members' Holdings of ams-OSRAM AG Shares and Financial Instruments[1]

Number	Dec 31, 2024	Dec 31, 2023
Shares	-	-
Options	-	223

The previous year's figures have been adjusted to reflect the reverse share split carried out in financial year 2024 at a ratio of 10:1. As of December 31, 2024, persons related to the members of the Supervisory Board held neither shares (2023: 0 shares) nor financial instruments (2023: 0 financial instruments) for the acquisition of shares in ams-OSRAM AG. There are no ongoing loan arrangements with members of the Supervisory Board or Management Board or persons related to them.

Transactions with Associates

in EUR million	Sales of goods and services and other income		Purchases of goods and services and other expense	
	2024	2023	2024	2023
Associates	2	8	0	0

[1] Members of the Supervisory Board as of December 31, 2024

Loans granted to associates amounted to EUR 4 m as of December 31, 2024 (2023: EUR 2 m). As of December 31, 2024, cumulative loss allowances on loans and receivables amounted to EUR 0 m (2023: EUR 0 m). These equity investments involve strategic equity investments.

33. Auditor's Fees

The auditor's fees for auditing the separate and consolidated financial statements totaled EUR 0.9 m in financial year 2024 (2023: EUR 0.9 m). Fees incurred for other consultancy services amounted to EUR 0.2 m in financial year 2024 (2023: EUR 0.1 m). Fees incurred for special audit services in connection with the refinancing activities came to EUR 0.0 m in financial year 2024 (2023: EUR 5.4 m).

34. Group Companies

	Accounting method	Country of incorporation	Functional currency	Ownership interest	
				2024	2023
7 Sensing Software SASU	Fully consolidated	France	EUR	100.00%	100.00%
ams Asia Inc.	Fully consolidated	Philippines	PHP	100.00%	100.00%
ams China Co. Ltd.	Deconsolidated	China	RMB	0.00%	100.00%
ams International AG	Fully consolidated	Switzerland	CHF	100.00%	100.00%
ams Italy S.r.l.	Fully consolidated	Italy	EUR	100.00%	100.00%
ams Offer GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
ams-OSRAM Sensors S.R.L.	Fully consolidated	Romania	RON	100.00%	100.00%
ams-OSRAM France SASU	Fully consolidated	France	EUR	100.00%	0.00%
ams R&D Spain S.L.	Fully consolidated	Spain	EUR	100.00%	100.00%
ams R&D UK Limited	Fully consolidated	United Kingdom	GBP	100.00%	100.00%
ams Semiconductors India Pvt. Ltd.	Fully consolidated	India	INR	100.00%	100.00%
ams Sensors Asia Pte. Ltd.	Deconsolidated	Singapore	USD	0.00%	100.00%
ams Sensors Belgium BV	Fully consolidated	Belgium	EUR	100.00%	100.00%
ams Sensors Germany GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
ams Sensors Holdings Asia Pte. Ltd.	Deconsolidated	Singapore	USD	0.00%	100.00%
ams Sensors Hong Kong Ltd.	Liquidated	Hong Kong	HKD	0.00%	100.00%
ams Sensors Netherlands BV	Fully consolidated	Netherlands	EUR	100.00%	100.00%
ams-OSRAM Asia Pacific Pte. Ltd.	Fully consolidated	Singapore	USD	100.00%	100.00%
Applied Sensor Sweden Holding AB	Deconsolidated	Sweden	SEK	0.00%	100.00%
Heptagon Holding AG	Deconsolidated	Switzerland	CHF	0.00%	100.00%
Heptagon Holding CA Inc.	Deconsolidated	USA	USD	0.00%	100.00%
Heptagon Oy	Fully consolidated	Finland	EUR	100.00%	100.00%
OSRAM Licht AG	Fully consolidated	Germany	EUR	86.35%	85.76%
Seven Sensing Software BV	Fully consolidated	Belgium	EUR	100.00%	100.00%

Entities held via OSRAM Licht AG (Group share in OSRAM Licht AG: 86.35%)

	Accounting method	Country of incorporation	Functional currency	Share OSRAM Licht AG	
				2024	2023
ams Sensors Portugal Lda.	Fully consolidated	Portugal	EUR	100.00%	100.00%
ams-OSRAM International GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
ams-OSRAM Japan Ltd.	Fully consolidated	Japan	JPY	100.00%	100.00%
ams-OSRAM Korea Ltd.	Fully consolidated	Korea	KRW	100.00%	100.00%
ams-OSRAM Taiwan Ltd.	Fully consolidated	Taiwan	TWD	100.00%	100.00%
ams-OSRAM USA Inc.	Fully consolidated	USA	USD	100.00%	100.00%
Chorus Lighting S.p.A.	Fully consolidated	Italy	EUR	100.00%	100.00%
Fluxunit GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
Light Distribution GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
OOO OSRAM	Deconsolidated	Russia	RUB	0.00%	100.00%
OSRAM (Malaysia) Sdn. Bhd.	Fully consolidated	Malaysia	MYR	100.00%	100.00%
OSRAM (Thailand) Co. Ltd.	Fully consolidated	Thailand	THB	100.00%	100.00%
OSRAM A/S	Fully consolidated	Denmark	DKK	100.00%	100.00%
OSRAM AB	Fully consolidated	Sweden	SEK	100.00%	100.00%
OSRAM AS	Fully consolidated	Norway	NOK	100.00%	100.00%
OSRAM Asia Pacific Ltd.	Fully consolidated	Hong Kong	HKD	100.00%	100.00%
OSRAM Asia Pacific Management Company Ltd.	Fully consolidated	China	CNY	100.00%	100.00%
OSRAM Benelux B.V.	Fully consolidated	Netherlands	EUR	100.00%	100.00%
OSRAM Beteiligungen GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
OSRAM Beteiligungsverwaltung GmbH	Deconsolidated	Germany	EUR	0.00%	100.00%
OSRAM Ceská republika s.r.o.	Fully consolidated	Czech Republic	CZK	100.00%	100.00%
OSRAM China Lighting Ltd.	Fully consolidated	China	CNY	90.00%	90.00%
OSRAM Co. Ltd.	Fully consolidated	Korea	KRW	100.00%	100.00%
OSRAM Comercio de Solucoes de Iluminacao Ltda.	Fully consolidated	Brazil	BRL	100.00%	100.00%
OSRAM d.o.o.	Fully consolidated	Croatia	HRK	100.00%	100.00%
OSRAM de México S.A. de C.V.	Fully consolidated	Mexico	MXN	100.00%	100.00%

	Accounting method	Country of incorporation	Functional currency	Share OSRAM Licht AG	
				2024	2023
OSRAM GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
OSRAM Kunshan Display Optic Co. Ltd.	Fully consolidated	China	CNY	100.00%	100.00%
OSRAM Lighting (Pty) Ltd.	Fully consolidated	South Africa	ZAR	100.00%	100.00%
OSRAM Lighting AG	Fully consolidated	Switzerland	CHF	100.00%	100.00%
OSRAM Lighting Middle East FZE	Fully consolidated	United Arab. Emirates	USD	100.00%	100.00%
OSRAM Lighting Private Limited	Fully consolidated	India	INR	100.00%	100.00%
OSRAM Lighting Pte. Ltd.	Fully consolidated	Singapore	SGD	100.00%	100.00%
OSRAM Lighting S.A.S.U.	Fully consolidated	France	EUR	100.00%	100.00%
OSRAM Lighting S.L.	Fully consolidated	Spain	EUR	100.00%	100.00%
OSRAM Limited	Fully consolidated	United Kingdom	GBP	100.00%	100.00%
OSRAM Ltd.	Fully consolidated	Japan	JPY	100.00%	100.00%
OSRAM Lighting Ltd.	Fully consolidated	Canada	CAD	100.00%	100.00%
OSRAM OLED GmbH	Deconsolidated	Germany	EUR	0.00%	100.00%
OSRAM Opto Semiconductors (China) Co. Ltd.	Fully consolidated	China	CNY	100.00%	100.00%
OSRAM Opto Semiconductors (Malaysia) Sdn Bhd	Fully consolidated	Malaysia	MYR	100.00%	100.00%
OSRAM Opto Semiconductors Asia Ltd.	Fully consolidated	Hong Kong	HKD	100.00%	100.00%
OSRAM Opto Semiconductors Trading (Wuxi) Co. Ltd.	Fully consolidated	China	CNY	100.00%	100.00%
OSRAM Oy	Fully consolidated	Finland	EUR	100.00%	100.00%
OSRAM Pty. Ltd.	Fully consolidated	Australia	AUD	100.00%	100.00%
OSRAM Romania S.R.L.	Fully consolidated	Romania	RON	100.00%	100.00%
OSRAM S.A.	Fully consolidated	Argentina	ARS	100.00%	100.00%
OSRAM S.A. de C.V.	Fully consolidated	Mexico	MXN	100.00%	100.00%
OSRAM S.p.A. - Società Riunite OSRAM Edison Clerici	Fully consolidated	Italy	EUR	100.00%	100.00%
OSRAM Sales EOOD	Fully consolidated	Bulgaria	BGN	100.00%	100.00%
OSRAM SBT GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
OSRAM Servicios Administrativos S.A. de C.V.	Fully consolidated	Mexico	MXN	100.00%	100.00%
OSRAM SL GmbH	Fully consolidated	Germany	EUR	100.00%	100.00%
OSRAM Sp. z o.o.	Fully consolidated	Poland	PLN	100.00%	100.00%

	Accounting method	Country of incorporation	Functional currency	Share OSRAM Licht AG	
				2024	2023
OSRAM SYLVANIA INC.	Fully consolidated	USA	USD	100.00%	100.00%
OSRAM Taiwan Company Ltd.	Fully consolidated	Taiwan	TWD	100.00%	100.00%
OSRAM Teknolojileri Ticaret Anonim Sirketi	Fully consolidated	Turkey	TRY	100.00%	100.00%
OSRAM a.s.	Fully consolidated	Slovakia	EUR	100.00%	100.00%
OSRAM Lda.	Fully consolidated	Portugal	EUR	100.00%	100.00%
P.T. OSRAM Indonesia	Fully consolidated	Indonesia	IDR	100.00%	100.00%
Ring Automotive Limited	Fully consolidated	United Kingdom	GBP	100.00%	100.00%
Sylvania Lighting Services Corp.	Deconsolidated	USA	USD	0.00%	100.00%
Vixar Inc.	Fully consolidated	USA	USD	100.00%	100.00%

35. Associates

	Accounting method	Country of incorporation	Functional currency	Ownership interest	
				2024	2023
Circadian Zirclight LLC	At equity	USA	USD	6.13%	6.13%
Jinan Smart Sensing Sensor Co. Ltd.	At equity	China	CNY	49.00%	49.00%
New Scale Technologies Inc.	At equity	USA	USD	41.27%	41.27%
Sciosense Holding B.V.	At equity	Netherlands	EUR	45.22%	45.22%

Entities held via OSRAM Licht AG (Group share in OSRAM Licht AG: 86.35%)

	Accounting method	Country of incorporation	Functional currency	Share OSRAM Licht AG	
				2024	2023
agrilution GmbH	At equity	Germany	EUR	0.00%	20.62%
Blickfeld GmbH	At equity	Germany	EUR	0.00%	9.39%
Bolb Inc.	At equity	USA	USD	22.00%	20.38%
CarbonBook Inc.	At equity	Canada	CAD	12.94%	12.94%
iThera Medical GmbH	At equity	Germany	EUR	7.15%	7.15%
VividQ Limited	At equity	United Kingdom	GBP	3.11%	5.89%

36. Other Equity Investments

	Accounting method	Country of incorporation	Functional currency	Ownership interest	
				2024	2023
Axzon Inc. (former: RFMicron Inc.)	FVOCI	USA	USD	9.83%	9.83%
GreenTropism SAS	FVOCI	France	EUR	9.31%	2.38%
Leman Micro Devices SA	FVOCI	Switzerland	CHF	15.43%	11.39%
Silicon Alps Cluster GmbH	FVOCI	Austria	EUR	4.00%	4.00%

Entities held via OSRAM Licht AG (Group share in OSRAM Licht AG: 86.35%)

	Accounting method	Country of incorporation	Functional currency	Share OSRAM Licht AG	
				2024	2023
Caruso GmbH	FVOCI	Germany	EUR	0.55%	1.00%
GSB - Sonderabfall-Entsorgung Bayern GmbH	FVOCI	Germany	EUR	0.07%	0.07%
ILOF - Intelligent Lab on Fiber ltd.	FVOCI	United Kingdom	GBP	1.19%	0.98%
LAMP NOOR (P.J.S.) Co.	FVOCI	Iran	IRR	20.00%	20.00%
LeddarTech Inc.	FVOCI	Canada	CAD	4.49%	4.49%
Recogni Inc.	FVOCI	USA	USD	3.60%	3.84%
SiLC Technologies Inc.	FVOCI	USA	USD	3.48%	3.48%
TetraVue Inc.	FVOCI	USA	USD	6.36%	6.36%

37. Events after the Reporting Period

No material events have occurred since the reporting date.

Premstaetten, March 3, 2025

Aldo Kamper
Chief Executive Officer
CEO

Rainer Irle
Chief Financial Officer
CFO

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion
We have audited the consolidated financial statements of ams-OSRAM AG, Premstätten, Austria, and its subsidiaries („the Group"), which comprise the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet as at December 31, 2024, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Standards Board and as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion
We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date. Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Impairment test for goodwill and intangible assets in accordance with IAS 36
Refer to notes section 14

Risk for the Consolidated Financial Statements
IAS 36 requires the Company to allocate its goodwill to cash-generating units and to test these units as well as intangible assets with indefinite useful lives or not yet ready for use intangible assets for impairment at least annually and whenever there is an indication these intangible assets may be impaired. At December 31, 2024 the carrying amount of goodwill amounted to EUR 1,481 million, trademarks to EUR 226 million and not yet ready for use intangible assets to EUR 74 million.

The recoverable amount is determined for fair value less costs of disposal on the basis of discounted future cash flows using a risk-adequate discount rate (DCF method).

Impairment testing in accordance with IAS 36 requires an appropriate valuation method and the determination of significant assumptions and measurement bases. This results in particular in the risk that

- the cash-generating units have not been determined correctly and their changes have not been made in accordance with the provisions of IAS 36,
- the methods used do not comply with the requirements of IAS 36 or,
- assumptions and other measurement bases are not appropriate
- and, therefore, a required impairment loss is not or not correctly recognized in the financial statements.

Our Response
We have assessed the impairment tests according to IAS 36 as follows:

- We gained an understanding of the approach and valuation methods as well as of the design and implementation of internal controls
- We evaluated the determination of the cash-generating units and assessed their appropriateness.
- We have assessed whether the valuation methods applied comply with the requirements of IAS 36. We compared the consistency of the parameters and input factors used in the valuations with external market estimates and existing reference values and assessed their appropriateness. We also verified the mathematical accuracy of the valuations. Furthermore, we assessed the methodologically appropriate derivation and the appropriateness of the amount of the weighted average cost of capital. For this purpose, we compared the assumptions and parameters underlying the cost of capital with our own assumptions and publicly available data. These assessments were made with the involvement of valuation specialists.
- We have reconciled the planning data used to determine future cashflows with the budgets approved by the Supervisory Board and the business plans presented to the Supervisory Board..
- In addition, we have assessed whether the disclosures on impairment testing in the consolidated financial statements are appropriate and relevant.

Expenses for microLED-adjustment
Refer to notes section 5 and 24

Risk for the Consolidated Financial Statements
On February 28, 2024, the company was informed of the cancellation of a key project that underpinned the microLED strategy. This cancellation resulted in a revision of the microLED strategy. Due to therevision of the microLED strategy the continued use of the property, plant, and equipment, as well as the capitalized development costs was uncertain and an impairment test was conducted in accordance with IAS 36. Additionally, provisions for onerous contracts were made, and the recoverability of inventory and the realizability of receivables related to public grants were evaluated. In total, the adjustment of the microLED strategy resulted in expenses of EUR 744 million in the first quarter of the fiscal year.

Later in the fiscal year 2024, the company was able to secure a customer for a development project involving novel LED technologies, allowing some of the assets, whose continued use was uncertain due to the project cancellation in the first quarter, to be repurposed. As a result, part of the impairments recognized in the first quarter, amounting to EUR 118 million, could be reversed. Overall, the net expense related to the microLED adjustment amounts to EUR 576 million.

Due to the significance of the microLED strategy for the company, the magnitude of past investments, the scope of the financial statement items affected in the consolidated financial statements, the complexity of the applicable accounting standards, and the extent of the judgments and estimates required by management, there is a particular risk that:

- the cash-generating units are not correctly identified,
- the methods applied do not meet the requirements of IFRS, particularly IAS 36, or
- assumptions and other valuation bases are not appropriate,

resulting in necessary impairments, provisions, and reversals of impairments not being correctly recognized and disclosed in the consolidated financial statements.

Our Response
We assessed the impairment tests according to IAS 36 as follows:

- We gained an understanding of the procedures and valuation methods, as well as the design and implementation of internal controls.
- We reviewed the identification of cash-generating units and assessed their appropriateness.
- We evaluated whether the valuation methods applied comply with the relevant IFRS regulations, specifically IAS 36 and IAS 37. We compared the parameters and input factors used in the valuations for consistency with external market assessments and available reference values, assessed their appropriateness, and verified the mathematical accuracy of the valuations. Furthermore, we assessed the methodical derivation and appropriateness of the weighted average cost of capital rates. For this, we compared the assumptions and parameters underlying the cost of capital with our own assumptions and publicly available data. These assessments were conducted with the involvement of valuation specialists.
- Additionally, we evaluated whether the disclosures regarding the impacts of the microLED strategy adjustment in the consolidated financial statements are appropriate and adequate.

Other Information
Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Until the date of this report, we receive the following chapters of the annual report: compensation report and sustainability report and the remaining parts of the annual report will probably be made available to us after this date.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit of the consolidated financial statements, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained before the date of the auditor's report, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and as adopted by the EU, as well as the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities
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 to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit 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 Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion
In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

Statement
Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Engagement Partner

The engagement partner is Mr. Johannes Bauer.

Vienna
March 5, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Johannes Bauer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Glossary

8”	8 inches: diameter of wafer used for chip production
ADAS	Advanced driver-assistance systems are groups of electronic technologies that assist drivers in driving and parking functions, increasing car and road safety. ADAS use automated technology such as sensors and cameras to detect nearby obstacles or driver errors and respond accordingly.
AR/VR	Augmented reality/virtual reality: AR is an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information. VR is a simulated experience that can be similar to or completely different from the real world. Applications of virtual reality include entertainment, education and business.
ASIC	Application-specific integrated circuit
AOI	ams-OSRAM International GmbH
BMSVG	Austrian Corporate Staff and Self-Employment Provision Act
BOA	OSRAM defined-contribution pension plan
BU	Business unit
CGU	Cash-generating unit
C2X	Car-to-everything technology, also described as Car2X: technology that allows cars/vehicles to communicate with their environment (“x”) as well as with each other
CMOS-IC	CMOS: complementary metal-oxide-semiconductor
IC:	integrated circuit
CSA	CMOS Sensors and ASICs, business unit
CT	Computed tomography
DBO	Defined benefit obligation
3D technologies / sensing	Sensing technologies incorporating the acquisition of depth information to capture image or spatial data in three dimensions.
III-V compound semiconductors	Compound containing elements from groups III (earth metals/boron group) and V (nitrogen-phosphorus group) in the periodic table. When combined, these materials produce the electrical conductivity in semiconductors.
EBIT	Earnings before interest and taxes, result from operations
EEL	An edge-emitting laser is a semiconductor-based laser with light emission from the edge of the chip, in contrast to VCSEL, which emits light via the surface.
ERISA	U.S. Employee Retirement Income Security Act
EPS	Earnings per share
ERM	Enterprise risk management system
ESG	Environment, social, governance
EVIYOS	Proprietary highly-pixelated matrix headlamps technology of ams OSRAM with > 25,000 individually addressable pixels.
IASB	International Accounting Standards Board
IC	An integrated circuit is an electronic circuit mounted on a thin wafer of semiconductor material, usually a few millimeters in size.
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
LDI	Liability-driven investment

LCD	A liquid-crystal display is a flat-panel display or other electronically modulated optical device that uses the light-modulating properties of liquid crystals combined with polarizers. Liquid crystals do not emit light directly, instead using a backlight or reflector to produce images in color or monochrome.
LiDAR	Light detection and ranging is a measuring technology that measures distance by illuminating the target with pulsed laser light and processing the reflected pulses with a sensor. Differences in laser return times and wavelengths can then be used to make digital 3D representations of the target (3D LiDAR).
L&S	Lamps and Systems, business unit
LTIP	Long-Term Incentive Plan
Matrix headlamps	Integrated intelligent light source based on a monolithic structured LED chip with > 25,000 individually addressable pixels, enables adaptive driving beam and projection capabilities. Also see EVIYOS.
microLED	Tiny, microscopic LED with structure size of < 50 µm. Display technology uses arrays of these microscopic LEDs.
MIDA	Malaysian Investment Department Authority
MIS	Management information system
Micro-modules	Combination and assembly of different single optical components (e.g. emitters, optics, detectors, ICs) into one integrated module with a very small form factor.
Mixed-signal IC	Mixed-signal: generic term for the processing of both analog and digital electrical (input) signals in, for example, electrical measuring devices such as oscilloscopes or for integrated circuits that process both analog and digital signals. IC: integrated circuit
NTE – Near to eye	Augmented-reality systems allow smart glasses to merge the virtual and physical worlds. It is expected that the next advancement in this technology will be the projection of virtual information onto special glasses or directly onto the user's retina.
OEM	Original equipment manufacturer
OS	Opto Semiconductors, business unit
OSP	Open System Protocol: an open, license-free communication technology for connecting red-green-blue (RGB) LEDs, sensors, and microcontrollers from various manufacturers
Photons	An elementary particle that is a quantum of the electromagnetic field, including electromagnetic radiation such as light and radio waves.
Photon counting	Photon counting for X-ray images, a technology that enables higher-resolution computed tomography
Pixel	A pixel is generally thought of as the smallest single component of a digital image.
PSU	Performance Share Unit
Relative TSR	Relative total shareholder return
R&D	Research and Development
RSU	Restricted Share Unit
S&P Global CSA	The Standard & Poor's (S&P) Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. It covers over 10,000 companies from around the world and focuses on sustainability criteria that are both industry-specific and financially material.
SER	SIX Exchange Regulation
SLTIP	Special Long Term Incentive Plan
SSOP	Special Stock Option Plan
SPSU	Special Performance Share Unit

SpO_2 measurement	Also pulse oximetry: noninvasive method for monitoring arterial oxygen saturation by measuring light absorption or light emission during fluoroscopy of the skin
TSR	Total shareholder return
TSV	Through-silicon via: typically a vertical electrical connection made of metal that completely passes through a silicon substrate (wafer, chip)
UGB	(Austrian) Commercial Code
UV-C LED	Illumination of UV-C spectrum invisible light based on LED technology used for disinfection applications (e.g. air, surfaces, water)

Imprint

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