O³ Holding GmbH

Group management report

For the consolidated financial statements as of December 31, 2024

(Translation – the German text is authoritative)

Table of contents

Management report

For the financial year ending December 31, 2024

---

1. Strategic overview

1.1 Company overview and corporate objectives

O³ Group is a global, vertically integrated CDMO platform specializing in highly concentrated omega-3 fatty acids and complex lipid technologies. Headquartered in Switzerland, the Group operates in Europe, North America, South America and Asia, serving the pharmaceutical and dietary supplement markets through a unique combination of upstream purification steps, advanced concentration technologies and the production of finished dosage forms of omega-3 products.

Founded in 1988, O³ Group has grown through organic development and strategic acquisitions to become a global leader in omega-3 innovation, most recently through the acquisition of the Marine Lipids business from DSM-Firmenich AG in 2024. The Group's broad technology platform enables the customized production of active ingredients, dietary supplements, softgel capsules and specialty lipids, including algal oils and cannabinoid actives. O³ Holding GmbH is a wholly owned subsidiary of Midco GmbH, in which various shareholders hold shares.

With a diversified customer base ranging from global pharmaceutical companies and generic manufacturers to leading nutritional supplement brands, O³ Group supports its partners across the entire product life cycle and value chain. Its key differentiators include:

- **Production and technology excellence:** end-to-end capabilities, proprietary purification processes (KD-Pür®) and a world-class lipid platform.
- **Customization and flexibility:** Tailor-made solutions through versatile technologies that can be adapted to evolving customer requirements.
- **Sustainability and circular economy:** By-products from pharmaceutical production are efficiently reused in dietary supplements and algal oil technology supports renewable sourcing.
- **Global reach:** A strong international presence and regional regulatory expertise enable customer proximity and market access.

With our product range encompassing APIs, softgels, algae oils and novel delivery forms, O³ Group is well positioned to be a scaling and resilient player in an attractive and growing market.

1.2 A year of transformation

2024 was a year of transformation for the O³ Group, underlining our development into a leading global player in the omega-3 industry. A key milestone was the successful acquisition of the Marine Lipids business from DSM-Firmenich AG on September 30, 2024, which added the well-established MEG-3® brand and two strategic production facilities in Piura, Peru, and Mulgrave, Canada, to our portfolio. With this step, we have significantly expanded our competencies along the entire value chain - from the processing of raw fish oil to high-purity active ingredients and the production of finished dosage forms (FDF).

This strategic expansion strengthens our resilience, operational efficiency and competitive position in both the Pharma and Nutra segments. It also reaffirms our commitment to innovation and quality in the delivery of healthcare solutions worldwide.

1.3 Financial strength and capital structure

In parallel to the acquisition, we completed a successful refinancing in October 2024 by issuing a senior secured bond in the amount of EUR 180 million, which is listed on the Open Market of the Frankfurt Stock Exchange. This transaction significantly strengthened our balance sheet, provided liquidity for the integration and met with strong demand from institutional investors. As a result of the acquisition, our equity ratio improved from 43.1% in 2024 to 44.9% at the end of 2024 due to the strong increase in capital reserves.

1.4 Research and development

In 2024, research and development work focused on optimizing production in terms of product quality and yield of the desired products as well as on the development of new production processes. R&D personnel expenses fell from EUR 1,448 thousand in 2023 to EUR 1,168 thousand in 2024.

The development projects for new products based on omega-3 fatty acids were also continued. One such project is the development of a drug for the treatment of familial adenomatous polyposis (FAP). FAP is a hereditary, rare disease in which hundreds or even thousands of polyps form mainly in the epithelium of the colon. If left untreated, 100% of patients will eventually develop colon cancer. There is currently no treatment. As the Phase 2 clinical trial has been successfully completed and the Phase 3 clinical trial is in the readout phase, a positive outcome of the project is likely.

We are actively looking for marketing and licensing partners for FAP and other development projects. These projects should enable the O³ Group to offer its own pharmaceutical end-products on the international market via licensing partners within the next two years.

In the reporting period, expenses of EUR 1,950 thousand (previous year: EUR 2,219 thousand) were incurred for research and development activities, and development costs of EUR 1,799 thousand (previous year: EUR 2,776 thousand) were capitalized. The total expenses include amortization of EUR 437 thousand for R&D (previous year: EUR 431 thousand).

2 Market and business environment

2.1 Situation in the sector

Omega-3 is a family of fatty acids that is used in both pharmaceuticals and food supplements and is obtained in particular from fish oil, but also increasingly from algae and to a certain extent from krill. The underlying favorable demographic trend is largely driving the growth of the sector, reinforced by an increasing global awareness of omega-3 and supported by a growing number of studies highlighting the numerous health benefits of this substance. Residents of Western countries and people who are not traditionally dependent on fishing have comparatively low levels of omega-3 in their blood, necessitating the use of omega-3 supplements.

The market for highly concentrated omega-3 products has continued to grow and will reach a volume of EUR 490 million in 2023. It is expected to grow by an average of 6% per year, primarily due to a shift towards more concentrated products. The O³ Group has a leading position in highly concentrated products in both the food supplements market and the pharmaceutical market (source: Roland Berger '[1]).

The first pharmaceutical omega-3 product was a mixture of the two most important omega-3 fatty acids EPA (eicosapentaenoic acid) and DHA (docosahexanoic acid) and is marketed in Europe and Asia as Omacor® and in the USA as Lovaza®. A drug containing highly purified EPA (more than 96.5%) is also available. It is marketed in Japan as Epadel® and in the USA as Vascepa®. In 2021, approval was granted in Europe, where it is marketed as Vazkepa®. During 2023, the originator company was able to obtain reimbursement for Vazkepa® in several European and other countries outside the US, expanding the market beyond the original US market.

To date, omega-3 fatty acids have mainly been used to prevent cardiovascular disease, lower triglycerides and reduce blood pressure. Scientific studies and international statements are increasingly pointing to other health benefits. In addition to their original indication for cardiovascular disease, omega-3 fatty acids are now also used to treat inflammatory diseases, mental illness, certain types of cancer and other symptoms. As described in section 1.2, we are using these additional benefits to develop new drugs.

[1] Roland Berger: KD Pharma Refinancing Commercial Due Diligence, June 2024

In recent years, there have been unprecedented disruptions in the fish oil supply chain caused by reduced fishing yields and environmental factors that have significantly increased the cost of raw materials. These challenges have impacted market demand as higher input costs have been passed through the supply chain, affecting both producers and consumers.

However, the situation appears to be improving. The recent fishing season in Peru - one of the world's largest sources of omega-3 fish oils - was strong, leading to a replenishment of global fish oil stocks. This has helped to bring commodity prices back closer to their historical levels and has eased some of the price pressures that have affected the industry. As a result, the core business areas within the O³ Group and the sector as a whole are gradually adapting to the new market conditions, with suppliers and customers adjusting their strategies accordingly.

After experiencing significant growth over the past decade, the pharmaceutical omega-3 market is now maturing. In the United States, the market for icosapent ethyl is facing increasing competition from generic alternatives, which has led to reduced investment in market promotion and patient awareness. This has contributed to a more cautious approach in the industry as companies grapple with the implications of the increasing availability of generics. In addition, the increasing number of generic competitors has led to a tightening of competitive conditions in the market, as prices for the final product have fallen and established generic competitors have to clear excess inventory.

Outside the USA, the outlook is more promising. The originator has received approvals for its pharmaceutical product icosapent ethyl in several European countries, most recently in Italy in December 2024 and in Austria in February 2025. While this is a positive development, the impact on demand for active pharmaceutical ingredients (API) is likely to take time to materialize.

In addition, the omega-3 acid ethyl ester API market has shown signs of slowing in 2024 as customers take a wait-and-see approach to price adjustments following the recent fishing season in Peru and external factors such as an ongoing doctors' strike in Korea affecting demand.

Despite the volatility in raw material costs, the market for omega-3 supplements has remained relatively strong. Demand for fish oils has proven robust, with manufacturers successfully passing on price increases to customers over time. This resilience has helped to stabilize the market and ensure a continued balance of supply and demand.

As consumers continue to emphasize health and wellness, the Nutra segment is expected to remain a key driver of industry stability and provide opportunities for further growth and expansion.

We see these market dynamics and the evolving landscape of the omega-3 industry and believe this underscores the key challenges and opportunities driving the strategies of key players. We believe that O³ Group, with its diversified portfolio and expanded capabilities, is well positioned to capitalize on the emerging trends and develop long-term growth and underscore the importance of leveraging synergies from the acquisition of Marine Lipid business from DSM-Firmenich AG.

2.2 Business performance Development and position of the Group

Based on the above market developments relevant to the O³ Group, management believes that the broad technological toolkit has enabled us to achieve a solid market position, and we believe that this has been the basis for the strong growth in our Omega-3 and FDF sales of the O³ Group over time. Looking ahead, particularly given our expanded customer and product portfolio following the acquisition of the Marine Lipid business from DSM-Firmenich AG, we believe that the coming year will be a year of sales growth.

Looking back at our performance in 2024, we see that our pharma segment is facing headwinds after a period of expansion over the last decade. Our Icosapent ethyl customers reacted with caution to the aforementioned developments in the US market, which faced growing competition from generic alternatives, and our omega-3 acid ethyl ester API customers took a wait-and-see approach in anticipation of price adjustments following the recent fishing season in Peru, and in Korea demand declined due to an ongoing doctors' strike.

Our Nutra segment was resilient: In particular, the softgel product segment with finished dosage forms (FDF) was a bright spot for the O³ Group. The company saw strong growth in this product category as it experienced solid demand from customers seeking high quality omega-3 supplements and expanded its capacity to keep pace with this increasing demand.

At the end of September 2024, the O³ Group completed the acquisition of the Marine Lipids business from DSM-Firmenich AG. This strategic move positions the O³ Group as the world's largest vertically integrated omega-3 producer. The acquisition includes the omega-3 fish oil business of DSM-Firmenich AG, including the well-known MEG-3® brand, as well as state-of-the-art production facilities in Piura, Peru, and Mulgrave, Canada. By acquiring these assets, O³ Group has expanded its footprint and enhanced capabilities across the value chain - from refined oils to active pharmaceutical ingredients and softgel capsule manufacturing. This integration not only expands the product portfolio but also strengthens our ability to deliver innovative healthcare solutions with unrivaled quality and service.

The acquisition was made without settlement of a purchase price in cash, as DSM-Firmenich AG received 29% of the shares in MidCo Omega 3 GmbH, the 100% parent company of O³ Holding GmbH, as the purchase price. The fair value of the shares in MidCo

Omega 3 GmbH amounted to EUR 211.4 million at the time of acquisition, so that with a fair value of the net assets acquired from DSM of EUR 207.5 million, goodwill of EUR 3.9 million arose.

Following the acquisition, we began a project to integrate the former DSM-Firmenich AG production facilities with the old KD sites. One of the ideas for tapping synergies was to consolidate Omega3 production at fewer sites.

While the integration project is still ongoing, with regard to the UK site, we have completed the relocation of Omega3 production to other KD sites and initiated a partnership/divestment process for the site's CDMO business, which was reviewed and approved by the Advisory Board on February 27, 2025. At the beginning of April 2025, we informed the employees at the site about the above measures.

In light of the above, we recognized an impairment of the UK assets in the amount of EUR 72,486 thousand in 2024.

3. Summary of financial performance

3.1 Results of operations

As a result of the acquisition of the Marine Lipids business from DSM-Firmenich AG at the end of September 2024, the composition of the Group has changed compared to 2023. As a result, the financial information for 2024 is not fully comparable with that for 2023.

Compared to 2023, revenue fell slightly from EUR 194,046 thousand to EUR 192,761 thousand, which corresponds to a decrease of 0.7% and EUR 1,284 thousand. The originally planned significant increase in revenue in 2024 was therefore not achieved.

Revenue in the Pharma segment amounted to EUR 48,523 thousand (previous period: EUR 82,930 thousand) and in the Nutra segment to EUR 144,238 thousand (previous period: EUR 111,116 thousand).

As the sales growth shows, the Nutra segment has proven resilient in the midst of the highly volatile market environment mentioned above caused by unprecedented disruptions in the fish oil supply chain in recent years. We believe that our diversified offering to Nutra customers, including the softgel finished dosage form (FDF) product segment, has helped to manage this volatility.

Sales in the pharma segment were impacted by the strong headwinds in 2024, as mentioned above. As key players in this segment reposition themselves to capture a share of the omega-3 pharmaceutical market, we believe we are well positioned to serve these customers with best-in-class offerings when market demand picks up again.

Adjusted EBITDA amounted to EUR 18,912 thousand (previous year: EUR 43,731 thousand). As already forecasted in last year's management report, there was therefore a significant decline in adjusted EBITDA. The Pharma segment contributed EUR -1,542 thousand (20 23: EUR 27,312 thousand) and the Nutra segment EUR 20,454 thousand (20 23: EUR 16,419 thousand) to the overall result.

Earnings before interest and taxes (EBIT) fell from EUR 26,536 thousand in 2023 to EUR -111,044 thousand in 2024. The main reasons for this development were the significantly lower gross profit due to the high raw material purchase prices, which impacted margins, and the significant increase in other operating expenses due to impairment losses on assets. The gross profit fell from EUR 62,268 thousand (32.1%) in 2023 to EUR -51,078 thousand (-26.5%) in 2024. Other operating income increased to EUR 9,518 thousand (previous period: EUR 3,641 thousand) and other operating expenses to EUR 17,277 thousand (previous period: EUR 1,792 thousand), as described in section E.V.19 of the Notes.

The financial result decreased from EUR -16,303 thousand in 2023 to EUR -19,623 thousand in 2024, mainly due to an absolute increase in financial liabilities following the refinancing, which was partially offset by the lower interest rates of the new financing.

Taxes on income amounted to EUR -10,879 thousand (previous period: EUR 9,619 thousand). This results in a calculated tax rate for the Group of 8.3%. (previous period: 94.0%).

Net income for the year amounted to EUR -141,545 thousand, compared to EUR 613 thousand in the previous period, which is attributable to the developments described above. The share of net income attributable to non-controlling interests remains negligible.

Other comprehensive income, which relates to currency translation effects and the measurement of a financial instrument (FVTOCI), amounted to EUR 10,205 thousand (previous period: EUR -2,170 thousand).

3.2 Net assets and financial position

In the financial year, the O³ Group's investments in fixed assets amounted to EUR 152,145 thousand (previous year: EUR 32,222 thousand). Of this amount, EUR 85,398 thousand (previous year: EUR 2,776 thousand) was attributable to intangible assets, which mainly relate to the customer relationships acquired from the DSM transaction. EUR 66,748 thousand (previous year: EUR 29,447 thousand) is attributable to property, plant and equipment and assets under construction.

The O³ Group recognized a write-down of EUR 73,830 thousand on assets under construction and other property, plant and equipment in one of the units, which is attributable to an initiative to rationalize production at fewer sites in order to increase efficiency, reduce operational complexity and achieve cost savings, which was made possible by the acquisition of the production facilities from DSM-Firmenich AG. This expense is attributable to the Pharma segment.

At the end of 2024, the O³ Group had committed investments of EUR 4,331 thousand (previous year: EUR 4,972 thousand).

Non-current assets increased to EUR 290,078 thousand in the 2024 financial year (previous year: EUR 224,080 thousand), which is mainly due to the acquisition of the Marine Lipids business from DSM-Firmenich AG. Current assets rose to EUR 296,180 thousand (previous year: EUR 198,846 thousand), which is due in particular to an increase in inventories. The inventory intensity (inventories/total assets) increased to 37.0% (previous year: 30.5%).

Cash flow from operating activities amounted to EUR -48,535 thousand (previous year: EUR 28,139 thousand), while cash flow from investing activities amounted to EUR -1,862 thousand (previous year: EUR -17,257 thousand). The cash flow from financing activities resulted in a cash inflow of EUR 42,226 thousand (previous year: EUR 7,178 thousand) due to a shareholder loan in the amount of EUR 44,286 thousand. Overall, cash and cash equivalents before exchange rate-related changes and before changes in the scope of consolidation decreased by EUR 8,172 thousand.

In 2024, loans and financial liabilities totaling EUR 341,664 thousand were repaid and all obligations were properly serviced. We initially refinanced the previous credit facilities we had in recent years with a bridge loan granted by DNB, which arranged the public bond placement. We then refinanced this bridge loan again with a EUR 180 million bond, which we currently hold.

As a result, the current debt structure includes an EUR 180 million bond that was placed on the Open Market of the Frankfurt Stock Exchange. The bond was issued on October 10th 2024 by O3 Holding GmbH with a term of five years, is listed on the Open Market of the Frankfurt Stock Exchange (ISIN NO0013360552) and is expected to be listed on the regulated market of the Oslo Stock Exchange during 2025. The terms of the bond include a financial covenant to maintain a minimum liquidity of EUR 10 million, which will be reviewed on a quarterly basis. For the sake of completeness, it should be mentioned that we also have a EUR 25 million revolving credit facility with DNB, which was concluded in January 2025, so that no RCF facilities existed until the end of 2024.

Cash and cash equivalents at the end of the year amounted to EUR 28,906 thousand as of December 31, 2024 (previous year: EUR 36,797 thousand).

The equity of the O³ Group as of December 31, 2024 increased to EUR 261,839 thousand (previous year: EUR 182,260 thousand) due to a contribution to the capital reserve in the amount of EUR 211,350 thousand as a result of the acquisition of the Marine Lipids business from DSM Firmenich AG on September 30, 2024. The equity ratio thus rose to 44.7% (previous year: 43.1%).

3.3 Financial KPIs and reconciliation

Adjusted EBITDA as a KPI: Adjusted EBITDA remains the Group's most important performance indicator for internal and external financial analysis. For 2024, adjusted EBITDA amounted to EUR 18,912 thousand (2023: EUR 43,731 thousand).

The adjusted EBITDA margin (based on reported sales) amounted to 9.8% (2023: 22.5%). As already mentioned, the decline is due to higher raw material costs and lower pharmaceutical sales.

Reconciliation to accounting EBITDA and EBIT:

in kEUR	**2024**	**2023**
EBIT	**-111,044**	**26,536**
Depreciation and amortization incl. impairment losses	92,170	14,020
EBITDA	**-18,874**	**40,556**
Currency effects	3,808	-
EBITDA unadjusted	**-15,067**	**40,556**
Impairment of inventories	16,898	-
Consulting costs and other transaction-related costs	6,132	0,245
Provision for doubtful receivables	5,964	-
Restructuring and similar expenses	1,429	-
One-off legal costs and similar expenses	2,728	1,901
Other adjustments	0,828	1,029
Adjusted EBITDA	**18,912**	**43,731**

The adjustment includes an impairment of inventories in the amount of EUR 16,898 thousand, which were acquired specifically in connection with two customer contracts. In one case, the customer contract contained take-or-pay provisions for these specific materials, which the customer does not comply with and for which there is no alternative sales opportunity at the contractually agreed prices. Similarly, an impairment was required for materials produced under the previous contract at a cost that exceeded the recoverable selling price after the contract amendment. In both cases, we have adjusted these impairments as part of our adjusted EBITDA calculations.

Transaction-related expenses were incurred primarily in connection with the acquisition of the Marine Lipids division and the refinancing process.

The allowances for uncollectible receivables included an allowance for potential payment defaults on a customer contract for which the take-or-pay provisions have not yet been met, which were also included in our EBITDA adjustments.

These adjustments are consistent with the historical definitions applied by the Group and will be reviewed as part of the covenant package for bond reporting.

3.4 Non-financial indicators

Employees (FTEs): At the end of 2024, the O³ Group employed 728 full-time equivalents (FTEs), compared to 505 at the end of 2023. The increase is due to the successful acquisition of the Marine Lipids business unit from DSM-Firmenich AG at the end of 2024, which added 209 FTEs. Since then, the KD Pharma Group has begun to invest in a comprehensive integration process to align production processes, among other things. This is expected to have an impact on the composition and number of FTEs in 2025 as we identify and implement the results of the integration projects.

Safety, health and environment (SHE): The Group maintains safety records at all sites. The Lost Time Injury Frequency Rate (LTIFR) remained below the industry average and targeted training was carried out in high-risk operations. The environmental compliance audits were successfully completed after the takeover and the harmonization of SHE standards at the old and newly integrated sites is underway.

Sustainability initiatives: Sustainability continues to be an integral part of the O³ Group's strategy:

- **Sustainable sourcing:** the Group sources its marine raw materials from fisheries certified by the IFFO RS and the MSC to ensure traceability and responsible practices.
- **Circular use of materials:** Pharmaceutical side streams are reused in dietary supplement production, contributing to waste reduction and cost efficiency.
- **Algae oils and innovation:** O³ Group expanded the production of algae-based omega-3 fatty acids, a sustainable alternative with a minimal environmental footprint.
- **Energy and emissions:** Investments continue to be made in energy efficiency and emissions reduction projects at all production sites.

4. Outlook 2025

Operationally and financially, we expect the O³ Group to enter 2025 in a stronger position, with an integrated technology platform, a balanced commitment in all segments and strategic initiatives that enable sustainable, profitable growth. Looking ahead to 2025, O³ Group therefore expects to benefit from the foundations laid in 2024, in particular the operational integration of the Marine Lipids business acquired from DSM-Firmenich AG. We also expect the raw materials market to stabilize and demand for pharmaceuticals to pick up again. Although visibility remains limited, mainly due to volatile macroeconomic conditions, the Group is cautiously optimistic about the potential for operational and financial improvements.

Expected performance factors therefore include the recovery in sales volumes, particularly in the pharma segment, improved capacity utilization following the operational integration and more predictable margins as a result of the continued stabilization of crude fish oil prices. The continued addition of DSM-Firmenich AG customers, the realization of initial integration synergies and further expansion in international markets are expected to support performance over the remainder of the year.

Management continues to focus on:

- Executing the integration and realizing synergies
- Strengthening customer relationships across geographical borders and market segments
- Increasing operational efficiency through footprint optimization
- Maintaining disciplined capital allocation and working capital management

Subject to macroeconomic developments, which remain highly volatile, the Group therefore sees the potential for:

- A moderate increase in sales and adjusted EBITDA compared to 2024
- Progress in increasing profit margins in line with historical levels in the medium term
- Improved cash flow through optimized inventories and targeted investments

5. Opportunities and risks

5.1 Opportunities

Following the acquisition of the Marine Lipids business from DSM-Firmenich AG in the fourth quarter of 2024, O³ Group launched an ambitious integration program covering all operational, commercial and administrative functions. Key objectives include areas such as consolidation of sites, harmonization of quality systems, integration of ERP and finance platforms and alignment of commercial teams.

The Group has initiated the consolidation of production volumes across its global network to improve plant utilization and reduce costs. This includes the relocation of overlapping production activities and the rationalization of smaller or redundant operations. The first signs of synergy potential can already be seen in the areas of procurement, raw material procurement and joint services. It is expected that the full synergy effect of the combined company will gradually unfold in 2025 and 2026.

On the regulatory side, product registration transfers are underway, particularly in key Nutra markets, and it is expected that we will unlock the full value of the acquired product portfolio during 2025.

5.2 Risks

The O³ Group is exposed to a range of macroeconomic, strategic, operational, financial, regulatory and ESG-related risks. The Group actively monitors these risks as part of its enterprise risk management framework and continually updates risk mitigation plans in response to internal and external developments. None of these risks are considered to pose a threat to the O³ Group as a going concern.

5.2.1 Macroeconomic and geopolitical uncertainty

- The current global economic climate remains uncertain, with inflationary pressures, fluctuating interest rates, geopolitical tensions, tariffs and other trade barriers affecting supply chains and market demand. A key risk is the potential for new tariffs and trade restrictions under the US government's evolving trade policy and other governments' responses to it, which could affect the cost competitiveness of Canadian- and European-made products for the US market. Any new protective measures, such as increased import tariffs or regulatory barriers, could reduce profit margins and limit access to key customer segments. In addition, inflationary pressure on input costs cannot always be fully passed on to customers, putting margins under pressure. We consider this risk to be moderate.

5.2.2 Market and business risks

- **Customer concentration:** As a B2B company with large customers in both the pharmaceutical and nutraceutical segments, a significant proportion of revenue is generated from a small number of customers. Despite contractual protection and diversification efforts, changes in customer strategy or competitive dynamics could pose a risk. We consider this risk to be low.

- **End market volatility:** Demand for omega-3 products may fluctuate due to changes in reimbursement, consumer trends or macroeconomic conditions. While the Nutra segment has proven resilient over the past year, the Pharma segment remains subject to regulatory and pricing pressures. We consider this risk to be moderate.
- **Competitive market environment:** The KD Pharma Group operates in a highly competitive sector that is under pressure from both global CDMOs and niche specialists. Large pharmaceutical and nutraceutical companies with their own production capacities as well as up-and-coming low-cost competitors from China and India could continue to exert pressure on prices. The introduction of generic alternatives, particularly in the icosapent ethyl segment, has increased market dynamics, leading to price erosion and potential loss of market share. We consider this risk to be moderate.

5.2.3 Operational risks and risks in the supply chain

- **Fish oil procurement:** The company is highly dependent on fish oil from certain geographical regions such as Peru. Unfavorable weather events (e.g. El Niño), changes in fish stock quotas or official interventions could affect supply and pricing. We consider this risk to be moderate.
- **Operating footprint and integration:** The Group has a complex, global production base. The ongoing integration activities following the acquisition of the Marine Lipids business from DSM-Firmenich AG entail risks for implementation and change management. We consider this risk to be low.
- **Supply chain and inventories:** Fluctuations in the lead times of raw materials or customer ordering behavior can lead to imbalances in inventories or pressure on cash flow. We consider this risk to be moderate.

5.2.4 Regulatory and legal risks

- **Compliance with legal regulations:** As a supplier to the pharmaceutical and food supplement industries, the O³ Group must comply with a large number of national and international regulations (e.g. FDA, EMA, cGMP). Non-compliance with quality or regulatory standards could have financial and reputational consequences. We consider this risk to be moderate.
- **Product liability:** There is an inherent legal risk associated with the use of the Group's products, particularly APIs. Insurance cover and quality systems are in place but cannot completely rule out this risk. We consider this risk to be low.

5.2.5 Financial risks, currency and liquidity risks

- **Foreign exchange:** As a significant proportion of sales and procurement is conducted in USD, PEN and CAD, the volatility of currencies has an impact on financial reports. Natural hedges are used, and forward contracts could be used to manage this risk. We consider this risk to be low.

- **Interest rate and refinancing risk:** Although the current debt via the 2024 bond matures in October 2029, long-term refinancing requirements and interest rate increases represent a structural financial risk. We consider this risk to be low.
- **Working capital volatility**: As seen in 2024, working capital can fluctuate significantly depending on commodity prices and seasonal purchasing patterns. We consider this risk to be low.
- **Violation of the terms and conditions of the bond:** According to the terms of the bond conditions, the issuer is obliged to publish both the audited individual and consolidated financial statements within four months of the end of the financial year. After the expiry of this period, there is a contractual grace period of 20 working days. As these deadlines were not met in the present case, there has been a breach of the contractual obligations arising from the bond conditions ("Breach of Information Undertakings"). With the expiry of the Grace Period, a so-called "Event of Default" has therefore occurred. In principle, such an event gives investors the opportunity to demand early repayment of the bond. However, at the time of preparing the financial statements, the company had not become aware of any such demand for repayment by investors. With the publication of the audited financial statements, the breach of undertakings no longer exists. The bond trustee has confirmed that the publication of the audited financial statements means that the breach of undertakings no longer exists. The company will publish the IFRS separate financial statements of O³ Holding GmbH and the consolidated financial statements immediately after the audit opinion has been issued. We consider this risk to be low.

5.2.6 Technology, ESG and strategic risks

- **IT and cybersecurity**: Increasing digitalization increases vulnerability to cybersecurity threats. The Group has invested in IT infrastructure and cyber security protocols but is aware of the evolving risks. We assess this risk as moderate.
- **Climate and environmental risks:** Environmental regulations and marine ecosystem dynamics could affect the availability of raw materials and the cost structure. The O³ Group is actively committed to sustainable procurement and reducing its environmental impact. We assess this risk as moderate.
- **Mergers and acquisitions and strategic execution risk:** The success of acquisitions depends on integration and the realization of synergies. A mismatch between strategic intent and execution could impair value creation. We consider this risk to be low.

6 Governance and sustainability

We are committed to good corporate governance, including all necessary public disclosures. We are also committed to promoting a high level of ethical business conduct and complying with all applicable laws, rules and regulations governing our business activities.

6.1 Corporate governance

The KD Pharma Group has an Advisory Board at the level of MidCo Omega GmbH (see our corporate structure). Our Advisory Board consists of four members who together have a broad knowledge of the pharmaceutical and dietary supplement industry and a strong background in financial and auditing matters. The Advisory Board operates in accordance with the rules of procedure adopted by our shareholders. In addition, the KD Pharma Group has rules of procedure for management to ensure sufficient oversight of the fulfillment of management's duties and responsibilities.

The KD Pharma Group also maintains an ad hoc committee to ensure that the confidentiality of inside information is maintained and disclosed in a timely manner.

6.2 Compliance and ethics

The Group has appointed an individual to act as the KD Pharma Group's Chief Compliance Officer and Data Protection Officer to bring our practices in line with industry standards and comply with applicable laws.

We operate in a highly regulated industry and are regularly inspected by government authorities and our customers. We have a number of operating procedures in place to ensure that our business operations are conducted in accordance with good manufacturing practice. We also have administrative policies that promote a socially responsible working environment, including rules designed to prevent insider trading.

6.3 Sustainability focus areas

Environmental responsibility and sustainable business practices remain a strategic priority for the O³ Group. In 2024, the Group has made tangible progress on its ESG roadmap:

- **Sourcing of raw materials:** Continued use of certified sustainable fisheries (IFFO RS, MSC), with increasing use of algae-based raw materials to reduce dependence on wild catches
- **Circular economy practices:** Reuse in the side stream between pharma and nutra production has been further expanded, contributing to waste reduction.

- **Decarbonization efforts:** Energy efficiency measures have been introduced at several sites; assessments for future solar investments are underway
- **Product innovation:** expansion of algae-based omega-3 fatty acids and novel dosage forms support sustainable health solutions

7. Overall assessment

For 2024, we had planned a significant increase in revenue and a noticeable decline in adjusted EBITDA, as we had anticipated margin pressure due to historically high raw material costs. As we did not succeed in increasing sales revenue, the year fell short of our expectations.

Nevertheless, 2024 was a pivotal and transformative year for the O³ Group: the successful acquisition of the Marine Lipids business from DSM-Firmenich AG is a strategic move that has positioned the KD Pharma Group as an expanded, vertically integrated omega-3 producer globally, and we have started to strengthen our positioning to become one of the most competitive companies in the industry.

To complement this strategic expansion, we successfully refinanced our credit facilities in October 2024. We secured an EUR 180 million senior secured bond with a maturity of five years, which is listed on the Open Market of the Frankfurt Stock Exchange and is expected to be listed on the regulated market of the Oslo Stock Exchange during 2025.

However, the turbulent market environment, mainly due to the unprecedented disruptions in the fish oil supply chain in the recent past, had a significant impact on the omega-3 market and also on our financial performance, as mentioned above. In particular our Pharma segment faced strong headwinds which impacted our results. The resilience of our Nutra segment helped to offset some of these impacts, reinforcing our belief that the combination of both businesses within our Group is a key strategic strength that we can continue to build on in the future.

Looking ahead to 2025, we see the potential for a moderate increase in sales and adjusted EBITDA compared to 2024. We are aware of the volatile macroeconomic developments but also see opportunities for synergies as we move forward with the integration of DSM-Firmenich AG's Marine Lipids business into the old KD Group business.

8. Events after the balance sheet date

In January 2025, the O³ Group received an additional shareholder loan from DSM Nederland B.V. in the amount of EUR 5.4 million and in April 2025 in the amount of EUR 10.5 million and concluded an agreement with the external lender for additional credit lines in the amount of EUR 25 million.

At the beginning of April 2025, it was decided to relocate Omega3 production from the UK site to other KD sites and to initiate a partnership/sale process for the UK site for the CDMO business.

O³ Holding GmbH, Bexbach

Consolidated financial statements for the financial year 2024

(Translation – the German text is authoritative)

O³ Holding GmbH
Am Kraftwerk 6
66450 Bexbach

Contents

A. Consolidated balance sheet as of December 31, 2024

	Note	Dez. 31, 2024	Dez. 31, 2023
		EUR	EUR
Noncurrent assets			
Goodwill	E.V.1.	32,547,884	27,059,038
Other intangible assets	E.V.1.	109,612,095	32,582,731
Property, plant and equipment	E.V.2.	140,278,457	154,692,780
Other financial assets	E.V.3.	4,226,456	1,338,224
Deferred taxes	E.V.14.	3,412,696	8,407,152
		290,077,587	**224,079,924**
Current assets			
Inventories	E.V.4.	216,793,894	129,173,659
Trade accounts receivable	E.V.5.	30,863,053	25,651,352
Other receivables and financial assets	E.V.6.	17,439,006	7,224,700
Claims for income tax refunds	E.V.14.	2,178,551	0
Cash and cash equivalents	E.V.7.	28,905,633	36,796,727
		296,180,137	**198,846,438**
Total assets		**586,257,725**	**422,926,361**
Equity			
Capital Stock	E.V.8.	36,000	36,000
Capital reserves	E.V.8.	348,925,869	137,575,783
Other reserves	E.V.8.	-92,036,334	49,822,377
Accumulated other comprehensive income	E.V.8.	5,147,409	-5,300,727
Equity attributable to shareholders of O³ Holding GmbH		**262,072,944**	**182,133,433**
Non-Controlling Interest		-234,366	126,938
		261,838,578	**182,260,370**
Noncurrent liabilities			
Provisions for long-term employee benefits		1,416,312	859,800
Financial liabilities	E.V.11.	230,222,221	12,146,196
Other liabilities	E.V.12.	6,314,276	6,744,618
Deferred taxes	E.V.14.	8,005,309	2,444,379
		245,958,119	**22,194,993**
Current liabilities			
Liabilities for short-term employee benefits	E.V.9.	8,692,410	6,207,516
Other provisions	E.V.10.	90,861	90,861
Financial liabilities	E.V.11.	5,768,334	151,723,754
Trade accounts payable		42,460,808	31,160,588
Income tax liabilities		16,660,392	17,731,335
Other liabilities	E.V.12.	4,788,223	11,556,943
		78,461,028	**218,470,998**
Total equity and liabilities		**586,257,725**	**422,926,361**

B. Consolidated statement of comprehensive income for the 2024 financial year

	Note	2024	2023
		EUR	EUR
Net sales	E.V.15.	**192,761,041**	**194,045,870**
Cost of goods sold	E.V.16.	-243,839,017	-131,778,006
Gross profit		**-51,077,976**	**62,267,864**
Selling expenses	E.V.17.	-18,419,044	-15,284,360
Research and development expenses	E.V.18.	-1,950,153	-2,218,661
General administration expenses	E.V.19.	-31,837,434	-20,078,770
Other operating income	E.V.20.	9,517,713	3,641,177
Other operating expenses	E.V.20.	-17,277,261	-1,791,595
Earnings before financial result and taxes (EBIT)		**-111,044,155**	**26,535,654**
Financial income		4,045,968	8,264,055
Financial expenses		-23,668,760	-24,567,466
Financial result	E.V.22.	**-19,622,792**	**-16,303,411**
Income before income taxes		**-130,666,947**	**10,232,243**
Income taxes	E.V.23.	-10,878,525	-9,619,333
Income after income taxes = net result		**-141,545,472**	**612,910**
Attributable to shareholders of O³ Holding GmbH		-141,427,524	730,671
Attributable to non-controlling interests		-117,949	-117,761
Remeasurements of defined benefit plans	E.V.13.	-656,753	-223,599
Income taxes		107,764	28,922
Other comprehensive income from equity instruments measured at fair value		**-548,989**	**-194,678**
Other comprehensive income that will not be reclassified subsequently to profit or loss		**-548,989**	**-194,678**
Other comprehensive income (translation difference)		14,419,754	-2,479,873
Other comprehensive income (income taxes		-3,665,984	505,000
Other comprehensive income that may be reclassified subsequently to profit or loss		**10,753,770**	**-1,974,873**
Total other comprehensive income		**10,204,781**	**-2,169,550**
Attributable to shareholders of O³ Holding GmbH		10,448,136	-2,404,058
Attributable to non-controlling interests		-243,355	234,508
Total comprehensive income		**-131,340,691**	**-1,556,640**
Attributable to shareholders of O³ Holding GmbH		-130,979,387	-1,673,387
Attributable to non-controlling interests		-361,304	116,747

C. Consolidated statement of changes in equity for the 2024 financial year

					Accumulated Other Comprehensive Income					
	Appendix	**Capital stock**	**Capital reserves**	**Sonstige Rücklagen**	**Neubewertung leistungsorientierter Versorgungspläne**	**Währungsumrechnungen**	**Cummulated other income**	**Equity attributable to shareholders of O³ Holding GmbH**	**Non-controlling interests**	**Total Equity**
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Jan. 1, 2023		**36,000**	**105,475,783**	**49,091,707**	**163,001**	**-3,059,670**	**-2,896,669**	**151,706,820**	**10,191**	**151,717,011**
Equity transactions with owner			32,100,000	0	0	0	0	32,100,000	0	32,100,000
Cash capital increase			32,100,000	0	0	0	0	32,100,000	0	32,100,000
Other changes			0	0	0		0	0	0	0
Total comprehensive income			0	730,671	-194,678	-2,209,380	-2,404,058	-1,673,387	116,747	-1,556,640
Income after income taxes = Net income of the year			0	730,671	0	-4,120,653	-4,120,653	730,671	-117,761	612,910
Other comprehensive income			0	0	-194,678	-2,209,380	-2,404,058	-2,404,058	234,508	-2,169,550
Dec. 31, 2023		**36,000**	**137,575,783**	**49,822,377**	**-31,677**	**-5,269,050**	**-5,300,727**	**182,133,433**	**126,938**	**182,260,370**
Jan. 1, 2024		**36,000**	**137,575,783**	**49,822,377**	**-31,677**	**-5,269,050**	**-5,300,727**	**182,133,433**	**126,938**	**182,260,370**
Equity transactions with owner			211,350,086	0	0	0	0	211,350,086	0	211,350,086
Non-cash capital increase	**E.II.3.e.**		211,350,086	0	0	0	0	*211,350,086*	0	211,350,086
Other changes			0	-431,188	0	0	0	-431,188	0	-431,188
Total comprehensive income			0	-141,427,524	-548,989	10,997,125	10,448,136	-130,979,387	-361,304	-131,340,691
Income after income taxes = Net income of the year			0	-141,427,524	0	0	0	*-141,427,524*	*-117,949*	*-141,545,472*
Other comprehensive income			0	0	-548,989	10,997,125	10,448,136	10,448,136	-243,355	10,204,781
Dec. 31, 2024	**E.V.8.**	**36,000**	**348,925,869**	**-92,036,334**	**-580,666**	**5,728,075**	**5,147,409**	**262,072,944**	**-234,366**	**261,838,578**

D. Consolidated cash flow statement for the 2024 financial year

	2024	2023
	EUR	EUR
Income after income taxes	-141,545,472	612,910
Depreciation and amortization	92,169,680	14,020,436
Changes in provisions	2,961,526	916,477
Changes in deferred taxes	11,061,878	-2,351,126
Other non-cash income and expenses	48,255,330	1,977,608
Interest expenses/interest income reclassification	22,620,617	16,288,897
Drecrease (increase) in inventories	-81,220,351	-1,334,276
Decrease (increase) in trade accounts receivable	-4,651,504	-9,656,486
Increase (Decrease) in trade accounts payable	10,671,541	10,902,146
(Increase) Decrease in other operating receivables and income tax assets	-11,964,937	-2,375,272
Increase (Decrease) in other operating liabilities and income taxes	3,106,475	-861,895
Net cash provided by (used for) operating activities	**-48,535,218**	**28,139,419**
Cash outflow for additions of property, plant, equipment and intangible assets	-7,359,862	-17,483,567
Cash outflows for noncurrent financial assets	-3,088,668	-68,319
Interest received	974,347	294,547
Cash outflows for acquisitions less acquired cash	7,611,903	0
Net cash (used in) investing activities	**-1,862,281**	**-17,257,338**
Payments received/made from changes in capital	0	32,100,000
Proceeds from financial liabilities	360,000,000	0
Repayment of financial liabilities	-341,664,125	-6,184,138
Cash inflow related party	44,285,673	0
Interest paid	-20,395,674	-18,737,110
Net cash provided by financing activities	**42,225,874**	**7,178,752**
Net increase/decrease in cash and cash equivalents	-8,171,624	18,060,833
Cash and cash equivalents at beginning of year	**36,796,726**	**18,647,038**
Change in cash and cash equivalents due to changes in scope of consolidation	2,852	0
Change in cash and cash equivalents due to echange rate movements	277,678	88,855
Cash and cash equivalents at end of year	**28,905,632**	**36,796,726**
Supplementary information on operating Cash Flows		
Income taxes paid	-6,526,480	-9,028,935
Income tax refunds received	0	0
Cash inflows from insurance benefits for operating activities	0	9,423

E. Notes to the consolidated financial statements for the 2024 financial year

E.I. General information

O³ Holding GmbH (O³) and its subsidiaries are active in the production and distribution of products based on omega-3 fatty acids for nutritional supplements and pharmaceutical applications. The company has its registered office in 66450 Bexbach Am Kraftwerk 6 (Germany) and is entered in the commercial register at Saarbrücken Local Court under HRB 103555.

These consolidated financial statements were approved for publication by the management on June 24, 2025.

E.II. Significant accounting and valuation methods

E.II.1. Principles and notes on the application of IFRS

The consolidated financial statements of O³ for the 2024 financial year were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional requirements of Section 315e (3) in conjunction with Section 315e (1) HGB. (1) of the German Commercial Code (HGB). These financial statements relate to the financial year from January 1 to December 31, 2024.

Individual balance sheet items have been summarized to improve the clarity of presentation. These items are explained in the notes.

All amounts in the notes and tables are stated in Euros unless otherwise stated. Both individual figures and totals represent the value with the smallest rounding difference. When adding up the individual figures shown, small differences may therefore occur compared to the totals shown.

The consolidated financial statements are prepared on the basis of historical acquisition or production costs, unless the accounting and valuation principles explained below require otherwise. The consolidated income statement included in the consolidated statement of comprehensive income has been prepared using the cost of sales method.

The estimates and assumptions underlying the preparation of the financial statements in accordance with IFRS affect the measurement of assets and liabilities, the disclosure of contingent assets and liabilities at the respective balance sheet dates and the amount of income and expenses for the reporting period. Although these assumptions and estimates are made to the best of management's knowledge on the basis of current events and measures, actual results may ultimately differ from these estimates.

With the exception of the IFRS regulations to be applied for the first time in the financial year, the accounting policies applied are essentially the same as those applied in the previous year. The changes to the IFRS regulations to be applied for the first time in the 2024 financial year are explained below and had no material impact on the accounting policies of the O³ Holding Group.

The consolidated financial statements were prepared on a going concern basis.

E.II.2. New and amended IASB accounting standards

The following standards and interpretations issued by the International Accounting Standards Board (IASB) have been adopted by the EU and are mandatory for financial years beginning after December 31, 2023, but currently have no effect on the consolidated financial statements

Standard / Interpretation	
IAS 1	Classification of liabilities as current or non-current and non-current liabilities with ancillary conditions
IAS 7 / IFRS 7	Reverse factoring agreements/supplier financing agreements
IFRS 16	Lease liabilities from sale and leaseback transactions

The following accounting standards newly issued or amended by the IASB, some of which have not yet been endorsed by the European Union, are only to be applied in future financial statements, subject to endorsement by the European Union. Early application has not taken place and is not planned by O³ in the future. The implementation of global minimum taxation in accordance with Pillar 2 is currently not applied in the Group, as the required consolidated revenue is not achieved.

Standard / Interpretation (until December 31, 2024)		**Mandatory application for O³ Holding GmbH**	**Adoption by the EU**	**Expected effects**
IAS 21	Currency translation in the absence of exchangeability	January 1, 2025	Yes	No impact
IFRS 9/ IFRS 7	Classification of financial assets	January 1, 2026	Yes	No impact
IFRS 9/ IFRS 7	Accounting for nature-dependent electricity supply contracts	January 1, 2026	No	No impact
IFRS 18	Presentation and disclosures in the financial statements	January 1, 2027	No	Effects are currently being analyzed
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027	No	No impact
Miscellaneous	Annual improvements to IFRS accounting standards - Volume 11	January 1, 2026	No	No impact

E.II.3. Consolidation

a. Subsidiaries

With the exception of immaterial companies, all subsidiaries of O³ were included in the consolidated financial statements. These are companies whose financial and business policies can be controlled directly or indirectly by the Group. A list of the consolidated companies can be found in section E.II.3.b.

Subsidiaries are included in the consolidated financial statements by way of full consolidation from the date on which control is transferred to the Group. They are deconsolidated at the date on which control ends.

Acquisitions are accounted for using the purchase method. The cost of the acquisition corresponds to the fair value of the assets given, the equity instruments issued, and the liabilities incurred or assumed at the time of acquisition. Assets, liabilities and contingent liabilities identifiable as part of a business combination are measured on initial consolidation at their fair value at the acquisition date, irrespective of the extent of minority interests. The excess of the cost of acquisition over the Group's interest in the net assets measured at fair value is recognized as goodwill. If the acquisition costs are lower than the (proportionate) net assets of the acquired company measured at fair value, the difference is recognized directly in the income statement after a further review. Acquisitions of shares in subsidiaries after control has been obtained are recognized as equity transactions. The difference between the purchase price of the shares and the minority interest disposed of is offset directly in equity against the results not yet utilized.

Intragroup transactions, balances and unrealized gains from transactions between Group companies are eliminated. The same applies to unrealized losses, unless the transaction indicates an impairment of the transferred asset.

The accounting and valuation methods of subsidiaries were changed where necessary to ensure uniform accounting throughout the Group.

b. Scope of consolidation

As of December 31, 2024, O³ included fourteen subsidiaries (2023: eleven) in the consolidated financial statements.

As a result of the acquisition of the Marine Lipids Group, one Group company in Peru was added to the scope of consolidation as of September 30, 2024, and one in Canada was newly established and has been fully consolidated since the date of acquisition or commencement of operations. Subsidiaries whose influence on the net assets, financial position and results of operations is individually and collectively immaterial are included in the consolidated financial statements at cost, taking into account any impairment losses, and reported in the consolidated balance sheet as shares in affiliated companies. The combined financial data of subsidiaries of minor significance may not exceed 1% of consolidated sales, consolidated equity, consolidated net income and the consolidated balance sheet total.

The subsidiary KD Pharma USA Inc., which was not yet material in the previous year, was fully consolidated for the first time as of January 1, 2024, as it is planned to significantly expand its business activities in the future. Three subsidiaries are individually and collectively immaterial as at the consolidated balance sheet date, one of which is also expected to be immaterial in the future.

They are therefore reported at cost under shares in non-consolidated subsidiaries. Two of these subsidiaries were newly established in December 2024 and will be consolidated as soon as they commence operations in 2025.

The companies included in the consolidated financial statements alongside O³ Holding GmbH are listed below:

Entity	Seat	Capital share	Main activities
K.D. Pharma Bexbach GmbH	Bexbach (Germany)	100% immediate	Production and distribution of omega-3 products
GLW Pharma GmbH	Bexbach (Germany)	100% immediate	Distribution of omega-3 products
KD Phyto GmbH	Bexbach (Germany)	100% indirect	Manufacture and distribution of cannabinoid products
KD Norway AS	Brattvaag (Norway)	100% indirect	Production and distribution of omega-3 products
KD Nutra LLC	Miami (USA)	100% indirect	Encapsulation and distribution of omega-3
Marine Ingredients LLC	Mount Bethel (USA)	100% indirect	Distribution of omega-3 products, inactive
OceanBlue LLC	Florida (USA)	94% indirect	Distribution of omega-3 products
O3 USA Inc.	Delaware (USA)	100% immediate	Holding company
KD Pharma Group SA	Bioggio (Switzerland)	100% immediate	Administration
KD Swiss GmbH	Zug (Switzerland)	100% indirect	Distribution of omega-3 products
KD Pharma Canada Ltd.	Mulgrave (Canada)	100% indirect	Production and distribution of omega-3 products
DSM Marine Lipids Peru S.A.	Piura (Peru)	100% indirect	Production and distribution of omega-3 products
KD Pharma USA Inc.	New York (USA)	100% indirect	Distribution of omega-3 products
KD Pharma UK Ltd.	Middlesbrough (United Kingdom)	100% indirect	Production and distribution of omega-3 products

The following subsidiaries of O³ are individually and collectively immaterial on the consolidated balance sheet date and are therefore recognized at cost under other non-current financial assets/shares in non-consolidated subsidiaries:

List of non-consolidated subsidiaries:		
Company	Registered office	Capital share 12/31/2024
KD Pharma New Zealand Ltd.	Auckland (New Zealand)	100 %
KD Pharma Brazil SAC	Sao Paulo (Brazil)	100 %
Trigal Pharma GmbH	Vienna (Austria)	51 %

In addition, the O³-Holding Group holds the following investment as of 31/12/2024:

Participation	**Registered office of the company**	**Share of capital**	**Equity (in EUR thousand)**	**Earnings (in EUR thousand)**
My Biotech GmbH	Überherrn (Germany)	10%	566*	-12*

* Values 2023

c. Functional currency and reporting currency

The functional currency is determined for each Group company. The functional currency is the currency of the primary economic environment in which the respective Group company operates. Transactions of the respective Group company in other currencies are therefore foreign currency transactions.

The functional currency of O³ and the reporting currency of the Group is Euro. The financial statements of the individual Group companies are translated into the reporting currency, the Euro, using the closing rate method. The assets and liabilities of the Group companies are translated into Euros using the closing rate. Income statement items are translated into Euros using the average exchange rate for the month. Equity items are translated at historical exchange rates. Any resulting difference in the balance sheet is recognized in the currency translation adjustment item.

As of 31/12/2024 and 31/12/2023, the following exchange rates were used in the financial statements:

1 Euro =	Closing rate		Average rate	
	31/12/2024	31/12/2023	2024	2023
USD	1.0389	1.105	1.0824	1.0814
NOK	11.7950	11.2405	11.6290	11.4248
CHF	0.9412	0.926	0.9526	0.9718
CAD	1.49480	n/a	1.4923*	n/a
PEN	3.91675	n/a	4.0030*	n/a
GBP	0.82918	0.86905	0.8466	0.8698

* Average rate Q4/2024

d. Transactions and balances in foreign currencies

Foreign currency transactions are translated into the functional currency of the respective Group company at the exchange rate applicable at the time of the transaction. Monetary foreign currency items are subsequently translated at the respective closing rate.

Currency translation differences arising from the settlement of foreign currency transactions and from the translation of monetary foreign currency items at the closing rate are generally recognized in the income statement under operating profit. If these translation differences relate to external financing transactions, they are recognized as foreign currency gains or losses in the financial result.

e. Business combinations

On September 30, 2024, the O³ Holding GmbH Group acquired the omega-3 business from DSM-Firmenich AG. DSM-Firmenich AG produced omega-3 products in Peru and Canada, supplying customers in the food supplement market worldwide. The O³ Holding GmbH Group acquired the production facilities in Piura (Peru) and Mulgrave (Canada), inventories in various countries and the global customer relationships from DSM-Firmenich AG.

The acquisition positions the O³ Holding GmbH Group as the world's largest vertically integrated omega-3 producer. The production facility in Peru means that O³ Holding is now starting earlier in the value chain, while the production facility in Canada has significantly increased production capacity and expanded the product portfolio. In addition, the customer base has been significantly expanded and overall competitiveness increased.

In a related transaction, the O³ Holding GmbH Group acquired 100% of the shares in DSM Marine Lipids, Peru, the operating business including the necessary assets of DSM Nutritional Products

(DNP), Canada, as well as intangible assets (in particular customer relationships) and inventories associated with these business operations.

The purchase price to DSM-Firmenich AG was settled by granting 29% of the shares (corresponding to 14,704 shares) in Midco Omega GmbH, the 100% parent company of the acquiring O³ Holding GmbH, which was founded for the purpose of taking over the omega-3 business from DSM-Firmenich AG. As a result of the acquisition of the assets from the DSM companies (seller) by the subsidiaries of the O³ Holding GmbH Group, a purchase price receivable arose for the seller, which it subsequently transferred to MidCo Omega GmbH. In the next step, MidCo Omega GmbH transferred this purchase price receivable to the capital reserves of O³ Holding GmbH. The transaction costs reported under general administrative expenses amounted to EUR 2,854 thousand.

The value of the 29% stake in Midco Omega GmbH (which was determined using a discounted cash flow method) and therefore the consideration transferred at the time of acquisition amounted to EUR 211.4 million. Please also refer to section E.IV. "Estimates and discretionary decisions" in this regard. The following table shows the fair values of the assets acquired and liabilities assumed identified as part of the acquisition of the Marine Lipids Group as at the acquisition date:

in EUR million	30/09/2024
Intangible assets	79.6
Property, plant and equipment	62.1
Inventories	57.1
Other receivables and financial assets	6.4
Cash and cash equivalents	7.6
Total identifiable assets	**212.8**
Liabilities from deliveries and services	4.3
Other liabilities (deferred taxes)	0.9
Total identifiable liabilities	**5.2**
Total identifiable net assets	**207.5**
Goodwill	**3.9**
Total amount of consideration transferred	**211.4**

The goodwill of EUR 3.9 million resulting from the acquisition above market value and from the synergies arising from the business combination is reported in the balance sheet under intangible assets. This is not deductible for tax purposes. The purchase price allocation is final. No contingent purchase price payments were agreed. The intangible assets acquired mainly comprise customer relationships. The fair value of the other receivables and financial assets acquired is approximated by their carrying amounts. The contractually agreed amounts have been received in full. No contingent liabilities were assumed.

Revenue from the acquired business operations is included in the consolidated revenue for the 2024 financial year in the amount of EUR 13,282 thousand. The acquired business operations generated a loss of EUR 6,048 thousand in the financial year from the date of acquisition. If the business operations had been part of the Group since January 1, 2024, the revenue reported as of December 31, 2024, would have been EUR 132,042 thousand higher and the consolidated result would have been EUR 5,263 thousand higher.

Initial sales of the expanded Nutra portfolio of "Marine Lipids" acquired from DSM-Firmenich AG also contributed to Nutra's Q4 sales, albeit at a slightly lower level compared to historical sales of these products. We assume that this is a temporary effect following the acquisition completed on September 30, 2024, as some customers have built up bridging stocks in view of possible temporary delivery delays due to the changeover. In addition, customers in various countries will continue to be supplied by DSM-Firmenich AG for some time, as the transfer of these customers requires a further carve-out and transfer of certain registrations and licenses, which could only be initiated after the acquisition was completed.

The amounts were calculated from the results of the acquired business operations. Additional amortization was taken into account that would have been recognized if the adjustments of the acquired non-current non-financial assets to their fair values, together with the corresponding tax adjustments, had been made from 1st of January 2024.

E.II.4. Revenue recognition

In accordance with the provisions of IFRS 15, revenue and other operating income are only recognized when the services have been rendered or when the customer has obtained control over the goods or services. This is the case when the customer is in a position to derive a benefit from it and has control over its future use at its own discretion. Control can be transferred in a single step or over time.

Revenue comprises the amount invoiced for the sale of products and is recognized in the amount of the consideration that the Group can expect in return for the transfer of the products. They are reduced by sales deductions and taxes.

The majority of customer deliveries are collected by the customer, meaning that no significant transport services lead to any other time-related revenue recognition. Bonus agreements attributable to the financial year are recognized as a reduction in revenue either by issuing a customer credit note or by recognizing another liability.

In the case of contracts where the service is provided over a period of time, revenue is recognized either according to the stage of completion or on a straight-line basis for reasons of simplification, depending on the type of service provided.

The standard payment term for customers is 30 days, although an individual payment term can be agreed with individual customers.

As goods that have already been shipped are only taken back voluntarily in exceptional cases and there is no obligation to take them back (except for complaints), no refund liability has been recognized. Guarantees are also not part of the business model.

Multi-component contracts are analyzed and, in accordance with the contractual provisions, revenue is only recognized at the time the product is sold, if applicable, in deviation from payments received.

The company recognizes interest income on a time proportion basis, taking into account the residual debt and the effective interest rate over the remaining term.

E.II.5. Research and development costs

Research costs cannot be capitalized. They are recognized immediately as an expense when incurred.

Development costs are only capitalized as production costs of an intangible asset if the technical feasibility of the development project is sufficiently certain, the intention to complete and use the intangible asset exists, the ability to use and the nature of the expected future inflow of benefits can be demonstrated, the necessary resources exist to complete the development project and the intangible asset can be reliably measured.

Research grants are government assistance in the form of transfers of resources to an entity from governmental authorities on condition that certain conditions are fulfilled in the future. These grants may only be recognized when it is reasonably certain that the O³-Holding Group will meet the condition and the grant will be awarded.

E.II.6. Intangible assets

a. Goodwill

Goodwill represents the excess of the consideration transferred in a business combination over the Group's interest in the fair value of the net assets of the acquired company at the acquisition date and is recognized as an intangible asset. Goodwill resulting from the acquisition of an associated company is included in the carrying amount of the investment in the associated company. Goodwill is subject to an impairment test at least once a year and additionally when impairment events occur and is measured at its original cost less accumulated impairment losses. Scheduled amortization does not take place.

b. Internally generated intangible assets

The company's own inventions and developments are capitalized as internally generated intangible assets. The aim of these development projects is primarily the approval of omega-3-based active ingredients in order to generate future sales in the pharmaceutical market. Revenues can be generated both through the direct sale of the active ingredients to end customers, through their B2B sale and through the out-licensing of distribution rights. The expenses incurred for them are capitalized from the time at which the conditions specified for development costs are met (see section E.II.5). Directly attributable personnel costs and inventor compensation, project-related external services and project-related material costs are capitalized. The timing of capitalization is determined on a case-by-case basis either after the successful completion of phase 3 clinical trials or when the successful completion of this phase is considered highly probable and approval of the active ingredient can be expected. Internally generated intangible assets are amortized on a straight-line basis over their expected useful life, starting from the time the asset is ready for use. If there is an indication of possible impairment, an impairment test is carried out. Capitalized development projects that are not yet ready for use are tested annually for impairment. The remaining useful life of internally generated intangible assets already used in the production process is six years. Amortization is included in the cost of production.

c. Other intangible assets

Purchased intangible assets are capitalized at cost and amortized on a straight-line basis over their respective useful lives. If there is an indication of possible impairment, an impairment test is carried out. Assets with an indefinite useful life are tested annually for impairment.

As part of the business combination with the Marine Ingredients Group (Marine Ingredients LLC, Marine Ingredients AS, Innova Softgel LLC) completed at the end of December 2016, existing customer relationships were acquired on a large scale. These will be amortized on a straight-line basis over a period of eight to ten years from 2017. The company acquisition in September 2024 also included the acquisition of customer relationships, which will be amortized over a period of 8.4 years from October 2024.

The amortization expense for the customer relationships is allocated to selling expenses. Other intangible assets also include acquired rights and software with a useful life of three to five years. The resulting amortization expense is allocated to general administrative expenses.

E.II.7. Property, plant and equipment

Property, plant and equipment mainly consists of machinery and technical equipment, computer hardware and other office equipment. They are recognized at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method, taking into account the respective residual value and based on the following useful lives:

Buildings, structural assets:	10-40 years
Machinery, technical equipment:	5-10 years
Operating and office equipment:	3-13 years

The residual values and remaining economic useful lives are reviewed at each balance sheet date and adjusted if necessary.

Subsequent acquisition or production costs are only capitalized if it is probable that future economic benefits will flow to the company. All other repairs and maintenance are recognized as expenses in the income statement in the financial year in which they are incurred.

The costs of routine general overhauls with corresponding new approvals of the units (validations) are capitalized and depreciated over the period until the next new approval.

Borrowing costs incurred in connection with the acquisition or production of so-called qualifying assets from the time of acquisition or from the start of production until the completion of all major work to prepare the qualifying asset for its intended use or sale are capitalized and subsequently depreciated with the asset in question. If the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to this amount (see also section E.II.8).

Gains and losses from the disposal of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amount and recognized in other operating income.

E.II.8. Impairment of property, plant and equipment and intangible assets

Goodwill and other intangible assets with indefinite useful lives are tested for impairment at least once a year. Property, plant and equipment and intangible assets subject to amortization are tested for impairment as soon as events or indicators suggest that their carrying amounts may not be recoverable. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The latter corresponds to the higher of the fair value of the asset less costs to sell and the discounted net cash flows from further use (value in use). To assess impairment, assets are grouped at the lowest level into cash-generating units for which cash flows can be identified largely independently of the rest of the company.

In the case of reversals of impairment losses, write-ups are made up to a maximum of amortized cost. No reversals of impairment losses are recognized for goodwill.

E.II.9. Inventories

The O³ Group's inventories consist of raw materials, work in progress and finished goods. They are recognized at the lower of cost and net realizable value. The acquisition cost comprises the purchase price of the raw materials plus any directly attributable incidental costs. Production costs include the directly attributable material costs and wages as well as the costs of attributable external services. Production overheads are also included in the cost of sales. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

E.II.10. Liabilities for employee benefits

The balance sheet item liabilities for employee benefits includes future payment obligations from the granting of inventor remuneration and employee bonuses.

In the case of defined benefit plans, provisions are calculated in accordance with IAS 19 "Employee Benefits" using the projected unit credit method, whereby an actuarial valuation is carried out on the balance sheet date of the financial year. This takes into account not only the pension obligations and acquired entitlements known on the reporting date, but also economic trend assumptions, such as salary and pension trends, which are selected according to realistic expectations, as well as valuation parameters relating to the reporting date, such as actuarial interest rates.

Gains and losses from the remeasurement of the net liability or net asset from defined benefit pension plans include actuarial gains and losses that may result primarily from differences between the expected and actual changes in the underlying demographic and financial measurement parameters. In addition, there is the difference between the actual income from the plan assets and the expected interest income on the plan assets included in the net interest result. Effects from remeasurements are recognized in full in the period in which they occur and reported outside the income statement in the statement of income and expenses recognized in consolidated equity.

The service cost, which represents the entitlements acquired by active employees in the financial year in accordance with the benefit plan, is reported under personnel expenses; the net interest result on the net liability or net asset from defined benefit pension plans calculated on the basis of the discount rate applicable at the beginning of the financial year is recognized in the financial result.

Past service cost and gains and losses from plan settlements are recognized in full in the income statement in the period in which the underlying plan amendment, curtailment or settlement takes place. They are recognized under personnel expenses.

The amount recognized represents the present value of the defined benefit obligations after offsetting against the fair value of the plan assets. The amount of any asset arising from this calculation is limited to the present value of available refunds and the reduction in future contribution payments as well as the benefit from prepayments as part of minimum funding requirements. Such an asset is recognized under operating receivables.

Payments for defined contribution plans are recognized as an expense when due and reported under personnel expenses. Payments for state pension plans are treated as payments for defined contribution pension plans if the obligations under these pension plans correspond in principle to those under defined contribution pension plans.

E.II.11. Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the company expects reimbursement of an amount set aside (e.g. due to an insurance policy), it recognizes the reimbursement claim as a separate asset if reimbursement is virtually certain in the event that the obligation is utilized.

The company recognizes a provision for loss-making transactions if the expected benefit from the contractual claim is less than the unavoidable costs of meeting the contractual obligation.

The provisions are measured at the probable outflow of resources. Non-current provisions are discounted at the risk-adjusted interest rate.

E.II.12. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one contracting party and a financial liability or equity instrument of the other contracting party.

Purchases and sales of financial assets are recognized on the settlement date. Financial assets in the O³ Holding Group comprise cash and cash equivalents and trade receivables.

According to IFRS 9, financial assets are to be measured either at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income. Allocation to the three categories is based on the business model within which the financial instruments are held and on the contractual cash flows.

All financial receivables (debt instruments) held by the O³ Group on the balance sheet date are recognized at amortized cost. The cash flows of these financial instruments consist exclusively of interest and principal payments, and they are held by O³ with the intention of collecting the contractual cash flows. They are classified as current assets if they are not due more than twelve months after the balance sheet date. Otherwise, they are reported as non-current assets. These financial assets are initially recognized at fair value plus directly attributable transaction costs.

Cash and cash equivalents comprise all liquid assets with a remaining term of less than three months at the time of acquisition. They are recognized in the balance sheet at cost. Cash and cash equivalents in foreign currencies are translated at the closing rate. Differences from currency translation are recognized in the financial result.

Allowances for expected credit losses (expected loss model) are recognized for receivables measured by O³ at amortized cost (see section E.V.26).

For the equity instruments (investments) held by O³, the option was exercised to recognize them at fair value with impairment losses recognized in other comprehensive income. Any gains or losses incurred for these investments remain within equity.

Financial liabilities in the O³ Holding Group include, in particular, financial liabilities and trade payables.

Financial liabilities are initially recognized at fair value less transaction costs. In subsequent periods, they are measured at amortized cost. Any difference between the initial value and the repayment amount is recognized in the statement of comprehensive income over the term of the financial liability using the effective interest method.

Financial liabilities are classified as current if the Group does not have the unconditional right to defer settlement of the liability to a date at least twelve months after the balance sheet date.

Derivative financial instruments and separable embedded derivative financial instruments are measured at fair value on initial recognition. In accordance with IFRS 9, they are to be categorized at fair value through profit or loss unless they are part of a hedging relationship. Gains and losses from fluctuations in fair value are recognized through profit or loss in the financial result.

E.II.13. Deferred income taxes

Deferred income taxes are recognized using the liability method for temporary differences between the tax base and the IFRS carrying amount of assets and liabilities and for unused tax loss carried forwards. Deferred income taxes are generally determined using the tax rate applicable on the balance sheet date for the respective reversal date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences or a loss carried forward can be utilized.

Changes in deferred tax items are generally recognized in profit or loss. Exceptions to this are the addition of deferred tax items not recognized in profit or loss as part of the purchase price allocation for company acquisitions and deferred tax items in connection with changes in value to be recognized in other comprehensive income, which are also recognized in other comprehensive income.

E.II.14. Leases

The companies in the O³ Holding Group are lessees. Lease agreements are recognized in accordance with IFRS. A lease exists if a contract entitles the lessee to use an identified asset for a certain period in return for payment of a fee. A right of use for an identified asset can occur in different contractual variants, e.g. in rental or lease agreements, regardless of the formal structure.

The lease liability to be recognized corresponds to the present value of the payments to be made by the lessee to the lessor, taking into account the probability of renewal options being exercised. It is amortized using the effective interest method. The right-of-use asset to be recognized in return for the underlying asset is recognized at cost at the inception of the lease. In addition to the lease payments, any initial direct costs incurred by the lessee and dismantling costs are included in the calculation. The capitalized right-of-use asset must be depreciated and tested for impairment if there are indications of impairment.

For leased assets of low value and for short-term leases (less than twelve months), the practical expedients are applied, and the right-of-use asset and liability are not recognized. In 2024, expenses from leases in the amount of EUR 1,966 thousand (2023: EUR 874 thousand) continued to be recognized in operating expenses.

For all leases with a term of more than 12 months, a lease liability in the amount of the present value of the future lease payments is recognized at the beginning of the lease term. The portion of the lease liability that is due within twelve months on the balance sheet date is reported under current financial liabilities, while the remaining portion is reported under non-current financial liabilities. Subsequently, each lease instalment is divided into an interest portion and a repayment portion, taking into account a constant rate of interest on the respective residual lease liability. The interest portion of the lease instalment is recognized as interest expense in the income statement. The corresponding assets reported as right-of-use assets in property, plant and equipment, which generally correspond to the present value of the liability plus directly attributable costs, are depreciated over their useful life, which may be limited by the lease agreement. The rules for determining and recognizing impairment losses also apply to capitalized right-of-use assets.

Some of the leases contain extension options. Such options are only included in the calculation of lease liabilities if an extension can be assumed with reasonable certainty. In 2023, the option to extend an existing lease for a building for 5 years was exercised, which led to an addition to the right-of-use assets for real estate in the amount of EUR 3.5 million in 2023.

Furthermore, the option under IFRS 16.15 was exercised and a separation of lease and non-lease components for all classes of assets was waived.

Right-of-use assets, which are included in the balance sheet item non-current assets, amounted to a total of EUR 11.6 million at the end of the reporting period. Details can be found in the table below.

in EUR	2024		
	Total	Right-of-use asset	Right-of-use asset
Acquisition/production costs	22,897,207	19,441,345	3,455,862
Accumulated depreciation and impairment losses	9,512,644	7,263,273	2,249,371
Carrying amount as of 01.01	**13,384,564**	**12,178,072**	**1,206,492**
Additions (+)	532,845	114,782	418,062
Disposals (-)	–	–	–
Reclassifications (+/-)	–	–	–
Scheduled amortization (-)	-2,474,561	-1,972,294	-502,267
Impairment losses (-)	–	–	–
Translation differences (+/-)	200,366	201,235	-868
Carrying amount as of 31.12	**11,643,213**	**10,521,794**	**1,121,419**
Acquisition/production costs	23,630,418	19,757,362	3,873,057
Accumulated depreciation and impairment losses	11,987,205	9,235,567	2,751,638

in EUR	2023		
	Total	Right-of-use asset	Right-of-use asset
Acquisition/production costs	11,179,809	7,889,803	3,290,006
Accumulated depreciation and impairment losses	7,137,616	5,429,198	1,708,418
Carrying amount as of 01.01	**4,042,193**	**2,460,605**	**1,581,587**
Additions (+)	11,821,645	11,659,029	162,616
Disposals (-)	–	–	–
Reclassifications (+/-)	–	–	–
Scheduled amortization (-)	-2,375,027	-1,834,075	-540,952
Impairment losses (-)	–	–	–
Translation differences (+/-)	-104,246	-107,487	3,241
Carrying amount as of 31.12	**13,384,564**	**12,178,072**	**1,206,492**
Acquisition/production costs	22,897,207	19,441,345	3,455,862
Accumulated depreciation and impairment losses	9,512,644	7,263,273	2,249,371

These figures have also been included in the tables for property, plant and equipment in section E.V.2.

Total lease liabilities as at 31/12/2024 amounted to EUR 12,774 thousand (31/12/2023: EUR 13,937 thousand). Interest expenses for lease liabilities amounted to EUR 496,488 thousand in the reporting period (2023: EUR 295,779 thousand), while the payment for the repayment of lease liabilities and short-term lease payments amounted to EUR 2,394 thousand (2023: EUR 2,016 thousand).

E.III. Capital and financial risk management

The Group's aim is to maintain a strong capital base (equity and debt) in order to maintain the confidence of investors, creditors and the markets and ensure the sustainable development of the company. With the help of capital management, O³pursues the goal of sustainably strengthening the Group's liquidity and equity base, providing funds for the Group's equity-financed growth and generating an appropriate return on capital employed.

Based on a direct Group cash flow forecast for each consolidated company, cash flows are tracked across the Group and any financing requirements are identified at an early stage and countermeasures initiated. Changes are analyzed regularly, and corrective measures are taken if necessary. The result of this capital management is to maintain the solvency of all Group companies. The planned Group cash position, which is tested on a quarterly basis in accordance with the terms of the bond and may not fall below EUR 10 million, serves as a key performance indicator. A covenant agreed with the external lenders (ratio of financial liabilities less cash and cash equivalents to adjusted EBITDA) also had to be complied with by September 2024. The corresponding loans were repaid in September 2024. All covenants agreed with the lenders were complied with in the 2024 financial year. Financing can generally be provided in the form of equity or debt and is discussed in advance with the potential lenders or equity providers with sufficient lead time. In addition to the minimum liquidity requirement, there is an obligation to publish both the audited separate and consolidated financial statements within four months of the end of the financial year. For compliance with this obligation, see section E.V.26.c.

Financial risk management includes the management and limitation of financial risks from operating activities. In particular, the liquidity risk (avoiding disruptions to solvency) and the default risk (risk of loss if a contracting party fails to meet its contractual obligations) must be considered here. To hedge against interest rate changes, an interest rate swap was concluded in the 2022 financial year to partially hedge the financing cash flow, which expired at the end of 2024.

Responsibility for liquidity risk management lies with the Management Board, which has established an appropriate system for managing short, medium and long-term financing and liquidity requirements. The Group manages liquidity risks by maintaining adequate cash and cash equivalents, credit lines with banks and other facilities as well as by constantly monitoring forecast and actual cash flows as part of continuous rolling liquidity controlling and reconciling the maturity profiles of financial assets and liabilities.

In order to minimize default risks, the Group only enters into business relationships on the sales side with creditworthy contracting parties and has included some of its core customers in a non-recourse factoring agreement. Liquidity is generally raised by borrowing from the lenders providing the current financing. Should financing from another lender be considered, the existing lenders would have to give their consent. This results in a possible liquidity risk in accordance with IFRS 7.31. However, this is classified as low. In addition, the loan agreements contain change-of-control clauses, according to which the loans can be called in immediately in the event of a change of shareholder. This also results in a possible liquidity risk in accordance with IFRS 7.31, which is also classified as low.

E.IV. Estimates and discretionary decisions

When preparing the consolidated financial statements, the company makes estimates and assumptions about expected future developments based on the circumstances on the balance sheet date. By their very nature, the estimates derived from this will rarely correspond to the actual circumstances at a later date.

Critical estimates and assumptions relate to the following matters:

- Impairment testing of non-financial assets (goodwill, brand names, capitalized development costs, property, plant and equipment) requires assumptions to be made with regard to expected future cash flows and the discount rate to be used. The estimate of future cash flows is based on the existing customer base, its possible expansion and the profitability of the O3 Group's products. In the case of capitalized development costs, the assessment of technical feasibility and the possibility of generating future cash flows is of particular importance.

- The fair values of assets and liabilities acquired as part of a business combination are determined using recognized valuation methods. As part of the acquisition of the Marine Lipid Business, customer relationships are measured on the basis of the residual value method. In addition to estimating the future sales and margins that can be achieved with the customers, their valuation is influenced in particular by the assumption of the relevant churn rate. This was determined on the basis of sales generated with customers in previous years.

  The consideration for the assets and liabilities acquired from DSM Firmenich AG in the business combination consisted of shares given. Their fair value is not determined on the basis of observable market values and is therefore allocated to the fair value hierarchy in Level 3. Instead, a cash flow model was used, the result of which is largely dependent on future cash flow inflows and the discount rate. The cash flow inflows were derived from the corporate planning for a 5-year detailed planning period, whereby an average increase in sales in the low double-digit percentage range was assumed. A growth rate of 1.0% is assumed for cash flows after the end of the detailed planning period. The discount rate used takes into account income taxes and reflects the specific risks of the company.

- The impairment of doubtful receivables requires an assessment of the customer-specific creditworthiness in the respective economic environment. The appropriateness of the valuation allowances is assessed on the basis of the maturity structure of the receivables balances, the creditworthiness of the respective debtor and past experience. In both the reporting period and the comparative period, valuation allowances were recognized on receivables in accordance with IFRS 9.

- Estimates must be made for the recognition of current and deferred tax items. There are uncertainties regarding the interpretation of complex tax regulations. Therefore, differences between the actual results and the assumptions or future changes in estimates may result in changes to the tax result in future periods. The Group has taken appropriate account of the possible effects of the tax audit by the tax authorities.

- Deferred tax assets are recognized if sufficient future taxable profits are likely to be available to utilize the tax reduction potential. The effect on earnings from the reversal of taxable temporary differences, the planned results from operating activities to generate offsetable taxable income must be included in the assessment. As future business development is uncertain, estimates are required with regard to future taxable income and the timing of the possible realization of deferred tax assets. At present, deferred tax assets on loss carried forwards are only recognized to an insignificant extent, as there are either insufficient taxable temporary differences or it is not assumed that the usability of the loss carried forwards can be ensured by future profits or tax arrangements in the next five years. Please also refer to section E.V.13.

- Impairment tests are based on future cash flows and thus on an assumption of the future development of the Group in accordance with detailed planning, which was also used for the forecast. Various parameters are taken into account in this planning, but changes in the future are difficult to predict.

- General litigation risks are taken into account in our provisions. There is a risk that legal action will be taken due to the actions, omissions, services or other events of a person or a company involved.

- Expenses for the development of intangible assets may only be capitalized if a future inflow of benefits is probable and the production costs for the intangible asset can be reliably determined. Operationalization is based on further criteria. Management judgment is required to determine whether the criteria for capitalization are met and from what point in time. This applies in particular with regard to the technical feasibility of a development project.

- The determination of the expected useful lives and amortization schedules of non-current non-financial assets is based on empirical values and estimates.

The current global economic climate remains uncertain, with inflationary pressures, fluctuating interest rates, geopolitical tensions, tariffs and other trade barriers affecting supply chains and market demand. A key risk is the potential for new tariffs and trade restrictions under the US government's evolving trade policy and other governments' responses to it, which could affect the cost competitiveness of products manufactured in Canada and Europe for the US market. Any new protective measures, such as increased import tariffs or regulatory barriers, could reduce profit margins and limit access to key customer segments. In addition, inflationary pressure on input costs cannot always be fully passed on to customers, putting pressure on profit margins.

E.V. Notes to individual items in the consolidated financial statements

E.V.1. Intangible assets

The following overviews show the development of intangible assets in the reporting and comparative periods:

in EUR	2024					
	Total	Goodwill	Customer Relationships	Internally generated intangible assets	Internally generated intangible assets	Other intangible assets
Acquisition/production costs	78,916,047	27,059,037	14,870,377	9,733,670	22,959,223	4,293,741
Accumulated amortization and impairment losses	19,274,280	–	10,585,481	7,370,521	–	1,318,278
Carrying amount as of 01.01	**59,641,767**	**27,059,037**	**4,284,896**	**2,363,149**	**22,959,223**	**2,975,463**
Additions (+)	1,799,233	–	–	120,324	1,678,909	–
Additions from acquisitions (+)	83,598,512	3,883,059	79,355,403	–	–	360,050
Reclassifications (+/-)	–	–	–	–	–	–
Disposal (-)	–	–	–	–	–	–
Scheduled amortization (-)	-4,906,140	–	-3,969,615	-824,748	–	-111,778
Impairment losses (-)	–	–	–	–	–	–
Translation differences (+/-)	2,026,605	1,605,787	438,160	26	-212,454	195,086
Carrying amount as of 31.12	**142,159,979**	**32,547,884**	**80,108,844**	**1,658,752**	**24,425,678**	**3,418,821**
Acquisition/production costs	166,340,398	32,547,884	94,663,940	9,854,020	24,425,678	4,848,876
Accumulated amortization and impairment losses	24,180,420	–	14,555,096	8,195,269	–	1,430,055

in EUR	2023					
	Total	Goodwill	Customer Relationships	Internally generated intangible assets	Internally generated intangible assets	Other intangible assets
Acquisition/production costs	76,610,474	28,067,899	15,055,365	9,733,670	19,435,755	4,317,785
Accumulated amortization and impairment losses	16,789,692	–	8,996,756	6,549,150	12,330	1,231,456
Carrying amount as of 01.01	**59,820,781**	**28,067,899**	**6,058,609**	**3,184,520**	**19,423,425**	**3,086,329**
Additions (+)	2,775,925	–	–	–	2,704,066	71,859
Additions from acquisitions (+)	–	–	–	–	–	–
Reclassifications (+/-)	–	–	–	–	–	–
Disposal (-)	-12,330	–	–	–	-12,330	–
Scheduled amortization (-)	-2,496,919	–	-1,588,725	-821,371	–	-86,822
Impairment losses (-)	12,330	–	–	–	12,330	–
Translation differences (+/-)	-458,020	-1,008,862	-184,988	–	831,733	-95,903
Carrying amount as of 31.12	**59,641,767**	**27,059,037**	**4,284,896**	**2,363,149**	**22,959,223**	**2,975,463**
Acquisition/production costs	78,916,049	27,059,037	14,870,377	9,733,670	22,959,223	4,293,741
Accumulated amortization and impairment losses	19,274,280	–	10,585,481	7,370,521	–	1,318,278

Goodwill results on the one hand from the acquisition of the MIUS Group (Marine Ingredients LLC, Marine Ingredients AS, Innova Softgel LLC) at the end of the 2016 financial year. The impairment test was carried out in accordance with the provisions of IAS 36 in conjunction with IFRS 8 at the level of the operating segments Pharma and Nutra (nutritional supplements). IFRS 8 at the level of the operating segments Pharma and Nutra (nutritional supplements). On the other hand, non-tax-deductible goodwill arose from the acquisition of the Marine Lipids Group in the 2024 financial year, which is allocated to the Nutritional Supplements segment. Goodwill is therefore allocated to the two segments as follows:

Goodwill	31/12/2024	31/12/2023
Nutra	6,731,772	2,689,130
Pharma	25,816,112	24,369,908
Total	**32,547,884**	**27,059,038**

For the impairment test prepared as of December 31, 2024, the recoverable amount of the two sub-segments is determined by calculating the fair values less costs of disposal of the two segments. The calculation is based on forecast cash flows, which are based on the 5-year plan approved by the management. The management determined the budgeted cash flows of the detailed planning phase based on past developments and expectations regarding future market developments, taking into account the synergies from the business combination that are available to representative market participants. The cash flows in the planning phase are based on rising sales in the Pharmaceuticals business sector due to higher demand for existing products (Vascepa) and forecast revenue from current development projects. Key assumptions on which management's determination of the recoverable amount is based are forecasts of investment capacity as well as growth rates, capital costs, sales and EBITDA margins. The assumed development of all of the aforementioned key parameters is in line with the expectations presented in the forecast report. In the detailed planning phase, the management anticipates annual sales growth in the low double-digit range after planning for strong sales growth from 2025 as a result of the DSM acquisition completed in 2024.

Growth of 1.0% (2023: 1.0%) is assumed for the cash flows after the end of the detailed planning period. The discount rate is currently 6.5% (2023: 6.5%), is an after-tax rate and reflects the specific risks of the business. The corresponding pre-tax rate is 7.9% (2023: 9.8%) for the Pharma segment and 8.0% for Nutra (2023: 10.1%). The calculated fair values less costs of disposal are to be classified as level 3 in the fair value hierarchy.

As the present values determined in this way were higher than the net assets of the respective segment, no impairment of goodwill had to be recognized. There would also be no impairment if the free cash flows included in the impairment test of the respective segment were 10% lower with a simultaneous increase in the discount rate of 2% points.

The increase in intangible assets is mainly due to the customer relationships capitalized when the company was acquired and the continuation of development projects started in previous years. This includes the external costs for the development of two active ingredients that will generate economic benefits for the Group in the coming years.

The OceanBlue brand acquired in 2018, which was recognized in USD, is included in other intangible assets in the amount of EUR 2,320 thousand as of December 31, 2024 (2023: EUR 2,181 thousand). The brand from the Nutra segment is expected to contribute cash flow to the Group for an indefinite period of time as it is not subject to any legal, regulatory or other limits on its useful life.

Due to its indefinite useful life, it is therefore subject to an annual impairment test using the relief-from-royalty method. In the impairment test, growth of 1% (2023: 1%) is assumed for the cash flows after the end of the detailed planning period. The discount rate is currently 6.53% (2023: 6.46%), is an after-tax interest rate and reflects the specific risks of the business.

At present, management does not consider it necessary to change the key valuation parameters or the underlying sales planning that would lead to an impairment of both goodwill and the acquired OceanBlue brand.

E.V.2. Property, plant and equipment and assets under construction

The following overviews show the development of property, plant and equipment and assets under construction in the reporting and comparative periods:

in EUR	2024				
	Total	Land and buildings	Machinery, technical equipment	Operating and office equipment	Assets under construction
Acquisition/production costs	210,465,445	48,769,529	92,922,269	10,940,463	57,833,185
Accumulated amortization and impairment losses	55,772,665	14,091,605	34,127,941	7,553,119	–
Carrying amount as of 01.01	**154,692,780**	**34,677,924**	**58,794,327**	**3,387,344**	**57,833,185**
Additions (+)	4,681,522	310,589	443,583	1,097,477	2,829,872
Disposals (-)	-51,103	-51,103	–	–	–
Reclassifications (+/-)	–	-141,056	1,252,939	287,098	-1,398,981
Additions from acquisitions (+)	62,066,027	19,334,263	39,754,589	213,096	2,764,079
Scheduled amortization (-)	-13,434,402	-3,290,396	-8,962,545	-1,181,461	–
Impairment losses (-)	-73,829,962	-5,787,777	-13,007,605	-89,254	-54,945,325
Accumulated depreciation/impairment from asset disposals (+)	–	–	–	–	–
Translation differences (+/-)	6,153,595	1,201,462	2,281,619	87,933	2,582,581
Carrying amount as of 31.12	**140,278,457**	**46,253,907**	**80,556,908**	**3,802,232**	**9,665,411**
Acquisition/production costs	283,315,486	69,423,685	136,654,999	12,626,066	64,610,736
Accumulated amortization and impairment losses	143,037,028	23,169,778	56,098,091	8,823,834	54,945,325

in EUR	2023				
	Total	Land and buildings	Machinery, technical equipment	Operating and office equipment	Assets under construction
Acquisition/production costs	180,925,551	37,304,048	91,126,172	10,283,165	42,212,167
Accumulated amortization and impairment losses	44,290,021	11,241,481	26,570,639	6,477,901	–
Additions from the first-time application of IFRS 16 Leases (+)	–				
Carrying amount as of 01.01	**136,635,531**	**26,062,567**	**64,555,533**	**3,805,264**	**42,212,167**
Additions (+)	29,446,851	11,671,842	41,245	792,242	16,941,522
Disposals (-)	-67,266	–	-66,884	–	-382
Reclassifications (+/-)	–	76,380	1,815,763	208,980	-2,101,123
Scheduled amortization (-)	-11,449,843	-2,841,362	-7,533,263	-1,075,218	–
Impairment losses (-)	-73,674	-8,762	-64,912	–	–
Accumulated depreciation/impairment from asset disposals (+)	40,873	–	40,873	–	–
Translation differences (+/-)	160,308	-282,741	5,971	-343,924	781,001
Carrying amount as of 31.12	**154,692,780**	**34,677,924**	**58,794,327**	**3,387,344**	**57,833,185**
Acquisition/production costs	210,465,445	48,769,529	92,922,269	10,940,463	57,833,185
Accumulated amortization and impairment losses	55,772,665	14,091,605	34,127,941	7,553,119	–

In the previous year, borrowing costs (annual average interest rate of 9.5%) amounting to EUR 2,853 thousand were capitalized as part of the cost of property, plant and equipment.

The additions in the current financial year are mainly attributable to the acquisition of the Marine Lipids Business with acquisition costs of EUR 62,066 thousand. In property, plant and equipment and assets under construction, an impairment of EUR 72,486 thousand was recognized at the subsidiary KD Pharma UK Ltd (United Kingdom), which is attributable to an initiative to rationalize production at fewer sites. In addition, assets under construction at O³ Holding GmbH were written down by EUR 1,234 thousand. Assets under construction as at 31/12/2024 primarily include investments in plants that are intended to increase production capacity from 2026.

The categories land and buildings as well as operating and office equipment include right-of-use assets for non-current assets to be recognized in accordance with IFRS 16 Leases. Further information on this can be found in section E.II.14.

In the 2023 financial year, property, plant and equipment amounting to EUR 154,693 thousand served as collateral for the financial liabilities taken on by the O³ Group.

E.V.3. Other non-current financial assets

The other non-current financial assets of the O³ Group are made up as follows:

in EUR	31/12/2024	31/12/2023
Shares in non-consolidated subsidiaries	586,952	597,308
Investments	177,679	177,679
Loan receivable	373,157	563,237
Derivatives	3,088,668	–
Total	**4,226,456**	**1,338,224**

Shares in non-consolidated subsidiaries are measured at amortized cost.

The investments in the financial year relate to a company in Germany in which the Group holds a minority interest and are recognized at fair value with impairment losses recognized in other comprehensive income.

Loan receivables in the reporting year consist of intercompany loans granted to non-consolidated subsidiaries. The reduction in the loan receivable is due to the first-time consolidation of KD USA Inc.

The derivative arose from the corporate bonds issued, see section E.V.26.

E.V.4. Inventories

The O³ Group's inventories are made up as follows:

in EUR	31/12/2024	31/12/2023
Raw materials and supplies	60,628,811	46,798,623
Unfinished products	60,822,655	50,939,601
Finished Products	95,022,313	30,926,411
Advance payments	320,116	509,024
Total	**216,793,894**	**129,173,659**

The increase in inventories is due, among other things, to the acquisition of the Marine Lipids Business with acquisition costs of EUR 57,125 thousand. In addition, the value of inventories increased due to higher purchase prices for fish oil and an increase in stocks of EPA-rich pharmaceutical end products. In the previous year, inventories of EUR 129,174 thousand served as collateral for financial liabilities. In the reporting period, inventories were written down to net realizable value in the amount of EUR 17,297 thousand (2023: EUR 0 thousand). Accumulated write-downs on inventories amounted to EUR 17,297 thousand (2023: EUR 0 thousand). Inventories are subject to the usual retention of title.

Inventories with a carrying amount of EUR 17,775 thousand (2023: EUR 34,437 thousand) are expected to be sold after more than twelve months.

E.V.5. Trade receivables from goods and services

Trade receivables result from product sales. The following overview shows the development of trade receivables

in EUR	31/12/2024	31/12/2023
Trade accounts receivable (before impairments)	37,321,336	25,824,026
Accumulated impairment losses	-6,458,283	-172,674
Total	**30,863,053**	**25,651,352**

Additions to impairment losses are reported under other operating expenses. As there is uncertainty as to whether receivables from certain customers will still be settled, individual value adjustments were made. These amounted to EUR 6,370 thousand as at 31/12/2024, of which EUR 6,353 thousand was attributable to two customers. Details on risk provisions for trade receivables can be found in the tables in section E.V.26.b.

Trade receivables of EUR 24,480 thousand (2023: EUR 25,651 thousand) serve as collateral for the financial liabilities taken on by the O³ Group.

For the receivables sold as part of factoring, the credit risk and other risks associated with the receivables sold continued to be transferred to the factoring company without recourse. Based on the existing factoring agreement, trade receivables in the amount of EUR 2,944 thousand (2023: EUR 5,799 thousand) were derecognized in the 2024 financial year.

E.V.6. Other receivables and financial assets

Other receivables have the following content:

in EUR	31/12/2024	31/12/2023
VAT Receivables	13,229,431	2,946,129
Claims for research allowances	465,846	465,846
Receivables from non-consolidated subsidiaries	–	104,014
Receivables from related parties	–	3,400
Miscellaneous other receivables and financial assets	3,743,729	3,705,310
Total	**17,439,006**	**7,224,700**

VAT receivables have increased significantly, mainly due to the integration of the new Group company in Peru (EUR 9,291 thousand) and are of a current nature. Miscellaneous other receivables and financial assets mainly include prepaid expenses, including for insurance and sales expenses (EUR 2,999 thousand, 2023: EUR 3,068 thousand) for subsequent periods. Of these, EUR 137 thousand have a remaining term of more than 12 months. The risk provision in accordance with IFRS 9 for other financial receivables amounted to EUR 7 thousand in the 2024 financial year (2023: EUR 57 thousand), see also note E.V.26.

E.V.7. Cash and cash equivalents

Cash and cash equivalents include a small amount of cash and mainly bank balances payable on demand.

Cash and cash equivalents are denominated in the following currencies:

in EUR	31/12/2024	31/12/2023
EUR	19,816,802	12,075,133
USD	7,611,752	23,320,642
CHF	180,967	142,054
GBP	646,707	872,453
PEN	71,215	–
CAD	165,026	–
NOK	413,164	386,444
Total	**28,905,633**	**36,796,727**

EUR 26,130 thousand (2023: EUR 36,797 thousand) of the cash and cash equivalents serve as collateral for the financial liabilities taken on by the O³ Group.

The minimum liquidity obligation in relation to the corporate bonds mentioned in E.V.11, which must be met at the end of each quarter, is EUR 10 million.

E.V.8. Equity

The company's subscribed capital remained unchanged at EUR 36,000 on the reporting date and is divided into 36,000 shares with a nominal value of EUR 1. The capital reserve results from the contributions made by the shareholders in excess of the subscribed capital from a Group perspective. The new shareholder of O3 Holding GmbH, MidCo Omega GmbH, contributed assets from the Marine Lipid Business transaction to the company's capital reserves at a fair value of EUR 211,350 thousand, see also E.II.3.e Business combinations. The translation of balance sheet items at the exchange rate applicable on the balance sheet date resulted in translation differences of EUR 10,999 thousand in 2024 (2023: EUR -2,209 thousand), which are recognized in equity. This item also includes deferred taxes of EUR 3,667 thousand (2023: EUR 507 thousand) on the portion of translation differences attributable to loans classified as net investments.

The other reserves result from the Group's earnings up to the balance sheet date that were not distributed and from the liquidation of a company that was originally reported in the fair value through other comprehensive income (FVOCI) category and then reclassified in 2019. Neither the capital reserve nor the other reserves are restricted by law. However, profit withdrawal restrictions have been agreed with the lenders. Profit distributions to the shareholders of O³ Holding GmbH are only permitted to the extent that a contractually defined debt/equity ratio is complied with or the consent of the lenders has been obtained. In addition, the agreement with the lenders contains comprehensive regulations, including with regard to permissible loans, permissible other disbursements and permissible share issues.

The composition of and changes in equity are shown in the statement of changes in equity.

E.V.9. Liabilities for employee benefits

Current liabilities for employee benefits amounted to EUR 8,692 thousand as at 31/12/2024 (2023: EUR 6,208 thousand) and mainly include bonus liabilities, liabilities for vacation and time credits not taken in the financial year and other personnel-related liabilities.

E.V.10. Other provisions

Provisions developed as follows in the reporting and comparative periods

in EUR	Other Provisions
01/01/2024	**90,861**
Utilization	–
Additions	–
Reversal	–
Transfer	–
31/12/2024	**90,861**

in EUR	Other Provisions
01/01/2023	**129,734**
Utilization	-13,939
Additions	
Reversal	-24,934
Transfer	–
31/12/2023	**90,861**

Other provisions include provisions for warranties. It is expected that the other provisions will lead to cash outflows in the next twelve months.

E.V.11. Financial liabilities

The current and non-current financial liabilities of the O³ Group are shown below:

in EUR	31/12/2024	thereof short-term	31/12/2023	thereof short-term
Liabilities to banks	–	–	149,932,827	149,932,827
Liabilities from bonds	178,025,239	3,491,150	–	–
IFRS 16 Liabilities	12,774,248	2,277,184	13,937,122	1,790,926
Liabilities to related parties	45,191,069	–	–	–
Total	**235,990,555**	**5,768,334**	**163,869,949**	**151,723,754**

The financial liabilities have the following maturities according to their contractual provisions:

in EUR	2025	2026	2027	2028	2029	2030 or later	Total
Liabilities to banks	–	–	–	–	–	–	–
Liabilities from bonds	3,491,150	–	–	–	174,534,089	–	178,025,239
IFRS 16 Liabilities	2,277,184	1,950,896	1,762,469	1,787,534	1,402,635	3,593,530	12,774,248
Liabilities to related parties	–	–	–	–	45,191,069	–	45,191,069
Total financial liabilities 31.12.2024	**5,768,334**	**1,950,896**	**1,762,469**	**1,787,534**	**221,127,793**	**3,593,530**	**235,990,555**

in EUR	2024	2025	2026	2027	2028	2029 or later	Total
Liabilities to banks	149,932,827	–	–	–	–	–	149,932,827
Liabilities from bonds	–	–	–	–	–	–	–
IFRS 16 Liabilities	1,790,926	2,120,053	1,805,414	1,602,981	1,638,556	4,979,192	13,937,122
Liabilities to related parties	–	–	–	–	–	–	–
Total financial liabilities 31.12.2023	**151,723,754**	**2,120,053**	**1,805,414**	**1,602,981**	**1,638,556**	**4,979,192**	**163,869,949**

The reduction in liabilities to banks and the increase in liabilities from corporate bonds is due to the refinancing carried out, in which corporate bonds with a value of EUR 180,000 thousand were issued to interested investors. The contractual terms of the corporate bonds include a call option and an interest rate floor. These corporate bonds are listed on the open market in Frankfurt under ISIN no. NO0013360552 and were issued on December 31, 2024, with a variable coupon on a 3-month EURIBOR basis plus a margin of 5.25% per annum. Further information can be found in section E.V.26.

In addition to the amount currently issued, a further EUR 20 million can be issued as a "tap issue" in accordance with the bond terms and conditions, provided that certain contractually agreed conditions are met. Further information can be found in section E.V.26.

The financial liabilities are secured by liens and security assignments. Certain financial covenants have been agreed with the lenders for the loan agreements existing in the 2024 financial year, which were complied with in the financial year.

In September 2024, the Group received a subordinated, unsecured loan from the minority shareholder of the parent company in the amount of EUR 44,286 thousand. The loan bears interest at an annual rate of 8% and has a term until 2029.

E.V.12. Other liabilities

Other liabilities are made up as follows:

in EUR	31/12/2024	31/12/2023
Deferred Revenues LT	5,434,128	5,434,128
Customer advanced payment	2,165,254	9,199,873
Inventor's bonus LT	880,148	1,310,490
Inventor's bonus ST	579,914	567,117
VAT liability	400,293	1,221,031
Interest Swap	–	75,762
Miscellaneous other liabilities short-term	1,642,763	493,161
Total	**11,102,499**	**18,301,562**

On the basis of a license agreement concluded in 2017, payments amounting to EUR 5,434 thousand were made by the customer as fixed remuneration, which will be recognised as revenue over the period in which the license is granted, starting from the date of the drugs to be supplied in future once approval has been granted. As this is expected to take place from 2026, the payment received is to be regarded as a long-term contractual liability.

Advance payments received on orders are also considered contract liabilities in accordance with IFRS 15. In the 2024 financial year, the advance payments received recognized under current liabilities as of 31 December 2023 were fulfilled by deliveries. The prepayments received reported under current liabilities as of December 31, 2024 will lead to corresponding sales revenue in the 2025 financial year.

E.V.13. Defined benefit pension commitments

The Group has defined benefit pension plans in Switzerland. The characteristics and risks of defined benefit pension plans result from the legal, tax and regulatory framework of the respective country.

The two Swiss subsidiaries are affiliated to the Swiss Life Collective BVG Foundation, based in Zurich, for occupational benefits. All regulatory benefits are fully reinsured with Swiss Life within the framework of the corresponding contract.

This pension solution fully covers the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested benefits capital and grants a 100% capital and interest guarantee. In 2024, the guaranteed interest rate was 1.00% for the mandatory retirement savings capital and 0.25% for the extra-mandatory retirement savings capital. The pension plan is entitled to an annual bonus from Swiss Life, which is made up of the effective savings, risk and cost result.

The technical administration and management of the savings account is ensured by Swiss Life on behalf of the collective foundation. The insurance benefits due are paid out by Swiss Life directly to the entitled persons in the name and for the account of the collective foundation. The Swiss subsidiaries have undertaken to pay the annual contributions and costs in accordance with the pension fund regulations.

The affiliation agreement between the participating Group companies and the collective foundation can be terminated by either party. In the event of termination, the recipients of retirement and survivors' benefits remain with the collective foundation. The contracting companies have undertaken to transfer their active insured persons and recipients of disability benefits to the new pension fund, thereby releasing the collective foundation from all obligations.

The treatment of so-called "fully insured" BVG plans under IAS 19 was analyzed in detail by the Audit Practices Committee of the Swiss Institute of Certified Accountants and Tax Consultants. As a result of these consultations, the Swiss Institute of Certified Accountants and Tax Consultants and its Subcommittee on Accounting Practice have come to the conclusion that, for the purposes of IAS 19, "fully insured" BVG plans are to be regarded as defined benefit plans. The reasons for this are as follows:

- In the event of a contract termination, there is no guarantee that employee benefits can be continued on the same terms,

- The risk and cost premiums are charged at different levels.

Pension obligations are measured in accordance with international accounting standards, irrespective of the legal structure of the pension plans and occupational pension schemes. The standards only influence the financial result of the company and not that of the pension fund. These results are not relevant for an actuarial valuation in accordance with Article 52e BVG.

The amounts recognized in the balance sheet and the development of the net defined benefit obligation are as follows:

in EUR	Present value of the defined benefit	Fair value of plan assets	Net book value
Carrying amount as of 01.01.2024	**4,230,789**	**-3,370,989**	**859,800**
Correction of previous years			–
Current service cost	249,437	–	249,437
Past service cost	–	–	–
Interest expense (+)/interest income (-)	61,338	-49,048	12,290
Total amount recognized in profit or loss	**310,775**	**-49,048**	**261,727**
Revaluations	–	–	–
Return on plan assets excluding interest	–	-16,498	-16,498
Actuarial loss from change in demographic assumptions	684,654	–	684,654
Actuarial loss from change in financial assumptions	–	–	–
Actuarial loss from change in experience-based assumptions	–	–	–
Change in the asset ceiling without interest	–	–	–
Total amount recognized in other comprehensive income	**684,654**	**-16,498**	**668,157**
contributions paid	521,489	-891,470	-369,981
Benefit payments	-770,176	770,176	–
Currency differences	-65,262	55,071	-10,192
Other	6,801	–	6,801
as of 31.12.2024	**4,919,070**	**-3,502,758**	**1,416,312**

in EUR	Present value of the defined benefit obligation	Fair value of plan assets	Net book value
Carrying amount as of 01.01.2023	**2,607,796**	**-2,104,305**	**503,491**
Correction of previous years			–
Current service cost	230,962	–	230,962
Past service cost	143,879	–	143,879
Interest expense (+)/interest income (-)	70,614	-58,878	11,736
Total amount recognized in profit or loss	**445,456**	**-58,878**	**386,577**
Revaluations	–	–	–
Return on plan assets excluding interest	–	-174,060	-174,060
Actuarial loss from change in demographic assumptions	-3,974	–	-3,974
Actuarial loss from change in financial assumptions	446,673	–	446,673
Actuarial loss from change in experience-based assumptions	-33,271	–	-33,271
Change in the asset ceiling without interest	–	–	–
Total amount recognized in other comprehensive income	**409,428**	**-174,060**	**235,367**
contributions paid	736,392	-1,059,363	-322,971
Benefit payments	-161,923	161,923	–
Currency differences	187,343	-136,306	51,037
Other	6,298	–	6,298
as of 31.12.2023	**4,230,789**	**-3,370,989**	**859,800**

There were no plan curtailments or settlements in the financial year.

The calculation is based on the following assumptions:

Economic assumptions	**31/12/24**	**31/12/23**
Inflation/Social security increase	1.0%	1.0%
Discount rate	1.0%	1.5%
Interest rate on the savings account	1.5%	1.5%
Salary increase rate	3.0%	3.0%
Pension increase	0.0%	0.0%

Demographic assumptions	**31/12/24**	**31/12/23**
Mortality rates	BVG2020 GT	BVG2020 GT
Disabilty rates	BVG2020	BVG2020
Turnover rates	BVG2020	BVG2020
Early retirement age	100% M65/F65	100% M65/F65
Capital option	40.0%	40.0%

The sensitivities of the defined benefit obligations with regard to changes in the key assumptions are as follows:

in EUR	31.12.2024		31.12.2023	
	+ 0,5 %	- 0,5 %	+ 0,5 %	- 0,5 %
Discount rate	621,870	1,434,038	-299,436	339,729
Salary increase rate	1,017,923	983,626	7,404	-9,179
	+1 year	-1 year	+1 year	-1 year
Life expectancy	1,066,221	933,982	48,217	-50,214

The Swiss Group companies outsource the asset-liability management strategy and asset allocation to Swiss Life. The risks of disability, death and longevity are fully reinsured by Swiss Life.

The future cash flow is as follows:

in EUR		31.12.2024
Expected annual employee contribution in 2024		212,802
Expected annual employer's contribution in 2024		353,198
Projectd benefits expected to be paid in:		
	2025	176,477
	2026	184,870
	2027	193,476
	2028	203,782
	2029	222,057
	2030-2034	2,404,802
Macaulay duration in years		14.9

in EUR		31.12.2023
Expected annual employee contribution in 2024		220,660
Expected annual employer's contribution in 2024		358,549
Projectd benefits expected to be paid in:		
	2025	280,695
	2026	178,125
	2027	185,133
	2028	192,648
	2029	201,483
	2030-2034	2,138,012
Macaulay duration in years		14.4

The Macaulay term as at 31/12/2023 was 14.4 years.

E.V.14. Deferred taxes

The following deferred tax items are recognized in the consolidated balance sheet of O³ Holding GmbH:

in EUR	31/12/2024	31/12/2023
Deferred tax assets	3,412,696	8,407,152
Deferred tax liabilities	-8,005,309	-2,444,379
Balance	**-4,592,614**	**5,962,773**

The change in deferred taxes is as follows:

in EUR	31/12/2024	31/12/2023
Deferred tax assets	3,412,696	8,407,152
Deferred tax liabilities	-8,005,309	-2,444,379
Balance	**-4,592,614**	**5,962,773**

Deferred tax assets are attributable to the following causes:

Deferred tax assets	From loss carryforwards	Defined benefit obligation	Leasing liabilities	Elimination of intercompany profit and loss	Property, plant and equipment	Inventories	Other	Total
31.12.2023 (before offset)	**8,687,807**	**691,796**	**4,105,577**	**527,120**	**–**	**–**	**1,140,208**	**15,152,508**
Amounts recognized in tax expense	-8,748,071	155,996	-412,538	1,007,256	279,785	-1,304,699	1,523,466	-7,498,805
Amounts recognized in other comprehensive income	–	–	–	–	–	–	-493,872	-493,872
Additions from first consolidation					2,203,035	4,849,838	67,505	7,120,378
Currency difference	503,241	-15,629	83,651	-33,535	111,600	294,503	44,476	988,306
31.12.2024 (before offset)	**442,977**	**832,163**	**3,776,689**	**1,500,841**	**2,594,420**	**3,839,643**	**2,281,783**	**15,268,516**
Offset with deferred tax liabilities								-11,855,821
31.12.2024 (after offset)								**3,412,696**

Deferred tax assets	from loss carry-forwards	Performance commitment	Leasing liabilities	Interim result elimination	Other	Total
31.12.2022 (before offset)	**7,906,551**	**433,951**	**1,155,217**	**269,924**	**448,519**	**10,214,161**
Amounts recognized in tax expense	977,040	219,481	3,013,963	264,423	150,167	4,625,074
Amounts recognized in other comprehensive income	–	–	–	–	517,366	517,366
Currency difference	-195,784	38,364	-63,603	-7,226	24,156	-204,093
31.12.2023 (before offset)	**8,687,807**	**691,796**	**4,105,577**	**527,120**	**1,140,208**	**15,152,508**
Offset with deferred tax liabilities						-6,745,356
31.12.2023 (after offset)						**8,407,152**

Deferred tax liabilities are attributable to the following balance sheet items:

Deferred tax liabilities	Customer relationships	Internally generated intangible assets	Property, plant and equipment	Right-of-use assets	Plan asset	Other	Total
31.12.2023 (before offset)	**1,150,625**	**348,847**	**2,248,256**	**3,939,240**	**547,439**	**955,328**	**9,189,736**
Amounts recognized in tax expense	-565,388	-132,167	-532,647	-602,045	53,236	1,007,176	-771,835
Amounts recognized in other comprehensive income	–	–	–	–	–	3,172,112	3,172,112
Additions from first consolidation	3,591,281		4,408,146			28,799	8,028,226
Currency difference	30,082	5,313	253,982	90,516	-10,362	-126,640	242,891
31.12.2024 (before offset)	**4,206,600**	**221,994**	**6,377,737**	**3,427,710**	**590,313**	**5,036,775**	**19,861,130**
Netting with deferred tax assets							-11,855,821
31.12.2024 (after offset)							**8,005,309**

Deferred tax liabilities	Customer relationships	Internally generated intangible assets	Property, plant and equipment	Right-of-use assets	Plan asset	Other	Total
31.12.2022 (before offset)	**1,625,726**	**475,701**	**2,297,997**	**1,105,459**	**346,807**	**719,442**	**6,571,133**
Amounts recognized in tax expense	-438,762	-126,854	58,425	2,897,472	170,228	187,510	2,748,019
Amounts recognized in other comprehensive income	–	–	–	–	–	12,367	12,367
Currency difference	-36,340	–	-108,166	-63,691	30,404	36,010	-141,783
31.12.2023 (before offset)	**1,150,625**	**348,847**	**2,248,256**	**3,939,240**	**547,439**	**955,328**	**9,189,736**
Netting with deferred tax assets							-6,745,356
31.12.2023 (after offset)							**2,444,380**

For the majority of the loss carried forwards and existing as of 31/12/2024, it is assumed that the realization of the tax benefits associated with them through future taxable profits or the reversal of taxable differences in the coming years is not sufficiently probable. Deferred taxes on loss carried forwards are therefore only recognized in the amount of EUR 443 thousand as of 31/12/2024 (2023: EUR 8,688 thousand). Of the deferred taxes recognized on loss carried forwards, EUR 0 thousand (2023: EUR 4,328 thousand) are not covered by deferred tax liabilities from temporary differences. Deferred taxes on loss carried forwards recognized in the previous year in the amount of EUR 8,842 thousand were derecognized through profit or loss in the reporting period. As of 31/12/2024, the loss carried forwards for which no deferred tax assets were recognized amounted to EUR 61,340 thousand (2023: EUR 9,373 thousand). The tax losses are not subject to any time restrictions.

As of December 31, 2024, no deferred tax liabilities were recognized on the differences between the net assets and the carrying amount of subsidiaries for tax purposes (outside basis differences) in the amount of EUR 98.9 million (2023: EUR 65.5 million), as no distributions are likely to be made in the foreseeable future and the temporary differences will not reverse.

E.V.15. Sales revenue

Revenue is generated almost exclusively from the delivery of goods. They are attributable to the following product categories:

in EUR	2024	2023
Pharmaceuticals	48,522,735	82,930,066
Nutraceuticals	144,238,306	111,115,803
Total	**192,761,041**	**194,045,870**

Sales revenue was generated in the following markets:

in EUR	2024	2023
North America	121,367,342	86,701,211
Europe	51,614,493	78,220,869
Asia	16,113,130	28,862,148
Others	3,666,077	261,641
Total	**192,761,041**	**194,045,870**

In 2024, significantly lower pharmaceutical sales were generated in Europe with high-purity EPA products. Pharmaceutical sales in Asia also declined slightly. At the same time, groove space sales in the US market increased significantly.

E.V.16. Cost of sales

The cost of sales is made up of the following components:

in EUR	2024	2023
Cost of materials	113,482,524	81,637,360
Personnel costs	28,726,316	26,315,420
Amortization/Depreciation/Impairment	86,647,810	10,961,252
Utilies and other rent expenses	9,475,565	7,656,738
Maintenance and waste disposal	3,926,785	3,271,061
Other Costs	1,580,017	1,936,175
Total	**243,839,017**	**131,778,006**

The main reason for the significant increase in material costs was the high purchase prices for fish oil, which reached an all-time high in 2024. Purchase prices fell from mid-2024, but did not return to the long-term average until the end of 2024.

The O³ Group recognized an impairment loss based on an impairment test in the amount of EUR 72,486 thousand on assets under construction and other property, plant and equipment in one of the units that was previously allocated to the cash-generating unit Pharmaceuticals. The impairment on the recoverable amount, which amounted to EUR 9,924 thousand as of December 31, 2024, is due to a change in the use of assets under construction and production facilities resulting from a concentration of production at fewer locations. The aim is to increase efficiency, reduce operational complexity and achieve cost savings, which was made possible by the takeover of the production facilities from DSM-Firmenich AG. This expense is attributable to the Pharmaceuticals segment. For the same reason, assets under construction in the amount of EUR 1,234 thousand were written down in another unit, which are also attributable to the Pharmaceuticals segment. Their recoverable amount is EUR 50 thousand. Depreciation and amortization included in the cost of sales amounted to EUR 12,928 thousand (2023: EUR 10,961 thousand).

The calculated fair values less costs of disposal (EUR 9,924 thousand) for the devalued assets under construction and property, plant and equipment of one unit were determined using a discounted cash flow model and are to be classified as level 3 in the fair value hierarchy. The key assumptions were the cash surpluses achievable from the use and utilization of the assets from the perspective of a market participant and the discount factor. The latter is an after-tax interest rate of 10.3%. The fair value less costs of disposal (EUR 50 thousand) of the assets under construction written down in another unit was derived from market prices. It is allocated to level 2 in the fair value hierarchy.

The cost of sales includes one-off effects amounting to EUR 17,843 thousand (2023: EUR 419 thousand), which primarily result from write-downs on inventories at the European production companies.

E.V.17. Selling expenses

Selling expenses include the following cost components:

in EUR	2024	2023
Cost of goods sold	5,127,001	4,682,409
Personnel costs	3,773,290	3,649,318
Amortization/Depreciation	3,065,485	1,617,757
Advertising expenses	2,226,114	2,046,583
External services	2,122,288	2,204,253
Legal and consulting costs	1,430,550	275,217
Other Costs	674,316	808,824
Total	**18,419,044**	**15,284,360**

E.V.18. Research and development costs

The following research and development expenses were recognized as expenses in the reporting period and the comparative period:

in EUR	2024	2023
Personnel costs	1,167,680	1,447,631
Amortization/Depreciation	436,843	430,925
External services	155,875	214,819
Other Costs	189,756	125,287
Total	**1,950,153**	**2,218,661**

Total research and development expenditure in the financial year amounted to EUR 3,629 thousand (2023: EUR 4,923 thousand), of which EUR 1,679 thousand (2023: EUR 2,704 thousand) was capitalized as intangible assets under development, see also section E.II.6 Intangible assets.

The internally generated intangible assets of the O³ Group primarily relate to development projects in the pharma segment, in which active ingredients are tested in clinical trials with the aim of achieving approval.

E.V.19. General administrative expenses

General administrative expenses include the following amounts:

in EUR	2024	2023
Personnel costs	13,359,764	9,106,982
Advisory services	7,692,611	2,327,081
Insurances	3,220,634	3,270,705
Depreciation / Amortisation	1,909,153	936,828
IT-Cost	1,657,160	607,141
Acquisition costs	900,796	575,172
Other personnel costs	791,380	922,650
Travel expenses	587,832	641,364
Other Costs	1,718,104	1,690,848
Total	**31,837,434**	**20,078,770**

In 2024, consulting services include one-off effects of EUR 6,132 thousand in connection with the acquisition of the company and other financing costs not related to the issue of the corporate bond. In 2023, the one-off effects amounted to EUR 245 thousand.

E.V.20. Other operating income and other operating expenses

Other operating expenses relate to the following items:

in EUR	2024	2023
Currency losses	8,932,082	–
Adjustment of specific valuation allowance	6,285,609	83,806
Expenses relating to other periods	926,891	1,470,741
Property tax and other taxes	670,905	13,142
Unscheduled Depreciation of property, plant and equipment	110,389	73,675
Adjustment of general allowance	31,269	40,115
Adjustment of general allowance	1,238	4,373
Others	318,880	105,744
Total	**17,277,261**	**1,791,595**

The currency losses arose from the subsequent measurement of foreign currency transactions from operations.

Specific valuation allowances of EUR 6,286 thousand were required for two customers, as in both cases there is uncertainty as to whether these receivables will be settled.

Expenses relating to other periods include corrections to balance sheet items from 2019 (EUR 281 thousand), derecognition of inventories due to their shelf life (EUR 240 thousand) and a customer return delivery (EUR 122 thousand). In the previous year, prior-period expenses related to payments due to an out-of-court settlement (EUR 1,149 thousand) and corrected personnel expenses from the previous year for insurance premiums (EUR 193 thousand). The property tax/real estate transfer tax/other taxes item primarily includes property and ownership taxes of EUR 478 thousand and real estate transfer tax of EUR 137 thousand due to retrospective reporting, including for previous years.

Other operating income relates to the following items:

in EUR	2024	2023
Currency gains	5,124,438	–
Income relating to other periods	3,880,959	1,858,384
Research allowance	–	466,958
Reimbursement of shareholder costs	–	446,174
Others	512,317	869,661
Summe	**9,517,713**	**3,641,177**

Currency gains arose from the subsequent valuation of foreign currency transactions from operations.

Income relating to other periods includes income of EUR 1,792 thousand from the reversal of provisions, insurance compensation of EUR 926 thousand for a business transaction from previous years, the reversal of a liability due to a settlement with a supplier of EUR 488 thousand and the derecognition of a customer credit note of EUR 450 thousand. This item also includes electricity tax refunds for previous years amounting to EUR 160 thousand. In the previous year, the tax refunds included in prior-period income related to input tax refunds from previous years amounting to EUR 394 thousand and electricity tax refunds amounting to EUR 229 thousand

E.V.21. Personnel expenses

Personnel expenses amounted to EUR 47,027 thousand in the reporting period (2023: EUR 40,519 thousand). This includes expenses for social security contributions in the amount of EUR 6,888 thousand (2023: EUR 5,661 thousand) and expenses for voluntary pension plans in the amount of EUR 62 thousand (2023: EUR 44 thousand). Expenses for defined contribution plans, which are included in social security contributions, amounted to EUR 249 thousand (2023: EUR 375 thousand).

The average number of employees during the reporting period is shown in the following overview:

Number of	2024	2023
Senior executives	45	50
Administrative employees	109	100
Laboratory and production employees	369	350
Total	**523**	**500**

As part of the company acquisition, 209 FTEs were integrated into the Group as at the acquisition date.

E.V.22. Financial result

The Group's financial result is made up of financial income and financial expenses. Details of the individual items can be found in the net result by measurement category in section E.V.26b and in the following table:

in EUR	2024	2023
Interest income	1,077,682	496,720
Interest expenses	-23,668,760	-16,864,929
Foreign exchange gains	2,968,286	7,767,335
Foreign exchange losses	–	-7,702,537
Total	**-19,622,792**	**-16,303,411**

Interest expenses in the previous year were reduced by capitalized interest on borrowed capital in the amount of EUR 2,853 thousand.

E.V.23. Income tax expense

The income tax expense reported in the statement of comprehensive income comprises current and deferred income taxes in the reporting period and in the comparative period:

in EUR	2024	2023
Current taxes	4,151,556	11,496,387
Deferred taxes	6,726,970	-1,877,054
Total	**10,878,525**	**9,619,333**

The reported income tax expense differs from the theoretical amount that would have resulted if the parent company's income tax rate had been applied:

in EUR	2024	2023
Income before income taxes	**-130,666,947**	**10,232,243**
Parent Company's Tax Rate	31.400%	31.400%
Expected income taxes	**41,029,421**	**-3,212,924**
Effects from		
Difference to foreign tax rates	-7,745,197	63,483
Non-taxable expenses / income	-22,600,142	-2,460,721
Non-recognition of deferred tax assets	-20,492,706	-2,530,774
trade tax additions and deductions	-1,055,895	-774,643
taxes for previous years	25,428	-615,275
Changes to tax rates	–	70,710
Other	-39,435	-159,189
Income tax expense reported	**-10,878,525**	**-9,619,333**

Non-taxable expenses rose sharply in the reporting period due to a non-tax-deductible impairment.

E.V.24. Cash flow statement

The cash flow statement distinguishes cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are calculated using the indirect method.

Cash flow from investing activities includes cash acquired from company acquisitions, payments for property, plant and equipment and intangible assets as well as interest received.

Cash flow from financing activities includes loans taken out and repaid with various lenders and the resulting interest payments. In September 2024, the old loan of EUR 150,000 thousand was repaid and replaced by short-term interim financing of EUR 180,000 thousand. By issuing corporate bonds on the open market in Frankfurt in October 2024 in the same amount, the interim financing was repaid. Interest in the amount of EUR 20,396 thousand was paid in the 2024 financial year. In addition, a long-term loan of EUR 44,286 thousand was granted by the related party DSM Nederland B.V.

The change in financial liabilities and capital reserves can be seen in the following table

in EUR	Book value 31.12.2023	Cashflow		non-cash changes		Book value 31.12.2024
		Cash inflow	Cash outflow	Credit entry	Currency difference	
Non-current financial liabilities	12,146,196	224,285,673	–	-6,381,422	171,775	230,222,221
Current financial liabilities	151,723,754	180,000,000	-362,059,799	36,066,084	38,295	5,768,334
Capital reserves	137,575,783	–	–	211,350,086	–	348,925,869
Total sum	**301,445,732**	**404,285,673**	**-362,059,799**	**241,034,748**	**210,070**	**584,916,424**

in EUR	Buchwert 31.12.2022	Cashflow		non-cash changes		Book value 31.12.2022
		Cash inflow	Cash outflow	Credit entry	Currency difference	
Non-current financial liabilities	141,780,029	–	-18,981,006	-110,604,133	-48,695	12,146,196
Current financial liabilities	16,259,035	–	-7,002,765	142,495,052	-27,568	151,723,754
Capital reserves	105,475,783	32,100,000	–	–	–	137,575,783
Total sum	**263,514,847**	**32,100,000**	**-25,983,771**	**31,890,919**	**-76,263**	**301,445,732**

The non-cash changes resulting from the recognition of lease liabilities amounted to EUR 532,845 thousand (2023: EUR 11,791 thousand). In the previous year, the change in the maturity of the loans in the amount of EUR 135,000 thousand resulted in a non-cash increase in current financial liabilities and a non-cash reduction in non-current financial liabilities. The non-cash additions to non-current financial liabilities in the financial year include incidental acquisition costs for financing in the amount of EUR 9,352 thousand.

The liquidity reported under cash and cash equivalents includes cash on hand and bank balances.

E.V.25. Other financial obligations and contingent liabilities

The O³ Group has entered into obligations to acquire property, plant and equipment in the amount of EUR 3,828 thousand (2023: EUR 2,949 thousand) and for intangible assets in the amount of EUR 503 thousand (2023: EUR 2,024 thousand). In addition, there are (unrecognized) payment obligations of EUR 1,966 thousand (2023: EUR 874 thousand) at resulting from low-value and short-term leases.

In 2023, one of our suppliers filed a lawsuit against us for payment of EUR 3.8 million. We consider it highly probable that the judgment in a potential legal dispute will be in our favor and have therefore not recognized a provision.

E.V.26. Additional disclosures on financial instruments

a. Classes and measurement categories

The financial instruments are broken down as follows. The fair values of the financial instruments and measurement sources are also shown for each class.

in EUR	Gross carrying amount	Credit losses	Book value 31.12.2024	within the scope of IFRS 7	IFRS 9 measurement category*	Fair value of financial instruments within scope of IFRS	determined using stock exchange prices (fair value level 1)	determined using observable market data (fair value level 2)	based on unobservable input parameters (fair value level 3)
Other financial assets	550,836	–	4,226,456	4,226,456					
Shares in affiliated companies	586,952	–	586,952	–	AC				
Shareholdings	177,679	–	177,679	3,266,347	FVOCI				3,266,347
Loans	373,157	–	373,157	373,157	AC			352,168	
Derivatives	3,088,668		3,088,668	3,088,668	FVPL				3,088,668
Trade accounts receivable	37,321,336	-6,458,283	30,863,053	30,863,053	AC				
Other receivables	17,445,726	-6,720	17,439,006	1,079,788	AC				
Cash and cash equivalents	28,905,633	–	28,905,633	28,905,633	AC				
Total assets	**87,312,199**	**-6,465,003**	**81,434,148**	**67,576,646**					
Liabilities from bonds			178,025,239	178,025,239	AC		186,191,150		
Liabilities to related parties			45,191,069	45,191,069	AC				45,272,106
IFRS 16 Liabilities			12,774,248	–					
Trade accounts payable			42,460,808	42,460,808	AC				
Other liabilities			11,102,499	570,828					
Interest Swap			–	–	FVPL			–	
Miscellaneous other liabilities			11,102,499	570,828	AC				
Total liabilities			**289,553,862**	**266,247,944**					

in EUR	Gross carrying amount	Loss allowance	Book value 31.12.2023	within the scope of IFRS 7	IFRS 9 measurement category*	Fair value of financial instruments within scope of IFRS	determined using stock exchange prices (fair value level 1)	determined using observable market data (fair value level 2)	based on unobservable input parameters (fair value level 3)
Other financial assets	1,338,224	–	1,338,224	1,338,224					
Anteile an verbundenen Unternehmen	597,308		597,308	–					
Beteiligungen	177,679	–	177,679	177,679	FVOCI				177,679
Ausleihungen	563,237	–	563,237	563,237	AC			542,248	
Trade accounts receivable	25,824,026	-172,674	25,651,352	25,651,352	AC				
Other receivables	7,230,183	-5,483	7,224,700	969,303	AC				
Cash and cash equivalents	36,796,727	–	36,796,727	36,796,727	AC				
Total assets	**71,189,160**	**-178,157**	**71,011,003**	**64,158,298**					
Liabilities to banks			149,932,827	149,932,827	AC			149,932,827	
IFRS 16 Liabilities			13,937,122	–					
Trade accounts payable			31,160,588	31,160,588	AC				
Other liabilities			18,301,562	164,053					
Interest Swap			75,762	75,762	FVPL			75,762	
Miscellaneous other liabilities			18,225,800	88,292	AC				
Total liabilities			**213,332,099**	**181,257,469**					

The reported credit losses on trade receivables include EUR 6,370 thousand (2023: EUR 116 thousand) in specific valuation allowances and EUR 88 thousand (2023: EUR 57 thousand) in risk provisions, see tables on risk provisions below.

Cash and cash equivalents, trade receivables and other receivables have a remaining term of less than one year. Their carrying amounts on the respective reporting date therefore correspond approximately to their fair values. The same applies to trade payables and other liabilities. In accordance with the simplification provision of IFRS 7.29(a), the fair value of is not disclosed. The fair value of loans is determined by discounting future cash flows. Discounting is based on a market interest rate with an appropriate term. Individual characteristics of the financial instruments to be measured are taken into account by means of credit rating and liquidity spreads. The fair value of financial liabilities is determined on the basis of future cash flows. Discounting is based on a market interest rate with an appropriate term. For financial instruments traded on the capital market, the fair value is determined on the basis of market prices on the reporting date. The fair value of the investment was determined using a multiplier model. It corresponds approximately to the carrying amount. The shares in affiliated companies include immaterial subsidiaries that are recognized at cost.

The derivative financial instruments allocated to level 3 are a call option embedded in a bond and an interest rate floor. The termination option can be exercised voluntarily by O3 through early repayment of the respective financial liability. The advantageousness of exercising the termination options depends on the refinancing options that O3 would receive on the market at the time of exercise for taking out alternative financing. This refinancing interest rate represents the market interest rate at which O3 could refinance itself, taking into account a risk premium (credit spread) specific to O3.

The fair value is determined using an option pricing model, the Black-Derman-Toy model. Risk-free interest rates and credit spreads are simulated. Observable input parameters are the risk-free yield curve and swaption volatilities quoted on the market. Non-observable input parameters include the credit spread rates and the credit spread volatilities. The latter are estimated using the historical volatilities of the credit spread rates over 1 year.

The carrying amounts of the embedded derivatives amounted to EUR 3,089 thousand as at 31/12/2024.

If a 5%-point higher (lower) volatility were assumed when measuring the derivatives, the value of the derivatives would be EUR 711 thousand higher (EUR 744 thousand lower). If the interest rate spread were assumed to be 0.5 percentage points higher (lower), the value of the derivatives would be EUR 784 thousand lower (EUR 802 thousand higher).

In accordance with IFRS 9, allowances for expected credit losses (expected credit loss model) are recognized for all financial assets measured at amortized cost and for debt instruments measured at fair value through other comprehensive income. This is implemented using a three-stage process. A risk provision is recognized either on the basis of the credit losses expected in the next 12 months (stage 1), on the basis of the credit losses expected over the entire term if the credit risk has increased significantly since initial recognition (stage 2) or on the basis of the credit losses expected over the entire term in the event of impaired creditworthiness (stage 3). A simplified procedure is used for the majority of financial assets, in particular trade receivables, which do not contain a significant financing component. In this case, the expected credit losses are always calculated over the entire term of the financial assets.

The following table shows the development of risk provisions for trade receivables in the O³ Group:

in EUR	
Balance 1/1/2024	**147,914**
Additions to individual valuation allowances	6,371,026
Changes in risk provisioning	22,218
Cancellation (Derecognition of receivable)	-85,417
Change in the scope of consolidation	–
Change in valuation parameters	7,276
Currency conversion	-4,735
Balance 12/31/2024	**6,458,283**

in EUR	
Balance 1/1/2023	**45,772**
Additions to individual valuation allowances	83,806
Changes in risk provisioning	22,581
Cancellation (Derecognition of receivable)	-21,779
Change in the scope of consolidation	–
Change in valuation parameters	17,886
Currency conversion	-353
Balance 12/31/2023	**147,914**

In addition to flat-rate percentages, which also depend on the age structure of the trade receivables, the risk provision recognized includes individual impairments.

in EUR	31/12/2024	impaired	31/12/2023	impaired
Trade accounts receivable impaired	**30,863,053**		**25,651,352**	
Accumulated valuation allowances	6,458,283		172,674	
Trade accounts receivables not impaired	**37,321,336**	**in %**	**25,824,026**	**in %**
thereof not past-due	23,220,568	0%	13,075,640	0%
thereof not past-due up to 30 days	5,273,786	0%	6,062,824	0%
thereof not past-due by 31 to 60 days	1,284,056	0%	1,292,467	0%
thereof not past-due by 61 to 90 days	586,281	0%	4,209,975	0%
thereof not past-due by 91 to 180 days	523,642	0%	27,329	0%
thereof not past-due by 181 to 360 days	2,837,515	99%	982,509	0%
thereof not past-due by more than 360 days	3,595,488	99%	173,281	100%

in EUR	31/12/2023	impaired	31/12/2022	impaired
Trade accounts receivable impaired	**25,651,352**		**16,157,005**	
Accumulated valuation allowances	172,674		122,743	
Trade accounts receivables not impaired	**25,824,026**	**in %**	**16,279,748**	**in %**
thereof not past-due	13,075,640	0%	9,401,136	0%
thereof not past-due up to 30 days	6,062,824	0%	4,766,329	0%
thereof not past-due by 31 to 60 days	1,292,467	0%	702,093	0%
thereof not past-due by 61 to 90 days	4,209,975	0%	243,994	0%
thereof not past-due by 91 to 180 days	27,329	0%	419,422	0%
thereof not past-due by 181 to 360 days	982,509	0%	620,173	0%
thereof not past-due by more than 360 days	173,281	100%	126,602	97%

O³ calculates the credit risk as the probability-weighted amount of the expected shortfall in payments compared to the contractual payment claims. The basis for estimating the expected credit losses is formed by individual factors as well as general experience with the collection of receivables in the past. For this purpose, it draws on industry-typical probabilities of default/probabilities of insolvency published by Standard & Poors. The company adjusts the fixed impairment rates derived from these in the event of significant changes in the economic environment.

b. Net result by measurement category

The net result by measurement category in accordance with IFRS 9 is as follows:

in EUR	2024	2023
Amortised Cost (AC)	-29,824,313	-16,614,485
Fair Value through profit and loss (FVPL)	75,762	220,878
Total	**-29,748,552**	**-16,393,607**

The composition of the net result can be seen in the following table:

in EUR	Kategorie	2024	2023
Interest income	AC	950,882	215,236
Interest expenses	AC	-23,585,275	-16,697,152
Foreign exchange gains	AC	8,092,724	7,767,335
Foreign exchange losses	AC	-8,932,082	-7,702,537
Individual value adjustment	AC	-6,285,609	-83,806
Risk adjustment	AC	-32,506	-44,488
Others	AC	-32,446	-69,074
Interest income interest SWAP	FVPL	75,762	220,878
Total		**-29,748,552**	**-16,393,607**

Interest income relates to financial assets and interest expenses to financial liabilities. The currency gains and losses were not broken down as the effort required for this is not in reasonable proportion to the resulting information gain.

Currency gains and losses resulting from financing activities as well as interest income and expenses are shown in the financial result, while other currency gains and losses are shown in the operating result. The net result of this measurement category also includes an expense of EUR 33 thousand (2023: expense of EUR 45 thousand) from the change in expected losses, which is presented in other operating income.

c. Financial risks

The O³ Group is exposed to various risks as a result of its business activities. These include, in particular, liquidity, default and currency risks. Targeted financial risk management is intended to minimize the negative impact of these risks on the Group's net assets, financial position and results of operations as well as its cash flows. Please refer to section E.V.26.c. for a description of the risk management system.

Liquidity risk

The following tables show the undiscounted contractually agreed interest and principal payments for financial liabilities falling within the scope of IFRS 7:

in EUR	12/31/2024			
	Book value 12/31/2024	Outflow in the next reporting period	Outflow in the reporting period after next	Outflow in a later period
Cash outflow leases	12,774,248	4,704,386	2,321,702	9,449,385
Cash outflow financial liabilities	178,025,239	14,335,200	14,335,200	220,019,100
Cash outflow trade payables	42,460,808	42,460,808	–	–
Cash outflow other liabilities	570,828	570,828	–	–
Cash outflow for liabilities within scope of IFRS 7	**233,831,122**	**62,071,222**	**16,656,902**	**229,468,485**

in EUR	12/31/2023			
	Book value 12/31/2023	Outflow in the next reporting period	Outflow in the reporting period after next	Outflow in the next period
Cash outflow leases	13,937,122	2,219,450	2,395,778	10,424,320
Cash outflow financial liabilities	149,932,827	167,904,222	–	–
Cash outflow trade payables	31,160,588	31,160,588	–	–
Cash outflow other liabilities	164,053	164,053	–	–
Cash outflow for liabilities within scope of IFRS 7	**195,194,591**	**201,448,314**	**2,395,778**	**10,424,320**

As of December 31, 2024, the O³ Group had cash and cash equivalents of EUR 28,906 thousand (2023: EUR 36,797 thousand) available to cover the liquidity risk. In the previous year, the cash outflow shown in the next reporting period included the repayment of all financial liabilities on the due date in December 2024.

In addition, cash and cash equivalents are exposed to the credit risk that banks may no longer be able to meet their obligations. The maximum risk corresponds to the carrying amount of these financial assets on the respective reporting date. This risk is mitigated by allocating the assets to several financial institutions with high credit ratings.

The O³ Group had no free credit lines as of December 31, 2024 (2023: EUR 5,000 thousand). However, the O³ Group received additional long-term loans from the related party DSM Nederland B.V. amounting to EUR 5.4 million in January 2025 and EUR 10.5 million in April 2025 at the same conditions as in the 2024 financial year, see Note E.V.11. An agreement was also concluded with another external lender for an additional long-term credit line ("revolving credit facility") in the amount of EUR 25 million.

Based on the high level of inventories, we expect to be able to realize a reduction in working capital with corresponding cash inflows through their sale. In accordance with the terms and conditions of the bond, the issuer is obliged to publish both the audited single-entity and consolidated financial statements within four months of the end of the financial year. After expiry of this period, there is a contractually granted grace period of 20 working days.

As these deadlines were not met in the present case, there has been a breach of the contractual obligations arising from the terms and conditions of the bond ("Breach of Information Undertakings"). An "event of default" has therefore occurred with the expiry of the grace period. In principle, such an event gives investors the opportunity to demand early repayment of the bond.

However, at the time of preparing the financial statements, the company had not become aware of any such demand for repayment by investors. With the publication of the audited financial statements, the breach of undertakings no longer exists. The bond trustee has confirmed that the publication of the audited financial statements means that the breach of undertakings no longer exists.

The company will publish the individual IFRS financial statements of O³ Holding GmbH and the consolidated financial statements immediately after the audit opinion has been issued.

Default risk

The maximum default risk of the O³ Group is determined by the carrying amounts of its financial assets.

As at the balance sheet date of the reporting period, 20% of trade receivables were due from one customer (2023: 20% due from another customer). 43% of trade receivables are attributable to the three largest debtors (2023: 44%).

Foreign currency risk

As at the end of the reporting period and the end of the comparative period, the O³ Group had a significant currency sensitivity with regard to the US dollar. If the Euro had been 10% stronger against the US dollar on December 31, 2024 and December 31, 2023, the result for the financial year would have been EUR 2,687 thousand (2023: EUR 128 thousand) lower.

Conversely, if the Euro had been 10% weaker against the US dollar on December 31, 2024, or December 31, 2023, consolidated net profit would have increased by EUR 3,285 thousand in the financial year (2023: EUR 157 thousand).

The same logic results in the following material sensitivities for the Group:

in EUR	31/12/24		31/12/23	
Effect on annual result	Fx + 10%	Fx - 10%	Fx + 10%	Fx - 10%
USD/EUR	-2,687 T€	+3,285 T€	-128 T€	+157 T€
NOK/EUR	-49 T€	+60 T€	+34 T€	-41 T€
GBP/EUR	+177 T€	-217 T€	+326 T€	-399 T€
CAD/EUR	-307 T€	+376 T€	-	-
PEN/EUR	-319 T€	+390 T€	-	-
CHF/EUR	+1 T€	-1 T€	+5 T€	-6 T€

The possible changes in exchange rates on equity are shown analogously in the following table:

in EUR	31/12/24		31/12/23	
Effect on annual result	Fx + 10%	Fx - 10%	Fx + 10%	Fx - 10%
USD/EUR	-27 T€	+34 T€	-1,229 T€	+1,502 T€
NOK/EUR	-557 T€	+680 T€	-506 T€	+618 T€
GBP/EUR	+5,698 T€	-6,965 T€	-1,413 T€	+1,728 T€
CAD/EUR	+786 T€	-960 T€	-	-
PEN/EUR	-5,902 T€	+7,213 T€	-	-
CHF/EUR	+7,213 T€	+4,585 T€	-1,952 T€	+2,386 T€

Interest rate risk

The interest rate risk arises from the conclusion of variable-interest credit facilities. Changes in interest rates can therefore lead to a limited extent to higher interest payments for the financial liabilities entered into. A sensitivity analysis is used to determine the impact of a change in the interest rate level on profit or loss as at the balance sheet date. It is assumed that the respective portfolio of financial instruments subject to interest rate risk on the balance sheet date is representative of the reporting or comparative period. An interest rate swap was concluded in 2022 to partially hedge interest rate fluctuations, as we were obliged to do so under the loan agreement for 50% of the long-term loans once a certain EURIBOR value was exceeded. The variable interest rates for this portion were swapped for a fixed interest rate. The interest rate swap expired at the end of 2024 and was not extended.

If the market interest rate level had been 100 basis points higher as at the reporting date (reporting date of the comparative period), the interest balance would have deteriorated by EUR 1,623 thousand (2023: EUR 796 thousand) as at the reporting date. Conversely, if the market interest rate had been 100 basis points lower, the net interest balance would have decreased by EUR 1,607 thousand (2023: EUR 788 thousand).

E.V.27. Segment reporting

O³'s segment reporting is based on internal reporting in accordance with the management approach. In the O³ Group, the Management Board as chief operating decision maker decides on the allocation of resources to the operating segments and monitors their performance.

The O³ Group is managed via its operating segments Pharma and Nutra, which are also the reportable segments.

The Pharma segment focuses on highly concentrated omega-3 products with proven clinical efficacy for the treatment of patients with very high triglycerides. The products are based on DHA and EPA (Lovaza, Lotriga) or pure EPA (Vascepa, Epadel).

The Nutra segment mainly comprises low to medium concentration omega-3 products in pharma-like formulations with health claims.

The valuation principles for segment reporting are based on the IFRS applied in the consolidated financial statements. As there were no transactions between the segments and all expenses and income were allocated to the two segments, the segment reporting does not include a reconciliation column to the corresponding Group figures.

Adjusted EBITDA is the key performance indicator for the O³ Group. It is not defined in IFRS. In the O³ Group, adjusted EBITDA is earnings before income taxes, financial result, depreciation and amortization, impairment losses, restructuring expenses, extraordinary income and expenses and income and expenses relating to other periods.

The following table shows the key performance indicator used in the O³ Group to assess the performance of the segments:

Segmentinformation	Pharma		Nutra		O³ Group	
in EUR	2024	2023	2024	2023	2024	2023
Revenue of segment to external parties	48,522,735	82,930,066	144,238,306	111,115,803	192,761,041	194,045,870
Adj. Cost of goods sold*	37,462,224	43,695,197	101,886,290	76,702,737	139,348,514	120,397,935
Adjusted EBITDA	-1,542,877	27,311,672	20,454,387	16,419,011	18,911,510	43,730,683
Adjusted EBITDA margin	-3.2%	32.9%	14.2%	14.8%	9.8%	22.5%
Cost of sales	115,619,784	56,318,430	128,219,233	75,459,576	243,839,017	131,778,006

excl. amortization & one-off effects

The following table contains further key figures by region:

in EUR	North America	Germany	Rest of Europe	Asia	Other regions	O³ Group
Revenues 2024	121,367,342	5,236,634	46,377,858	16,113,130	3,666,077	192,761,041
Non-current assets as of 31.12.2024	77,940,801	54,977,411	124,115,907	–	33,043,468	290,077,587

in EUR	North America	Germany	Rest of Europe	Asia	Other regions	O³ Group
Revenues 2023	85,448,173	1,984,682	77,492,318	28,862,148	258,548	194,045,870
Non-current assets as of 31.12.2023	50,179,605	56,548,120	117,352,199	–	–	224,079,924

In the 2023 financial year, sales with one customer accounted for more than 10% of the O³ Group's sales. These are reported in the Pharmaceuticals segment in the amount of EUR 31,600 thousand. In the current financial year 2024, there were no customers with a share of more than 10% of Group revenue. For further information on the development of sales revenue, please refer to the comments under Section E.V.15. Sales revenue.

Revenue with customers in the USA amounted to EUR 103,982 thousand in the 2024 financial year (2023: EUR 74,522 thousand): Non-current assets as of December 31, 2024 amounted to EUR 103,065 thousand in Switzerland (2023: EUR 24,238 thousand), EUR 45,502 thousand in the USA (2023: EUR 50,179 thousand) and EUR 33,044 thousand in Peru (2023: EUR 0 thousand).

The reconciliation of adjusted EBITDA to earnings before taxes is shown in the following overview

in EUR		2024	2023
Adjusted EBITDA		18,911,510	43,730,683
Consulting fees and transaction related expenses	1)	-6,131,796	-244,629
Restructuring and similar expenses	2)	-1,428,923	–
Legal one-offs and similar expenses	3)	-2,728,401	-1,900,764
Miscellaneous	4)	-23,689,221	-1,029,201
EBITDA (unadjusted)		**-15,066,831**	**40,556,090**
Currency effects		-3,807,644	–
EBITDA		**-18,874,475**	**40,556,090**
Depreciation & Amortization & Impairments		-92,169,680	-14,020,436
EBIT		**-111,044,155**	**26,535,654**
Financial result		-19,622,792	-16,303,411
EBT Earning before taxes		**-130,666,947**	**10,232,243**

1) Includes mainly consulting costs as well as personnel and other expenses in connection with M&A and financing activities.

2) Includes expenses for the restructuring carried out at one production facility.

3) Includes legal costs due to lawsuits and similar proceedings.

4) Includes non-recurring expenses, including impairments on receivables, losses on the sale of assets, inventory write-downs, other consulting costs (not related to M&A/financing), and income from the reduction of impairment losses on receivables and similar expenses and income.

E.VI. Related party disclosures

The group of related parties includes all direct or indirect shareholders of O³ Holding GmbH who have a controlling or significant influence over the Group, the non-consolidated subsidiaries, the associated companies and key management. Key management employees are therefore also related parties due to the assumption of Group management and Group monitoring tasks.

The key management group consists of the management of O³ Holding as well as the managing directors and division heads who report directly to the Group CEO. These include in particular the CEO of KD Nutra, VP Global Pharma Sales and Global Purchasing, the CFO, the Chief Business Officer (CBO), the VP Global Operations, the VP Global HR, the VP Quality & Regulatory and the Global General Counsel. This management level is directly or indirectly responsible for planning, managing and monitoring the company's activities.

The following table shows the remuneration of this group of people:

in T-EUR	2024	2023
services due at short notice	5,580 T€	5,130 T€
Post-employment benefits	–	–
Other long-term benefits	–	–
Benefits on the occasion of termination of employment	–	–
Total	**5,580 T€**	**5,130 T€**

In addition to the contractually agreed monthly benefits, key management receives bonus payments for the past financial year and, in some cases, special payments. The short-term benefits still include EUR 3,840 thousand as of December 31, 2024 (2023: EUR 1,007 thousand), which are expected to be paid out in the 2025 financial year. These are based on individual target agreements, and the amount depends on the degree to which the targets are achieved.

The transactions described below also took place in the financial year and the previous year:

Following the change in the shareholder structure in September 2024, the direct parent company of O³ Holding GmbH is MidCo Omega GmbH. Its direct shareholders are Mellifera Neunte Beteiligungs GmbH, DSM Nederland B.V. and Acquico Omega GmbH. The shares in Mellifera Neunte Beteiligungs GmbH are held by Acquico Omega GmbH. TopCo Omega GmbH remains the ultimate parent company of O³ Holding GmbH. The shares in TopCo Omega GmbH are largely held by fund companies in the Capiton Group.

From December 2019 to September 2024, the direct parent company of O³ Holding GmbH was Mellifera Neunte Beteiligungs GmbH, whose shares are held by Acquico Omega GmbH.

The managing director of O³ Holding GmbH indirectly holds 3.37% (2023: 4.74%) of the shares in the company. The indirect investment is based on shares acquired at fair value in 2019 in a newly established management holding company, which indirectly holds 7.47% (2023: 7.47%) of the shares in Mellifera Neunte Beteiligungsgesellschaft GmbH, and a management holding company newly established in 2021, which in turn indirectly holds 0.24% (2023: 0.24%) of the shares in Mellifera Neunte Beteiligungsgesellschaft GmbH. The same applies to a former managing director of K.D. Pharma and three senior employees, who indirectly hold 1.19% (2023: 1.68%), 0.18% (2023: 0.26%), 0.11% (2023: 0.16%) and 0.07% (2023: 0.10%) of O³ Holding. The purchase price was determined based on the bidding process carried out in previous years and a valuation carried out in 2021 in accordance with the principles of the International Private Equity Valuation (IPEV) Guidelines and represents the fair value of the shares at the time of acquisition. Therefore, no benefit is granted and thus no expense recognized (equity-settled grant) within the meaning of IFRS 2, as the company is not obliged to settle). If management leaves the company, Capiton has the right to acquire the shares of the departing member or can demand that the departing member sell the shares to a prospective buyer. Depending on the circumstances of the departure, the purchase price corresponds either to the lower of the original purchase price and the then applicable fair value of the shares (bad leaver in the event of administrative offenses and other violations) or the then applicable fair value of the shares (good leaver in the event of termination of employment or death). Furthermore, Capiton has a right or obligation to arrange for or accept a pro rata sale of the above-mentioned shares in the management participation company in the event of a partial or complete exit by Capiton at the then applicable fair value.

The change in shares compared to the previous year is solely due to the change in the shareholder structure described above.

The related party transactions are summarized in the following table:

in T €	Transactions in the financial year (income			Trade receivables (liabilities)	Loan receivables (liabilities) incl. interest	Cash/non-cash contribution
	Revenues/operating income	Operating (expenses) / income	Interest income (expense)			
2024						
MidCo Omega GmbH	-	-	-	-	-	211,350 T€
Acquico Omega GmbH	-	5 T€	-	- 6 T€	-	-
Trigal Pharma GmbH	-	-	17 T€	-	373 T€	-
DSM B.V. and subsidiaries	3,728 T€	- 1,856 T€	- 905 T€	2,513 T€	- 45,191 T€	-
Summe 2024	**3,728 T€**	**- 1,851 T€**	**- 888 T€**	**2,507 T€**	**- 44,818 T€**	**211,350 T€**
2023				0	0	0
Mellifera 9. Beteiligungsgesellschaft mbH	-	- 41 T€	-	- 42 T€	-	27,909 T€
Acquico Omega GmbH	446 T€	-	-	-	-	4,191 T€
Trigal Pharma GmbH	-	-	16 T€	-	356 T€	-
KD Pharma USA	-	-	1 T€	-	311 T€	-
Summe 2022	**237 T€**	**- T€**	**18 T€**	**- 42 T€**	**667 T€**	**32,100 T€**

The assets acquired by way of the acquisition of DSM-firmenich AG were valued at an amount of EUR 211.4 million. In the purchase agreement, the contracting parties had agreed on an amount of EUR 159.3 million.

E.VII. Other disclosures

The auditor received the following remuneration for services rendered to the O³ Group:

in EUR	2024	2023
Auditing services	422,019	207,801
Other services	7,000	6,000
Sum	**429,019**	**213,801**

E.VIII. Events after the balance sheet date

In January 2025, the O³ Group received additional long-term loans (term until 2029) from the related party DSM Nederland B.V. in the amount of EUR 5.4 million and in April 2025 in the amount of EUR 10.5 million at the same conditions as in the 2024 financial year, see note E.V.11. An agreement was concluded with another external lender for an additional long-term credit line (revolving credit facility agreement) in the amount of EUR 25 million with a term until 2029. The agreed interest rate is the 3-month Euribor plus a maximum margin of 4%, depending on the debt ratio).

At the beginning of April 2025, it was decided to relocate Omega3 production from the UK site to other KD sites and to initiate a partnering/sale process for the UK site for the CDMO business.

Furthermore, with regard to the breach of the bond conditions that occurred after the balance sheet date, please refer to the comments in section E.V.26 c. Liquidity risks.

Bexbach, June 24, 2025

Oscar Groet

AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR

To O³ Holding GmbH, Bexbach

Audit Opinions

We have audited the consolidated financial statements of O³ Holding GmbH, Bexbach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.
In addition, we have audited the group management report of O³ Holding GmbH for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS accounting standards") as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB and give a true and fair view of the net assets and financial position of the Group as at December 31, 2024 and of its results of operations in accordance with these requirements.

  and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and give a true and fair view of the net assets and financial position of the Group as at December 31, 2024 and of its results of operations for the financial year from January 1 to December 31, 2024 in accordance with these requirements, and

- the accompanying Group management report as a whole provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

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

to serve as a basis for our audit opinions on the consolidated financial statements and on the group management report.

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position.

the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.

- 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 express an opinion,

draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

Saarbrücken, June 25, 2025

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN
Zweigniederlassung Saarbrücken

Carsten Palm	ppa. Patrick Brudek
Certified Public Accountant	German Public Auditor

DEE00149133.1.1

Blank page for technical reasons