






Annual report 2023/24

Together towards *natural*


oterra™

Oterra Holding ApS, Agern Allé 24, DK-2970 Hørsholm, Company reg. no: 41686774

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Water is an increasingly scarce and precious resource. We manage it carefully.

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We respect human rights and expect our suppliers and business partners to do the same.

Financial statements

Oterra at a glance

No one knows color like nature. And no one knows natural colors like us

EUR 417m
Net revenue 2023/24

40+
Locations for Oterra's employees

110+
Countries actively served

28
Countries with office, lab or production facility

EUR 51m
EBITDA b.s.i. 2023/24

2,200+
Customers large and small

What we do
Oterra has 150 years of experience in natural colors. Today we develop, produce and sell natural colors and coloring foods to customers across the food and beverage industry. We are a vertically integrated operation with one of the widest portfolios in the market, focused on natural colors and coloring foods. Customers can rely on us "making nature easy", mastering the complexity of a natural supply chain, pigment choice and application for our customers, reducing their time to market and maximizing their win rates.

A global mindset
Oterra's global mindset is embedded in our identity. Our international presence and diverse team contribute to a dynamic environment, fostering a culture of adaptability and innovation, where we embrace change. In a world that is constantly evolving, our international perspective equips us to navigate the complexities of the global market.

Sustainability
Oterra is on a journey towards natural and in 2023/24, the company has taken several large steps to improve its sustainability profile. In November 2023, our GHG reduction targets were validated by the Science Based Targets initiative (SBTi), and we revealed our new state-of-the-art 3.5 MW biomass boiler at our Cossé site in France to reduce our Scope 1 emissions.

Oterra also launched a pioneering partnership with Icelandic VAXA Technologies to create an environmentally conscious and carbon-neutral process that delivers a breakthrough natural color component derived from microalgae.

Global reach, local touch
Oterra's impact is felt across 110+ countries, serving over 2,200 customers. Even though we cover such a vast area, our team takes pride in offering localized solutions and customized support to our clients.

Commitment to excellence
At Oterra we are united by our shared commitment to excellence. Our highly engaged team is the driving force behind our relentless pursuit of growth and our passion for providing top quality.

Performance highlights

At Oterra, our entire business is founded on the principle that 'nature got it right'. Sustainability lies at the heart of Oterra's operations.

We recognize the crucial link between nature and health, understanding that the well-being of our planet directly impacts the well-being of its inhabitants.

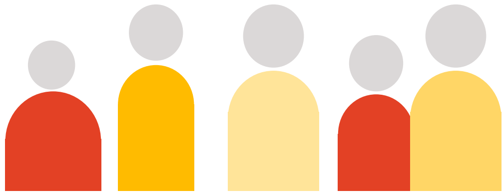
5%
Revenue growth

12%
EBITDA margin before special items

1,210
employees

47
nationalities

34%
female leaders



GHG emissions reduction targets **validated by the SBTi**

-22%
Scope 1 emissions

100%
renewable electricity

A message from our Chairman and CEO

Continued transformation during a challenging year for the industry

The fiscal year 2023/24 marks another year of important advances in the development of Oterra. The 12 months have seen a solid improvement in financial performance that has highlighted the ability of the company to positively react to challenges in the market, and further development of the infrastructure and processes that will serve Oterra's growth in the coming years.

Oterra is built on the premise that 'we make nature easy'. And the past year has shown how far we have come in fulfilling that promise to our customers.

A strong focus on sales and sales excellence was repaid with an improved sales pipeline that has been built up on better leads and a closer connection to our customers. That connection has also been reinforced by a series of new product launches that have shown our leading position in the industry by innovative sourcing or new ways of production.

Simply Brown, a clean label brown, was quickly followed by Jungle Blue, a safe and vibrant, sustainably sourced acid stable natural blue. In January, Oterra announced a pioneering partnership with VAXA Technologies in Iceland to produce pigments from microalgae via an innovative cultivation method that uses waste heat, natural CO_2 emissions and 100% clean energy as inputs.

> "Oterra is built on a premise that 'We make nature easy'. And the past year has shown how far we have come in fulfilling that promise to our customers.

A clear Go to Market strategy with these new products and existing elements in our product portfolio was supported by even better coordination across the various Oterra functions. This means that we were more focused on how we approached our customers and with a more efficient use of resources – which also reduced costs.

One of the benefits of being an EQT company has been the ability to use its knowledge to better integrate the Oterra group companies. These elements are also paving the way for even better integration and efficiency in the coming years.

We introduced the first building blocks of our Integrated Business Planning process linking our product portfolio, sales, production, finance and supply chain. Having an integrated business plan is vital for Oterra, with a 24-month horizon for getting the right crops to the market as exciting new products when our customers need them. Once again, a step towards making natural colors easy for our customers.

One of the challenges in providing natural colorings is that nature itself is sometimes unwilling to

A message from our Chairman and CEO

Continued

"

We have now a solid foundation to build on and we finished the year ready to take the company forward together.

Cornelis de Jong
Chairman

Martin Sonntag
CEO

cooperate. As such we had to work even harder and capitalize on our established Business Continuity Plans to manage raw materials and supplies to ensure that our customers were able to continue production.

Poor annatto and carmine harvests because of droughts in the growing areas were two of the challenges that were tackled thanks to a continued diversification of sourcing in several regions, and the broad range of pigments offered by Oterra.

A new leadership team is now in place thanks to the successful recruitment of a Chief Financial Officer, Chief Commercial Officer and Chief People and Culture Officer who joined at various points during the year, leading the strong One Oterra leadership network of experts already in place.

We have now a solid foundation to build on and we finished the year ready to take the company forward together.

At Oterra we believe that no-one knows color like nature and so to preserve our business we also need to keep nature healthy and focus on sustainability – both in the way we run our business and in the products we deliver to the market.

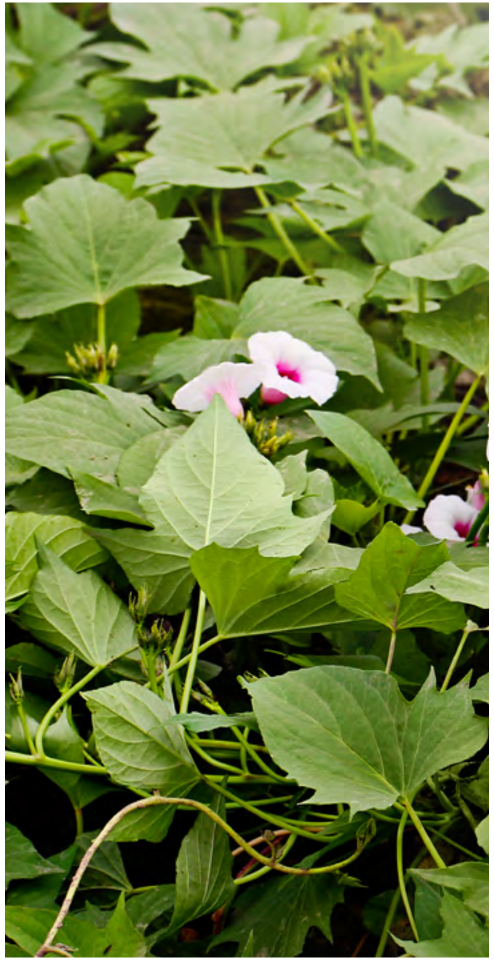
Highlights in the past year have been the validation of our ambitious greenhouse gas reduction targets by the Science Based Targets initiative and our decision to begin reporting under EcoVadis as a way to help our customers audit our sustainability performance more easily. The introduction of a biomass boiler at our Cossé site in France is a clear example of our commitment to accelerate decarbonization and has contributed to an impressive 22% reduction in our Scope 1 emissions compared with the previous year.

With a solid platform for growth we are well prepared to capitalize on the trend towards products focusing on health and wellness – which is a strong driver of consumer demand. That, together with a growing responsibility towards sustainability among consumers and our customers, play to the strengths of what we can offer.

As such, we believe that the move towards natural colors will continue to grow.

Sincerely,

Martin Sonntag
CEO
and
Cornelis de Jong
Chairman



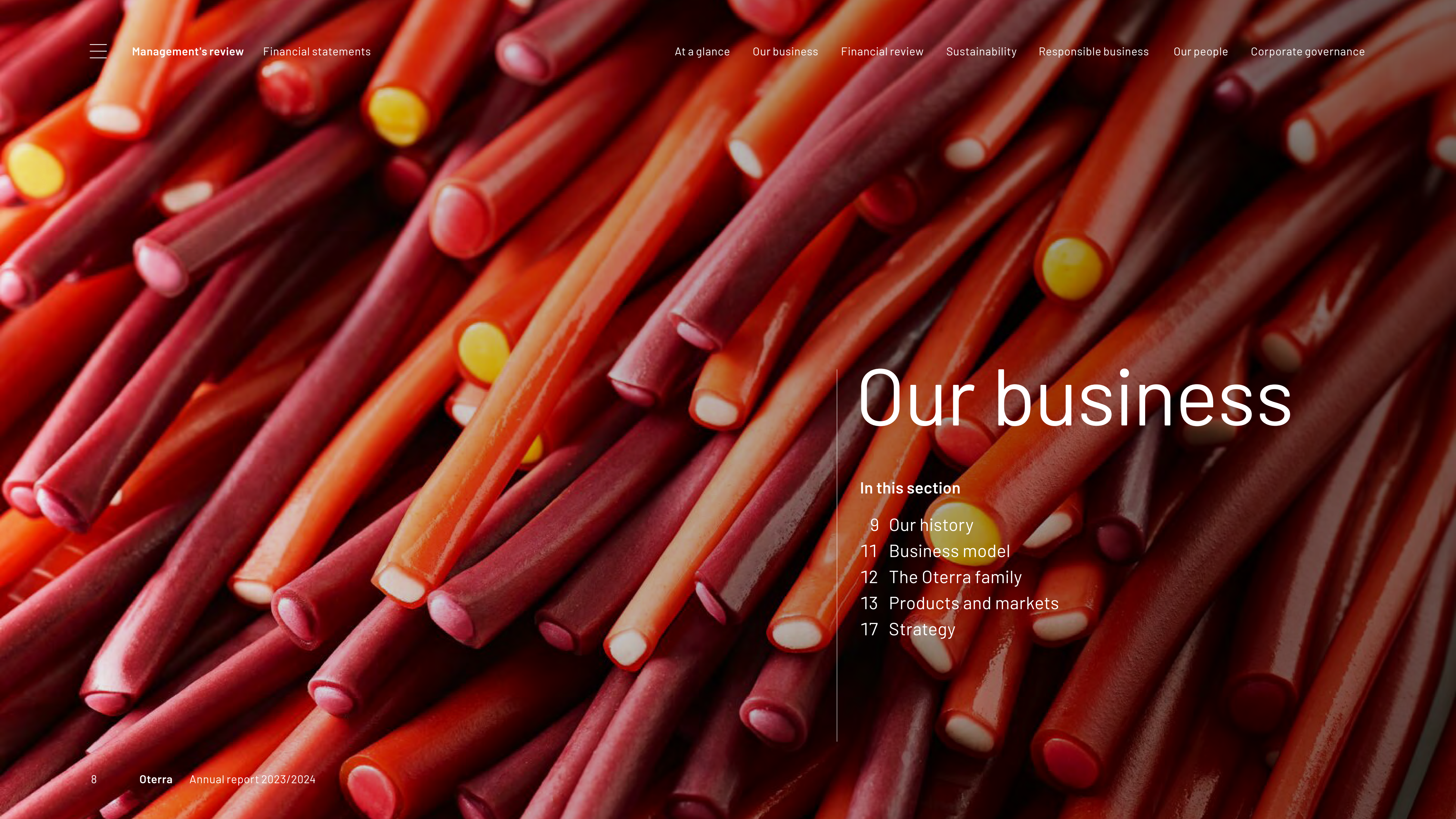
Consolidated key figures

EUR millions	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023	Sep 1, 2021 – Aug 31, 2022	Sep 1, 2020 – Aug 31, 2021
Income statement				
Revenue	417.2	396.0	335.7	108.4
Gross income	108.6	87.5	86.3	35.3
EBITDA before special items	50.7	35.5	35.7	16.2
EBIT before special items and impairment	8.0	(10.0)	0.5	4.1
EBIT	(8.1)	(84.9)	(248.7)	(50.1)
Net financial items	(35.7)	(35.7)	(20.1)	(7.3)
Income/(loss) for the year	(52.8)	(110.8)	(259.7)	(52.7)
Cash flow				
Cash flow from operating activities	(23.4)	(27.3)	(85.9)	4.1
Cash flow from investing activities	(28.9)	(172.1)	(177.2)	(930.5)
Cash flow from financing activities	41.1	226.1	235.6	974.1
Purchase of property, plant and equipment	(23.2)	(36.9)	(14.1)	(7.9)
Free cash flow	(52.3)	(199.4)	(263.1)	(926.4)
Free cash flow before special items and acquisitions	(36.2)	(36.1)	(83.1)	45.3
Balance sheet				
Total assets	1,223.2	1,318.7	1,220.7	1,176.0
Invested capital	1,087.6	1,138.8	1,065.9	1,058.8
Net working capital	158.2	151.4	143.5	84.7
Equity	593.4	564.4	555.9	681.8
Net interest-bearing debt	444.2	495.9	434.0	265.6

EUR millions	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023	Sep 1, 2021 – Aug 31, 2022	Sep 1, 2020 – Aug 31, 2021
Financial ratios				
Gross margin, %	26.0	22.1	25.7	32.6
EBITDA margin before special items, %	12.2	9.0	10.6	14.9
EBIT margin before special items and impairment, %	1.9	(2.5)	(0.1)	3.8
EBIT, %	(1.9)	(21.4)	(74.1)	(46.2)
Other key figures				
Average number of employees (FTEs)	802	894	836	643
Pro forma net revenue*	N/A	405.2	430.9	N/A
Pro forma EBITDA before special items*	N/A	65.9	64.7	N/A

* Pro forma net revenue and pro forma EBITDA before special items illustrate on a pro forma basis how net revenue and EBITDA before special items would have looked if the acquisitions of the group had full year contribution and if extraordinary costs had not occurred, related to the ERP migration.

The calculation principles related to key figures and financial ratios are presented in note 1.1.



Our business

In this section

Oterra:

A legacy of innovation and global expansion

In the world of natural colors, Oterra represents 150 years of innovation. This journey blends tradition with technology and embraces sustainability

Oterra was born in April 2021 when private equity firm EQT acquired the natural colors business of Chr. Hansen Holding A/S, a leading Danish bioscience company with a 150-year legacy of innovating in the food industry.

Chr. Hansen was founded in 1874, supplying rennet for cheese making and annatto to color butter and cheese in Denmark. The company made its international breakthrough in 1876 at the World Exhibition in Philadelphia and came to be a leading player in the food industry.

Expansion taking off

In the 20th century, Chr. Hansen's dedication to colors grew stronger. In 1929, they established a research and development facility in Milwaukee, USA, specializing in extraction, liquid blending, powder blending, and filling. In 1939, the company expanded its natural color range, offering red beet, grape skin and paprika to the world.

Milestones in the 20th century

The mid-20th century brought pivotal moments, including the inauguration of a carmine production facility in Quilmes, Argentina, in 1964. In 1979, the company was listed on the Copenhagen stock exchange, attracting new investors to its growth journey. During the late 1980s and early 1990s, the company made significant acquisitions, and continued to invest in broadening its capabilities and commitment to sustainable sourcing.

Entering the new millennium

In 2003, Chr. Hansen acquired a carmine production facility in La Molina, Peru, reinforcing its global footprint. Innovations like I-Colors® in 2011 and the FruitMax® range highlighted the company's commitment to addressing global food quality concerns.

The creation of Oterra marked the beginning of a new journey driven by sustainability, innovation and a diverse array of natural color solutions.

1874
Chr. Hansen founded in Denmark

1876
First butter & cheese color based on Annatto launched at world fair in the US

1929
1st factory in the US opens in Milwaukee, Wisconsin

1980
Natural Colors expands production with natural vegetable colors

1999
Acquired facility in Canossa, Italy

2000
Building of the production facility in Avedøre, Denmark

2007
Conversion trend to Natural Colors on the back of the Southhampton study

2012
Launched 1st generation of FruitMax® range of clean label colors

2014
Global Expertise Center opens in Shanghai, China (4th of its kind)

2018
Enters exclusive partnership with Colombian Ecoflora Cares to bring Jungle Blue to the market

2019
Received IFT2 Food Expo Innovation Award FIEI and Innovation Award for Hansen Sweet Potato™

2021
EQT acquires the Chr. Hansen Natural Colors Division and Oterra is born. Oterra aqcuires three businesses.

2022
Oterra acquires the Akay Group

2024
Partnership with VAXA Technologies to produce pigments from microalgae

Strategic mergers

In July 2021, Oterra acquired Secna Group, a Spanish company specializing in organic caramelized sugar and anthocyanins, strengthening our capabilities. In December 2021, Diana Food's natural coloring business joined Oterra, enriching its palette of colors sourced from nature.

Global expansion and expertise

At the end of 2021, Oterra solidified its position by acquiring Food Ingredient Solutions, an American producer of colors and natural antioxidants. This strategic step bolstered the company's presence in the American market.

Since then, Oterra has worked on further strengthening its presence in the market which has seen growing awareness of natural colors. During the past financial year, Oterra has begun to transfer some of its existing operations in the country to a new North American headquarters in Mount Pleasant, Wisconsin, that combines our innovation and application laboratories with manufacturing and logistics facilities.

The Mount Pleasant location is focused on liquid and powder formats, many of which can be used to replace the artificial colors that will be banned in California from 2027.

In October 2022, Oterra acquired the India-based Akay Group, adding expertise in natural colors and nutraceutical ingredients, reinforcing its position as a global leader in natural color innovation.

Working with partnerships and open innovation

With a strategic focus on backward integration, Oterra has consistently strengthened its market position in crucial pigments through partnerships. In recent years, the company has made strategic partnerships with EcoFlores to produce a blue pigment from Jagua fruit named Jungle Blue, and in 2023 created a partnership with VAXA Technologies, an Icelandic company with a revolutionary scientific approach to microalgae production that will be used for natural pigment production.

Through strategic acquisitions and a relentless commitment, we believe we are positioned for sustained success, ensuring control over the entire pigment supply chain and reinforcing our commitment to excellence through competitive products and prices towards customers.

Business model

we usually say:

No one knows color like *nature*.
And no one knows natural colors like *us*

Raw materials

We have complete backward integration for many of our products ensuring supply consistency, competitive pricing, sustainable sourcing and superior quality through close partnerships with our agricultural suppliers

R&D

We drive innovation for our customers through knowledge of raw materials, natural ingredients and applications. Our portfolio is available in every application imaginable

Production

We have the largest and most technologically advanced manufacturing footprint in our industry

Sales

We have global sales presence, a customer-centric concept, and a full palette of natural colors for the food and beverage industry

Value created

Customer value

We create and retain long-term customer relationships that support the conversion to natural

Natural products

We offer the power of nature's true colors

Safety and well-being at work

We have relentless focus on the well-being and safety of our workforce

Planet

We are committed to deliver on our ambitious GHG reduction targets

Shareholder value

We stand for responsible growth and healthy profitability

Expanding the Oterra family

Expanding our global presence through a series of deliberate strategic acquisitions

In the wake of Oterra's emergence as a standalone company in 2021, we have undertaken four strategic acquisitions - and partnerships - with the purpose of solidifying our value chain, expanding our global presence, and enhancing the diversity of our product portfolio.

We continue to explore options to further develop our fully integrated business model through evaluating partnerships, cooperation and acquisitions, all aimed at providing the best value proposition for our customers across the globe.

Secna Group
July 2021

Oterra acquires Secna Group. A South European business with expertise in organic caramelized sugar and anthocyanins.

Secna Group strengths
- 60+ years of expertise in caramel and anthocyanin production
- Strengthening our supply chain in black carrot, grape and caramel

Diana Food
December 2021

Oterra acquires Diana Food's natural coloring business. A European business with expertise in organic red beet and orange carrot.

Diana Food strengths
- Organic certification and production
- Provides additional strength in key pigments such as
  - red beet
  - orange carrot

Food Ingredient Solutions
December 2021

Oterra acquires Food Ingredient Solutions, a leading American producer of colors and natural antioxidants.

F.I.S. strengths
- Provides additional strengths in natural colors and the attractive North American market
- One certified processing facility in North America

Akay Group
October 2022

Oterra acquires Indian based Akay Group, a leading business specializing in natural colors and nutraceutical ingredients.

Akay Group strengths
- Provides additional strength in key pigments such as
  - paprika
  - turmeric
- Strong nutraceutical ingredient portfolio
- State-of-the-art manufacturing plants and strong R&D capabilities

oterra™

"Scaling for global coverage"

Exploring Oterra's diverse industry leading portfolio

As the world's largest provider of natural colors and coloring foods for food and beverage manufacturers all over the world, our products are used in a wide range of applications and reach consumers in more than 110 countries worldwide.

Our industry-leading understanding of crops and sourcing in combination with how we serve our customers by addressing application challenges, understanding their needs and delivering regulatory advisory across the globe, set us apart in providing the best color and shade outcomes, along with a robust supply chain solution.

Meeting demand for a growing planet-friendly and health-conscious market

The growing consumer demand for transparency, clean label products and the increasing emphasis on health and wellness underscore the industry's evolution towards natural colors and a departure away from artificial colorants. Oterra recognizes this shift, and our natural colors not only infuse products with vibrant hues but also align with the rising trend of avoiding artificial additives.

Regulatory movements are driving change

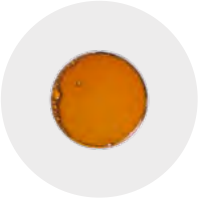
As the demand for cleaner and more transparent product labelling continues, the natural colors industry has experienced solid growth. Regulatory tailwinds can accelerate the conversion towards natural. For example, in the US, the California Food Safety Act (effective 2027) will prohibit artificial colorant Red 3 in food for human consumption and Assembly Bill 2316 will prohibit school cafeterias from serving foods that contain six artificial dyes tied to health and behavioral problems, influencing both consumer brands and the food service industry.

We experience a growing demand for clean label products and increasing emphasis on health and wellness among consumers, which further drives the transition towards more natural colors.

Geographies

110+
countries

Products

Expertise teams and unique product technologies to give customers the right solution for their specific application

FruitMax®, CapColors®, I-Colors®, DairyMax®, ColorFruit®

Industries





Food
Beverages
Pet food
Dairy
Confectionery

Oterra delivers a full palette of colors from nature

We carefully choose the best from nature to craft a comprehensive palette of enticing shades. Our natural food colors meet the demand for safe and high-quality ingredients, helping deliver trusted consumer products of the highest quality.


Pumpkin


Orange carrot


Cochineal


Black carrot


Jagua fruit


Peat


Safflower


Annatto


Red beet


Aronia


Spirulina


Limestone


Tumeric


Paprika

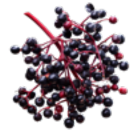

Hansen Sweet Potato®


Black Current


Green leaf plant


gardenia yellow


Tomato


Elderberry


Blue grape


Apple


Marigold


Hibiscus


Purple sweet potato


Red Cabbage


Caramelized sugar


Palm fruit


Fungus Carotene


Red radish


Gardenia Blue


Malted barley

A diverse and adaptable portfolio featuring over 1,200 products based on a solid foundation to fulfill customer requirements

+1,200
products offered to customers

~30
raw materials used for pigments

~110
countries

~85
applications within food, beverage, and pet food industries

Customization

Based on customer needs, each product can be specifically customized to meet regulatory requirements and specific product claims

Regulatory expertise

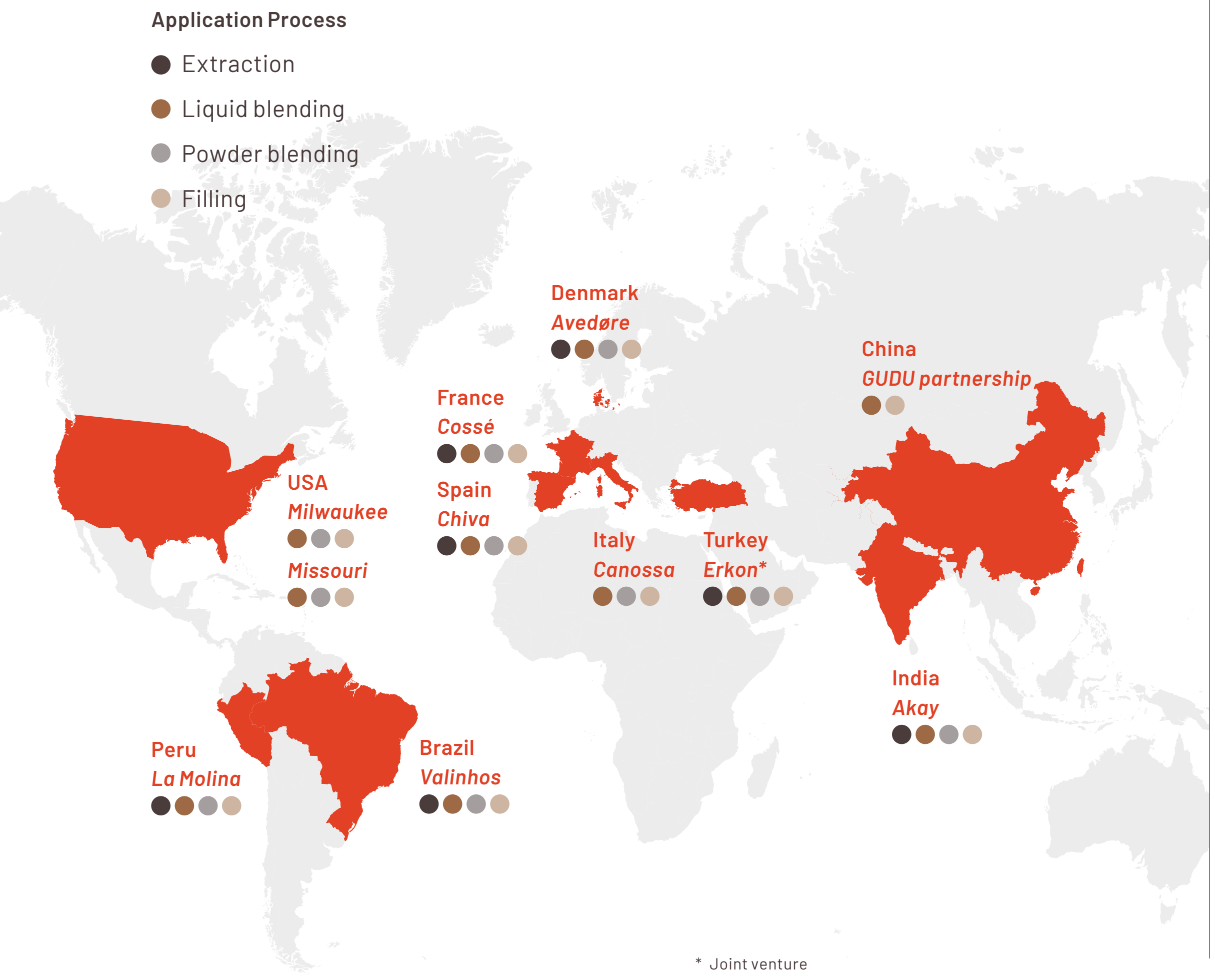
Products complying with regulatory regimes across the world
(US, EU, Codex, China)

Product claims

Solutions complying with product regulation for claims
(Clean label, organic, vegan, kosher, halal, palm oil free, and more)

Oterra's production footprint

Overview of Oterra production plants in scope and process capabilities



* Joint venture

Global footprint and market reach

Oterra's influence extends far beyond our product portfolio. We have established our presence across the globe, fostering valuable partnerships and serving a wide range of industries.

Following the carve-out from Chr. Hansen and subsequent acquisitions, we have continued to streamline our operations to have the optimal global focus for our customers.

- North America: Oterra has a strong foothold in the North American market, catering to the demands of an environmentally conscious and health-focused consumer base. Our products have found homes in a multitude of consumer goods, emphasizing transparency and quality. In the last year, we have begun to transfer innovation, application and production for the US to a brand new site in Mount Pleasant, Wisconsin, to meet the growing demand for natural colors in the United States.
- Europe: Oterra's European operations reflect our commitment to the continent's rich heritage of natural products and wellness. With natural colors and ingredients that resonate in all countries, we are an integral part of the region's evolving consumer landscape.
- Asia Pacific: In the dynamic Asia Pacific region, Oterra's products contribute to the growth of a burgeoning clean label and natural movement. Our commitment to innovation aligns with the region's ever-evolving preferences.
- LATAM: Natural ingredients and authentic flavors are deeply rooted in the region's culinary and cultural traditions. By offering sustainable and high-quality natural color solutions, we support LATAM's growing demand for clean label products.
- MEA: Oterra is leading the transition in Africa, in the conversion away from artificial colors towards natural, and continues to foster the already largely converted Middle East. Despite challenging market conditions, Oterra maintains its position as the go to partner for natural colors due to its wide portfolio and product range which enables us to service most individual customer needs.

Oterra's journey continues as we pursue our commitment to innovation, sustainability, and global impact. With a diverse product portfolio and a strategic presence in many markets, we remain committed to providing solutions that meet the evolving needs of consumers and industries alike.

Oterra's global production and process capabilities

Oterra's production and process capabilities are highly advanced when it comes to providing high-quality natural colors and ingredients to a global customer base. With a network of strategically-located production plants, we offer a diverse range of products and services to meet the ever-evolving needs of our customers worldwide.

Through acquisitions, Oterra is backward integrated in certain important pigments which is deemed to be an advantage in the global transition to natural colors. Oterra's widespread production and process capabilities ensure that we are able to consistently deliver excellence in natural colors and ingredients to customers worldwide.

Strategy

Because nature got it right the first time

Our strategy is based on our ambition to be the preferred partner for natural color solutions for food and beverage manufacturers worldwide. Through innovative and sustainable solutions, we want to drive the conversion to natural colors as we believe everyone deserves food and beverages that are safe and made from natural ingredients that they can trust.

Our purpose gives us a clear and common direction, attracts talent and loyal customers and drives innovation and new thinking in our industry.

Long-term customer relationships
We create and retain long-term customer relationships that support the conversion to natural

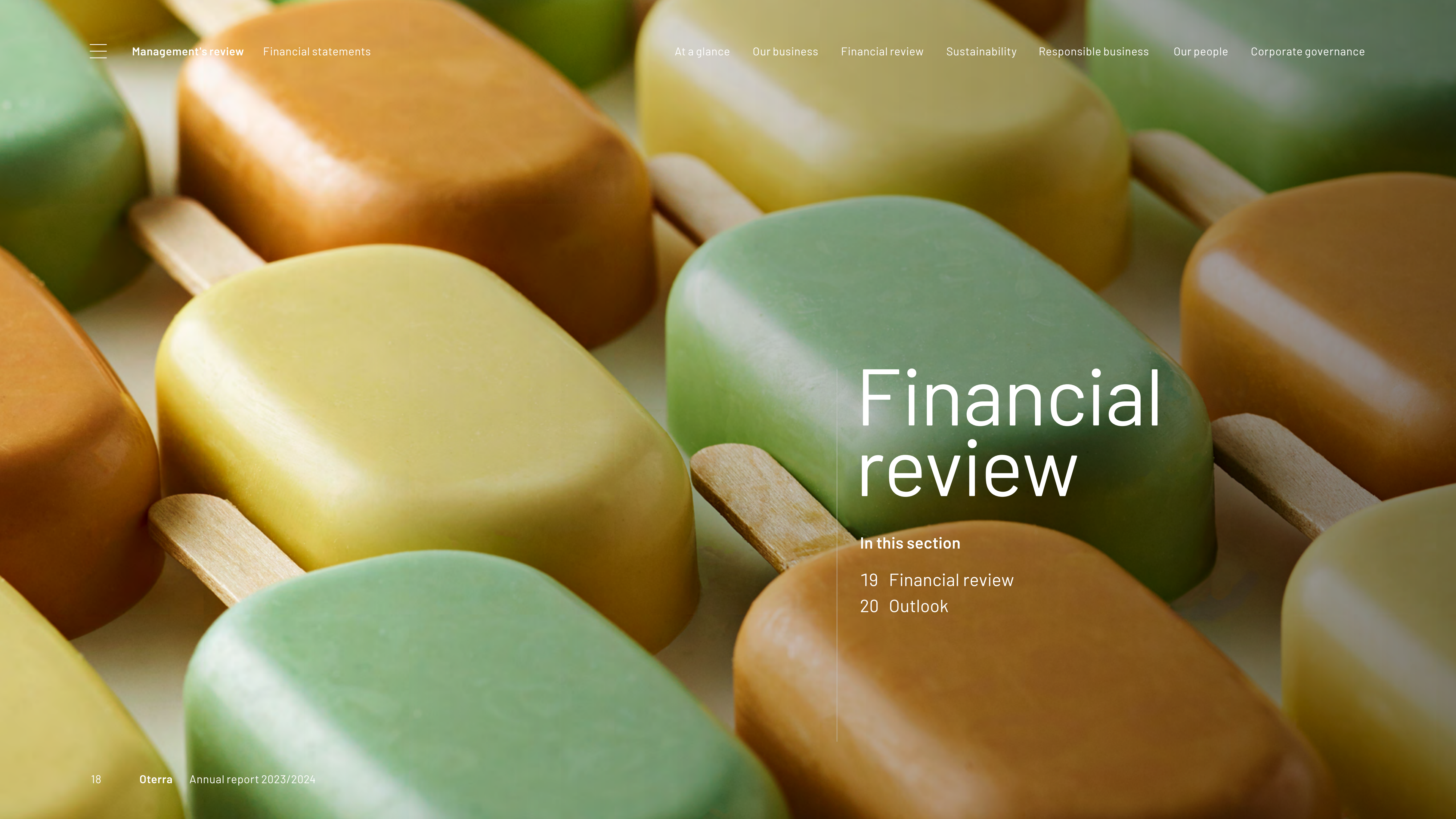
Leading product portfolio
We offer the industry-leading product portfolio while driving simplicity of choice for customers

Scalable and secure supply
We deliver supply security, scalability and cost competitiveness allowing our customers to grow

Innovation and expertise
We drive innovation for our customers through knowledge of raw materials, natural ingredients and applications

Focus on people
We empower our passionate team to achieve great things together and drive development through our values and culture

Commitment to sustainability
We are a responsible partner committed to ensuring sustainability at Oterra and beyond



Financial review

In this section

Financial review

In the financial year 2023/24, the Oterra Group continued delivering solid improvements in financial performance, while investing continuously in the people, processes and infrastructure that will serve Oterra's growth in the coming years. As anticipated, Oterra has reacted positively to challenges in the market and benefited from diversification of sourcing areas while launching a series of new products displaying innovative sourcing or new ways of production.

Financial performance

The financial result for 2023/24 reflects the continued transformational journey that Oterra is on, building a market leader with one of the widest product portfolios in the market, dedicated to natural colors and coloring foods. Throughout the year, focus has been on operational improvements and establishing the right technological infrastructure to support a scalable platform as well as stronger business processes around sales excellence and customer centricity. With more structured internal collaboration and efficient use of resources, the company continued reducing operational and administrative costs.

The financial performance for the year delivered revenue of EUR 417.2 million, EBITDA before special items of EUR 50.7 million and a negative EBIT of EUR 8.1 million after special item costs amounting to EUR 16.1 million.

During the financial year 2023/24 the following key events impacted not only the results but also the development of the Oterra Group:

- Partnership with VAXA Technologies to produce pigments from microalgae
- Investment in a new, state of the art production site in the US
- Further strengthening the management team with key executive appointments
- Continued focus on establishment of right infrastructure and business processes
- Establishment of a clear Go to Market Strategy
- First building blocks of our Integrated Business Planning process

Market challenges

Continued macro-economic and geopolitical instability influenced consumer trends while raw material harvests were impacted by drought in the growing areas. Throughout the year, Oterra proactively managed raw materials and supplies to ensure customers were able to continue production while improving inventory levels. Development of inflation rates have primarily impacted personnel cost. Increased interest rates affected borrowings and are mitigated through the Groups risk management.

Revenue

Net revenue increased by 5.3% to EUR 417.2 million (2022/23: EUR 396.0 million) in line with last year's outlook, considered in line with expectations and all organic growth. The net revenue increase is driven out of most markets.

Gross margin

Gross profit increased by EUR 21.1 million to EUR 108.6 million (2022/23: EUR 87.5 million). This led to a gross margin of 26.0% (2022/23: 22.1%). The gross margin improvement is a result of higher operational effectiveness.

5%

Organic revenue increase

Special items

Oterra has invested into the business to build a robust foundation and readiness for expected near-term market opportunities. In 2023/24 several investments have progressed, resulting in special item costs of EUR 16.1 million (2022/23: EUR 31.9 million). The special item costs have decreased over the year and compared to prior years with the completion of several projects as well as lower M&A activity. The trend is expected to continue in 2024/25.

EBITDA

EBITDA before special items increased by 42.8% to EUR 50.7 million (2022/23: EUR 35.5 million), above last year's outlook, despite continued significant investments in infrastructure and business processes over the year. This results in an EBITDA margin before special items of 12.2% (2022/23: 9.0%) primarily driven by the revenue growth and continued focus on operational efficiency.

EBIT
The operating result significantly improved by EUR 76.8 million to a loss of EUR 8.1 million in 2023/24 (2022/23: EUR 84.9 million loss). This improvement is mainly driven by revenue growth, higher operational efficiency, a lower degree of non-recurring costs related to M&A activities and no impairment losses compared to last year (2022/23: EUR 43.0 million).

EBIT before special items
The operating result before special items increased to a profit of EUR 8.0 million (2022/23: EUR 10.0 million loss), mainly driven by revenue growth and cost control.

Net financials
Reported net financials resulted in an expense of EUR 35.7 million (2022/23: EUR 35.7 million expense), in line with last year and continously driven by higher interest levels and fluctuating currency exchange rates.

Result for the year
The financial year 2023/24 resulted in a loss of EUR 52.8 million (2022/23: EUR 110.8 million loss). Albeit a significant improvement to last year, Management does not consider the result satisfactory.

Net Working Capital
The Net Working Capital developed during the financial year from EUR 151.4 million to EUR 158.2 million driven almost equally across the underlying elements.

Total assets
At the balance date, Oterra's total assets amounted to EUR 1,223.2 million (2022/23: EUR 1,318.7 million). The decrease of 6.2% is mainly related to amortization of intangible assets as well as lower inventories.

Equity
The equity increased by EUR 29.0 million in 2023/24 to EUR 593.4 million (2022/23: EUR 564.4 million). The increase was mainly related to a group contribution of EUR 105.5 million, partly offset by the loss for the year 2023/24 and development on cashflow hedges as a result of changes to the interest rates.

Events after the balance sheet date
No material events have occurred subsequent to 31 August 2024 that have not already been included in the annual report and that would have a material effect on the assessment of the Group's financial position.

Outlook
Oterra is well prepared to capitalize on the trend towards products focusing on health and wellness. Built on a solid platform for growth, stronger awareness of sustainability among customers and consumers, we see a stronger pipeline to convert to natural colors. The integration of business processes across product, sales and supply chain as well as the integration of the Oterra group companies, positions the Group for sustained success in the dynamic market landscape.

Oterra remains focused on continuing its transformative journey, demonstrating adaptability and resilience in the face of industry dynamics. The strategic initiatives implemented lay the foundation for stronger future growth, and the Group is well-poised to navigate evolving market conditions.

In conclusion, Oterra expects to continue delivering improving financial performance. Low double-digit growth is expected for the revenue and double-digit growth for EBITDA in 2024/25 in line with current year.

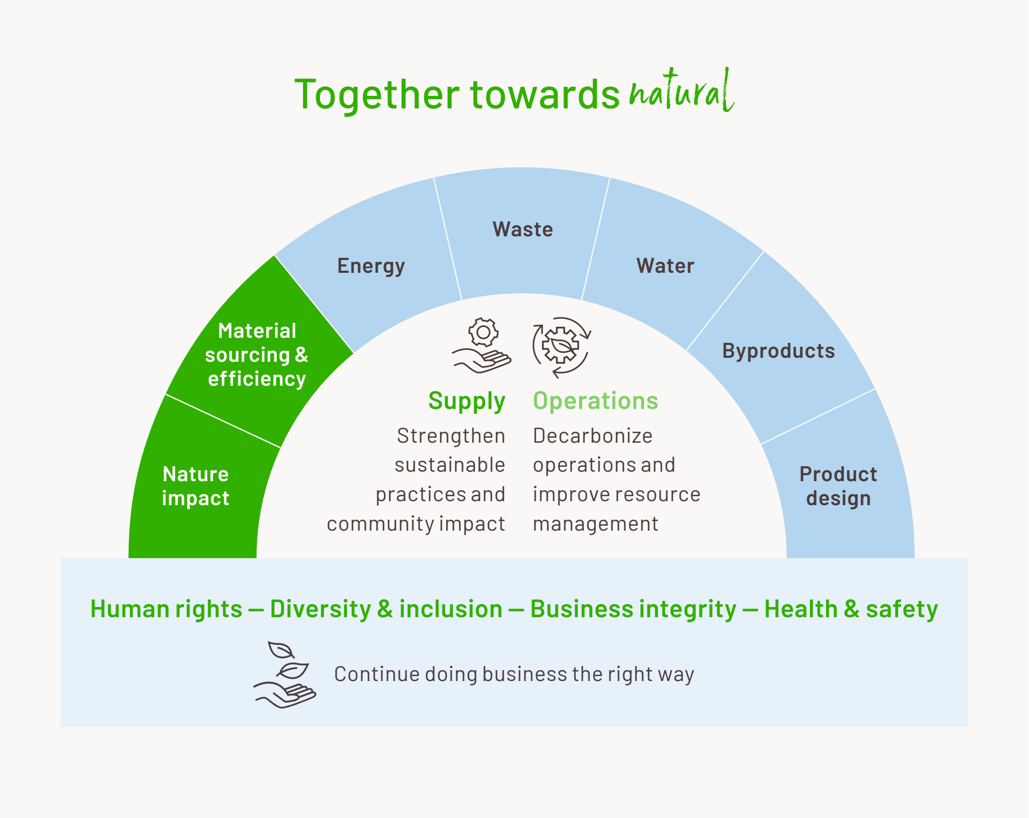
Sustainability

In this section

Statement on corporate responsibility
The content within pages 21-48 constitutes Oterra's statutory reporting on corporate responsibility, gender distribution in management and data ethics in accordance with §99a, §99b, and §99d of the Danish Financial Statements Act. A description of the business model can be found on page 11.

Materiality & strategy

Our sustainability strategy



At Oterra, we are on a journey 'together towards natural'.

Our sustainability strategy encompasses our entire value chain and reflects our values, ways of working and corporate culture.

Our processes and definitions for material areas
Our materiality assessment is reviewed annually to ensure ongoing alignment with our stakeholders' key concerns. It has enabled us to identify our most pertinent sustainability focus areas, and empower us to efficiently and transparently track our progress to ensure that we remain on track to achieve our sustainability objectives. The resulting structure serves as the cornerstone of our internal sustainability governance.

For each of our focus areas, we have established a comprehensive framework that encompasses the following elements:

1. **Clear rationale:** We have developed a profound understanding of the significance of each topic to Oterra, recognizing its relevance and impact on our sustainability agenda.
2. **Vision and priority initiatives:** We have defined a clear vision for each topic, along with a set of priority initiatives that guide our actions and decisions.
3. **Key performance indicators (KPIs):** We have identified one or more KPIs specific to each topic, enabling us to effectively measure and monitor our progress over time.
4. **Ownership and responsibility:** Each topic has been assigned an owner who is responsible for driving the related work, ensuring accountability and successful implementation.
5. **Senior leadership sponsorship:** A member of our senior leadership team acts as a sponsor for each topic, providing guidance, support, and advocacy to foster its successful integration throughout the organization.
6. **Ongoing goal setting:** We maintain a dynamic and iterative process of goal setting, regularly reassessing targets and milestones to adapt to evolving circumstances and emerging opportunities.

Our sustainability governance model is further described on page 45.

Material areas		Definition	What we track	What we want to achieve
Sustainable supply	Nature impact	We want our operations to do no harm to nature and promote sustainable practices across our value chain. We analyze and act on the nature-based risks in our supply chain.	Impacts from agricultural supply chain	Reduce negative impacts and amplify positive impacts of agricultural supply chain on nature and the environment
	Material sourcing & efficiency	We partner with suppliers and farmers around the world for solutions that secure our future access to raw materials, and achieve lower emissions and other environmental impacts across our value chain, while creating positive socioeconomic and community impact. Our breeding initiatives lower the environmental impact of our crops while improving efficiencies and yields.	Scope 3 emissions Savings in environmental impact as an outcome of breeding initiatives	25% absolute reduction by 2030 (from a 2022 baseline) Quantify and reduce the environmental impacts of our crops through breeding initiatives
Sustainable operations	Energy	Optimizing energy usage and sources saves both costs and emissions. Our focus is on improving energy efficiency to reduce overall energy consumption and on switching to renewable energy.	Scope 1 & 2 emissions % of renewable electricity KwH per tonne of production	42% absolute reduction by 2030 (from a 2022 baseline) Maintain 100% renewable electricity Reduce factory energy intensity
	Waste	Reducing waste and improving material yield reduces costs, improves operational efficiency and lowers our environmental impact.	Material yield % % of non-hazardous waste recycled Kg of waste per tonne of production	Improve the yield in color units from raw material to finished product Increase % of waste recycled Reduce waste intensity
	Water	Optimizing our water management will make our business more resilient and help us lower our overall water intensity.	Factory water usage per tonne of production	Reduce factory water usage intensity
	Byproducts	We analyze and enhance the utilization of our byproducts to create value for the business while improving circularity.	All byproducts and their uses	Optimize byproducts utilization to create value for the business while improving circularity
	Product design	We monitor the resource intensity of our products and implement sustainable lifecycle management processes. We optimize packaging to increase reuse and recycling within our value chain	% of recycled content in plastic packaging	Increase the % of recycled content in plastic packaging

Material areas		Definition	What we track	What we want to achieve
Foundational focus areas	Business integrity	As a responsible company, we are committed to conducting our business in a fair, transparent, compliant and ethical manner.	Recorded cases of business integrity violations upheld	Maintain zero cases
	Employee engagement, diversity & inclusion	We foster a culture of diversity, inclusion and belonging by attracting and retaining a diverse talent pool and ensuring equal opportunities for all employees, and maintain an engaged workforce.	% of underrepresented gender eNPS and engagement score	35% female leaders in Oterra Leadership Team (OLT) and Oterra Leadership Network before 2026 Maintain an engaged and motivated workforce
	Health & safety	Ensuring the health and safety of our staff and those we work with is of highest priority for Oterra.	Lost Time Incident Rate (LTIR)	Zero accidents
	Human rights	We uphold and advocate for human rights across our business and within our supply chain with a focus on responsible sourcing strategies.	Recorded cases of human rights abuse or human trafficking upheld	Maintain zero cases

In 2024/25 we are carrying out a comprehensive double materiality assessment in preparation for reporting under the European Sustainability Reporting Standards (ESRS) as mandated by the EU Corporate Sustainability Reporting Directive (CSRD). Oterra will begin full ESRS reporting from 2025/26.

Sustainable value chain from raw material to consumer

Our natural colors are used in applications across a wide range of food, beverage, and pet products globally. By adding value across the entire supply chain, we seize the opportunity to actively contribute to the development of resilient agricultural systems and streamlined production processes.

Through meticulous anaysis of our value chain, we have taken a comprehensive approach within our sustainability strategy to address both opportunities and risks at every stage, beginning from the sourcing of raw materials and extending all the way to the end consumer.

Raw materials

Reduce environmental impact while improving output

- Breeding for better land use
- Traceability
- Biotech solutions
- Sustainable agriculture
- Agronomist at grow sites

Processing

Sustainable resource management

- Value from byproducts
- Efficiency and yield
- Decarbonize production sites

Product design

Promote a low carbon, low waste portfolio

- Optimized packaging
- Product carbon footprint calculation

Transport

Lower emissions from transport

- Reduce emissions
- Optimize transport patterns

Customers

Help customers reach their targets

- Reduce customers' value chain emissions
- Increase competitiveness and differentiation

End consumer

Enable consumers to buy products with low emission, nature-conscious ingredients

Climate action journey

As a company deriving its products from nature, climate action is high on Oterra's agenda. In November 2023, our GHG reduction targets were validated by the Science Based Targets initiative (SBTi), the most recognized organization globally for developing methods and criteria for effective corporate climate action. Our targets of 42% reduction in Scopes 1 and 2 and 25% reduction in Scope 3 by 2030 are set on an absolute basis, which means reducing total impact even if the business is growing.

The SBTi has classified Oterra's scope 1 and 2 target ambition as being in line with a 1.5 degree trajectory, which is currently the most ambitious designation available through the SBTi process. Our Scope 3 target is aligned with the well below 2 degrees scenario.

In 2023, we reduced our emissions across the three scopes – despite including additional sites resulting from acquisitions in our calculations. Our scope 1 emissions decreased by 22% from 12,311 tCO_2e in 2022 to 9,585 tCO_2e in 2023 as a result of the implementation of energy upgrades and conservation measures, particularly the commissioning of our new biomass boiler at our site in Cossé, France, which replaced a heavy fuel boiler. Read more about our energy management on page 28.

	Scope 1	Scope 2	Scope 3
GHG Protocol definition	All direct emissions from owned or controlled sources	Indirect emissions from the generation of purchased energy	All indirect emissions (not included in Scope 2) that occur in the value chain, including both upstream and downstream emissions
Oterra's impacts	Natural gas and fuel used in production and refrigerants	Purchased electricity and district heating	The growing and third-party processing of raw materials, transportation and distribution, packaging and business travel
2022 baseline (Rebaselining ongoing)	12,311 tCO_2e*	422 tCO_2e * market based	238,808 tCO_2e**
2023 result	9,585 tCO_2e	340 tCO_2e market based	160,812 tCO_2e***
2030 target	**42%** absolute reduction	**42%** absolute reduction	**25%** absolute reduction

* Currently being rebaselined due to acquisitions being incorporated into the 2022 baseline.
** Currently being rebaselined due to the discontinuation of the Quantis methodology, and acquisitions being incorporated into the 2022 baseline.
*** The decrease in Scope 3 emissions is mainly attributable to a change in calculation methodology.

Our Scope 2 emissions remain negligible as a result of sourcing 100% renewable electricity – a proud commitment that Oterra has upheld since the company was born in 2021.

Our Scope 3 emissions also fell. However the decrease was mainly caused by a change in calculation methodology. Because of this change in methodology, along with the incorporation of additional sites, we are in the process of rebaselining our 2022 emissions, results of which will be shared in future reporting. Oterra is further preparing to report under the new SBTi Forest, Land and Agriculture ('FLAG') requirements, which is the world's first standard that include land-based emissions reductions and removals.

We are looking forward to continue showcasing our climate leadership in the years ahead.

Some notes on our data:

- Our GHG emissions data is calculated on the calendar year which differs from Oterra's financial year.
- Our 2022 baseline includes our production sites in Avedøre (DK), Canossa (IT), Chiva (SP), Cossé (FR), Milwaukee (US), La Molina (PE), Valinhos (BR) as well as a site in Holbeach (UK) which has since been closed. Our 2023 calculations further include acquisitions F.I.S with one site in Missouri (US) and Akay with four sites in India.
- Office locations with a minimum threshold of 15 staff are included in the data. Excluding smaller office locations which make up less than 5% of Oterra's total emissions is allowed under SBTi guidance.
- Our Scope 3 data has been calculated using a hybrid accounting method, using spend based, activity based as well as supplier specific data. We continue to incorporate activity-based and supplier-specific data where available, and thereby improve the granularity of our Scope 3 data each year.

We are confident in our ability to continue making significant progress towards our ambitious GHG reduction targets. By addressing energy efficiency, renewable energy sourcing, yield and supplier collaboration, we actively advance our commitment to a low-carbon future.

Scopes 1 & 2 Our operations

- **Energy upgrades & conservation measures:** By implementing the upgrades and conservation measures identified through comprehensive energy audits conducted at our production sites, we improve energy efficiency and reduce emissions.
- **Continued sourcing of 100% renewable electricity:** We are committed to utilizing electricity solely from renewable sources. By maintaining this commitment, we reduce our Scope 2 emissions while supporting the global transition to a clean energy future. In 2023/2024, we installed a new solar PV system on the roof of our production site in Italy, proudly adding to our sites that already produce renewable electricity on-site.

Scope 3 Our value chain

- **Increasing yield from field to end product:** We work with suppliers as well as with our own processes to reduce color unit losses throughout the entire value chain, from the raw material to the end product.
- **Our breeding initiatives** improve color content in the raw material, enabling us to use less material input to produce the same end product and hence reducing Scope 3 impacts.
- We invest in **biotech solutions** that reduce climate risks and impact.
- **Engagement and collaboration with suppliers**: We actively engage with our suppliers to explore opportunities to lower emissions associated with the cultivation and processing of our raw materials. This collaborative approach enables us to collectively work towards sustainable practices and emission reductions throughout the supply chain.

Environment

We source 100% renewable electricity at Oterra

Energy

As a manufacturer of natural products with several large production sites globally, energy is central to our corporate strategy due to its impact on our GHG emissions and our bottom line.

Our main sources of energy are electricity and natural gas used in our production processes. We are proud to source 100% renewable electricity. By improving energy efficiency we further reduce energy intensity in production.

Comprehensive energy audits and energy conservation measures

We have carried out comprehensive on-site energy audits via a specialized third party at our main global production sites. These audits have resulted in a detailed understanding of our energy consumption, as well as a clear roadmap for upgrades and energy conservation measures that help improve our energy efficiency and lower our GHG emissions from energy. The energy conservation measures and upgrades have been ranked by priority, scheduled and structured into budgets. For 2023/24, our goal was to reduce energy intensity in production by 4% (measured in KwH per tonne of production of semi-finished and finished goods) for our company weighted average. While we fell short of our ambitious target, we are proud to have achieved a reduction of 2% as a result of these site-specific energy conservation measures.

New biomass boiler at Cossé site

In 2023/2024, we revealed our new state-of-the-art 3.5 MW biomass boiler at our Cossé-le-Vivien site in France, replacing a heavy fuel boiler and marking a significant step forward to reduce our Scope 1 emissions. The biomass boiler now covers more than 82% of the site's steam requirements, in addition to a new gas steam boiler that provides backup support. It efficiently utilizes wood chip byproducts from woodland and agro-forestry residue, sourced from within 150 km of the plant – manifesting our commitment to local, renewable energy and sustainable resource management in general.

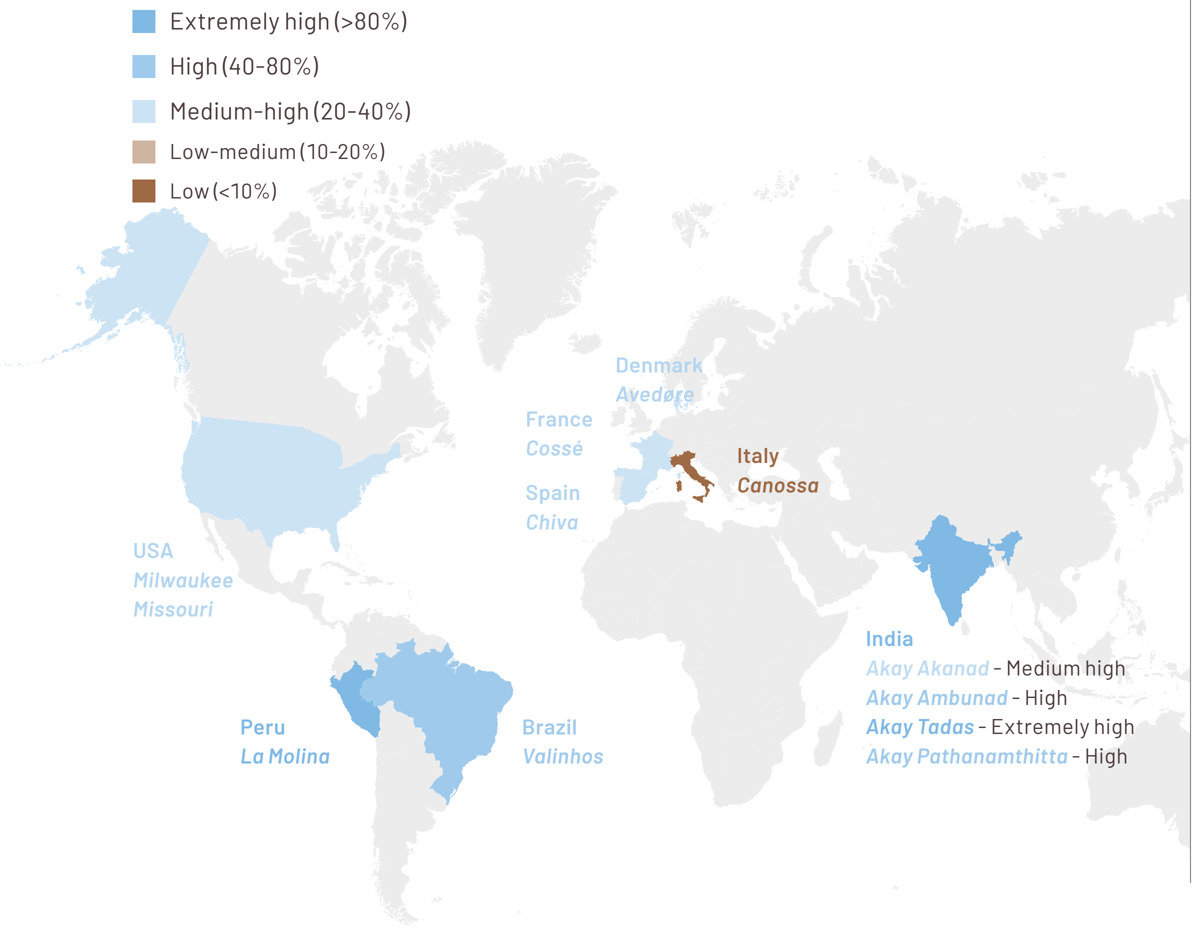
Renewable electricity

Since Oterra became a standalone company in 2021, we are proud to have sourced 100% renewable electricity. In the beginning, this commitment was focused on our main production sites, while it now covers the entire company including acquisitions and larger office locations. Continuing to utilize renewable electricity forms an important part in our strategy for achieving our GHG emissions reduction targets by 2030. In 2023/2024, we installed a new solar PV system on the roof of our production site in Italy, proudly adding to our sites that already produce renewable electricity on-site.

Energy Consumption	
Total energy consumption	**94,887 MWH**
From natural gas	48,059 MWH (51%)
From electricity	31,266 MWH (33%)
- % of renewable electricity	100%
From other energy sources (primarily Propane, Biomass, District Heating and Diesel)	15,562 MWH (16%)
% of total energy that is from renewable sources	**37,589 MWH (40%)**

Oterra water stress map

Water stress measures the ratio of total water demand to available renewable surface and groundwater supplies. Higher values indicate more competition among users.



Water

Water is an increasingly scarce and precious resource, and if not managed properly it can become a business risk since water is required both for the growing of our raw materials as well as during our processes in our factories.

We track the factory water intensity in production (m^3 of water used per tonne of semi-finished and finished goods produced) across all our sites and set site-specific targets for each year. Since each of our sites are different, site specific measures have been identified to conserve water and improve water efficiency. This includes implementing ultrafiltration systems for water recovery, optimizing our CIP (cleaning in place) processes as well as raising awareness to our teams on how individual behavior can help us conserve water.

For 2023/24, we achieved our ambitious water efficiency targets for two thirds of the sites in scope, resulting in an overall improvement in water efficiency per ton of production for our company weighted average. For 2024/2025, we continue setting site-specific water efficiency targets and are including additional sites into the commitment.

While our immediate priority is to improve water efficiency in production in our own factories, we are also beginning to work on better understanding the environmental impacts associated with the growing of our raw materials, including water.

In 2022/2023 we conducted a contextual water risk assessment using the World Resource Institute's Aqueduct Water Risk Atlas and have confirmed the results of this analysis are still valid. Five of our 12 sites are located in areas of high water stress, situated in Peru, India and Brazil. These findings are taken into account when developing the site-specific water conservation measures.

Waste

At Oterra, we take a holistic approach to waste management. We track all waste generated at our main production sites with a view to reducing waste generation and increasing recycling. We work with specialized partners to ensure proper disposal of the waste we produce, including hazardous waste. All this helps us lower costs and environmental impact, while improving operational efficiency.

Byproducts utilization

The extraction and manufacturing of our natural colors creates byproducts in the form of biomass. We as Oterra see our byproducts not as waste but as opportunities to create value for our business and our partners. Our biomass byproducts are used by us or our partners as compost, animal feed, or biogas generation, or is sold on to other industries that benefit from our byproducts in their processes. We have undertaken careful analysis of all our byproducts and their uses, with the view to create increased value for the business while improving circularity. This has helped us identify the top priorities for the coming years where we believe we can create even more value for us, our partners and the planet by optimizing the utilization of our byproducts.

Responsible business

In this section

Human rights

At Oterra, we respect human rights as defined in the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and we expect our suppliers, business partners and other established business relationships to do the same. We respect the Ethical Trading Initiative Base Code and the core conventions of the International Labor Organization (ILO). Our work with human rights is an integral part of our continuous support to the UN Global Compact.

We source from a wide range of suppliers globally and as such, there is a risk related to the possible employment of suppliers who do not comply with internationally recognized standards and conventions. Oterra's Whistleblower Portal enables all employees of Oterra, as well as customers, suppliers, business partners and other stakeholders, to report any concerns. In order to do business with Oterra, suppliers need to acknowledge our Supplier Guiding Principles, which entail a set of social and environmental requirements, including respect for human rights and a zero tolerance policy for bribery and corruption. For suppliers identified as operating in high risk environments, we carry out regular audits at our suppliers' sites.

In 2024/25, we are carrying out actions to further strengthen our human rights risk assessment procedures.

Third-party audits on social and environmental matters are further performed at Oterra's production sites with regular intervals. These audits are called SMETA (Sedex Member Ethical Trade Audits) and are managed through Sedex, which is one of the world's largest collaborative platforms for sharing social and environmental data with customers to which Oterra maintains active participation.

In 2023/24, we have not detected any human rights violations in our supply chain.

Recorded cases of human rights abuse or human trafficking upheld

2022/23:
0 cases
2023/24:
0 cases
2024/25 target:
0 cases

Data ethics

The digital environment is evolving and continuously revealing new and innovative ways of improving the operations of our company. However, with all the possibilities of a digital transformation come responsibilities and an important focus on data ethics. Oterra is committed to the protection of privacy and to securing transparent and ethical data processing. Oterra encounters different types of data. Internally, it is mainly processing of data about our employees and job applicants. Data about our employees and job applicants include regular personal data, such as names, addresses and phone numbers. In the daily operations, Oterra further processes certain special categories of personal data, for example health information and information about union memberships. Oterra also processes large amounts of data that is not personally identifiable e.g., aggregated data, technical data, statistical data, industrial data, or similar. Such data is used to improve performance and reliability of our products and increase the productivity for the benefit of our customers.

Oterra only uses machine learning, artificial intelligence, or algorithms to a limited extent, and always strives to ensure that the systems are designed and utilized with the idea that the use of AI needs to respect the rights and dignity of people and that the results are not discriminatory or biased. Our AI systems are deployed with an appropriate level of human control and oversight, based on the assessed risk to individuals. Further, privacy and security is considered as part of the design of any AI system by implementing adequate measures to mitigate risks to the privacy, security, and safety of individuals. Oterra has implemented a Data Ethics Policy that has been prepared in accordance with §99d of the Danish Financial Statements Act. The purpose of the policy is to formally state Oterra's data ethics principles and describe the overall ways we process data, making it clear to our customers, suppliers, employees, visitors to our website, and other stakeholders, that we are dedicated to protecting their data.

Our policy can be found here: https://www.oterra.com/dataethicspolicy

Oterra is committed to the protection of privacy and to securing transparent and ethical data processing.

Anti-bribery and corruption

As a global company operating across diverse geographical contexts with varying business integrity risks, it is essential that we uphold a high standard of compliance in all activities, including product sales, material sourcing, and collaboration with external partners.

We have adopted a Global Code of Conduct and Guidelines for gifts, hospitality, and entertainment to ensure that our employees know and act in accordance with our zero-tolerance position on corruption and bribery. Both are available for all employees in various languages. In 2023/24, we conducted awareness training on our Code of Conduct and Whistleblower Policy for all white-collar employees, as well as certain blue-collar employees. Of those included in the training scope, 94% have completed the courses.

In the coming financial year, we aim to strengthen our onboarding process by ensuring that all white-collar employees are trained in our Code of Conduct as part of their introduction to the company.

Oterra wants to promote a culture based on open dialogue. Oterra's Whistleblower Portal enables all employees of Oterra, as well as customers, suppliers, business partners and other stakeholders, to report any illegal/unethical misconduct or serious/sensitive concerns. The Whistleblower Policy, which can be found at the Whistleblower Portal, is available in multiple languages and sets out the possibilities for employees, business partners and other stakeholders to raise serious and sensitive concerns for us to reinforce and support our commitment to ensure legal and ethical behavior throughout our operations.

The Whistleblower Portal is used to report serious violations or misconduct, or suspicions hereof, that may influence Oterra or the life or health of individuals, including violations, suspicions, and concerns. During 2023/24, we received 11 reports through the Whistleblower Portal, all of which were thoroughly investigated by the Compliance Team. The investigations showed no serious violations of our Code of Conduct, including our position on corruption and bribery.

Memberships and commitments

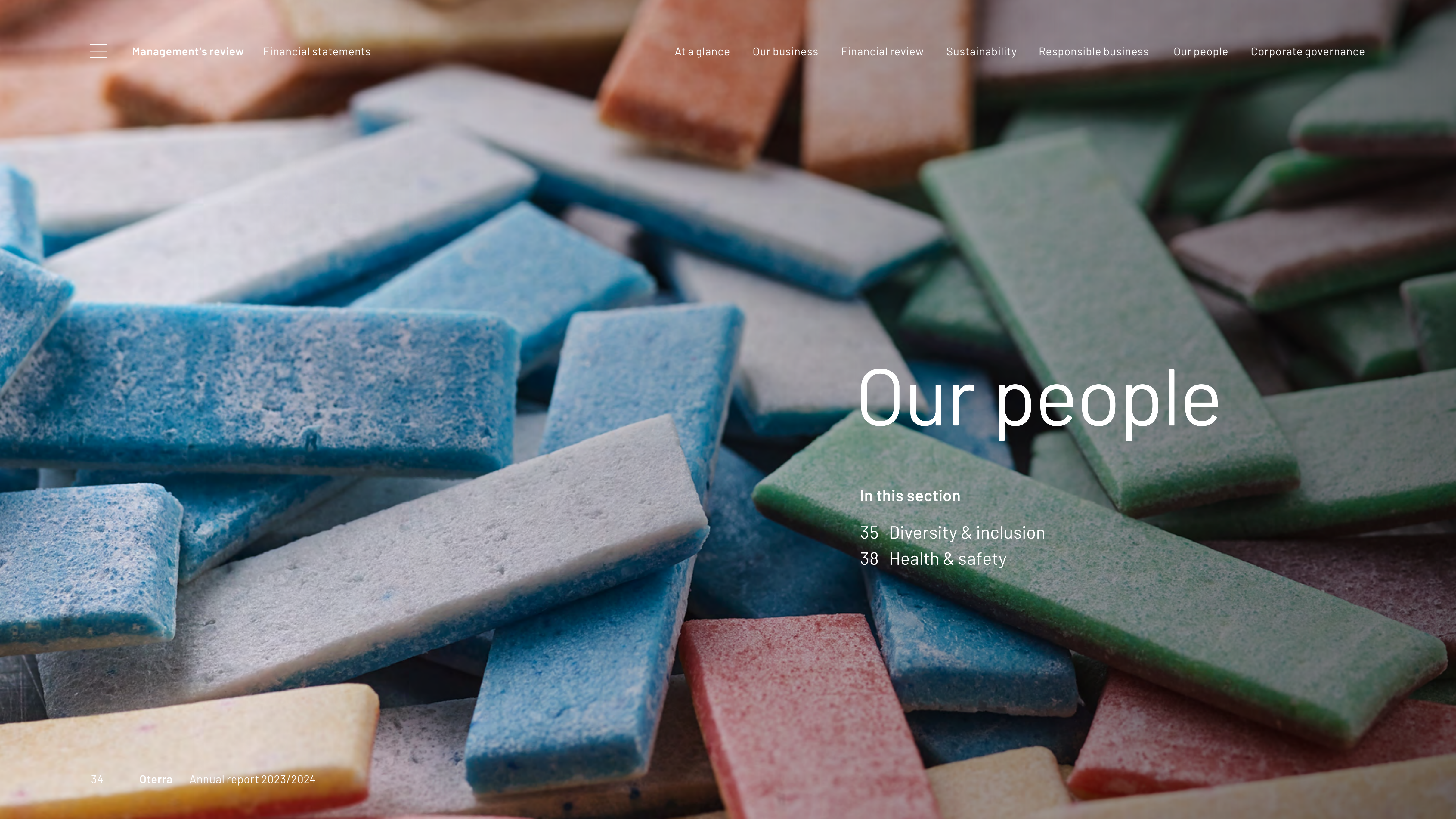
By actively engaging in these initiatives and memberships, we demonstrate our commitment to sustainability, transparency, and responsible business practices. We strive to make a positive impact not only within our own operations but also across the industries in which we operate.

The **UN Global Compact** asks companies to embrace, support and enact a set of core values in the areas of human rights, labor, environment, and anti-corruption. Oterra proudly stands as a signatory to the UN Global Compact, demonstrating our unwavering commitment to upholding its principles and advancing sustainable practices.

The **Science Based Targets initiative (SBTi)** is the most recognized organization globally for developing methods and criteria for effective corporate climate action. By aligning our emission reduction goals with climate science, we can make a meaningful impact in combating climate change.

Sedex is an organization focused on driving responsible and ethical business practices throughout global supply chains. Our sites regularly undergo Sedex Member Ethical Trade Audits (SMETA), which provide a comprehensive third-party assessment of our operations, ensuring adherence to social and ethical standards.

Oterra reports under **EcoVadis** - a globally recognized assessment platform that rates businesses' sustainability performance based on four key categories: environmental impact, labor and human rights standards, ethics, and procurement practices. Reporting under EcoVadis helps us in creating robust year-on-year roadmaps for continuous improvements of our sustainability policies, processes and governance.



Our people

In this section

Diversity and inclusion

Oterra is committed to building a diverse workforce, and has more than 45 nationalities contributing with unique skills, experiences, and perspectives. Embracing diversity and inclusion is central to our success, as we aim to create a culture where everyone feels a sense of belonging, attract top talent, and ensure equal opportunities for all.

Our ambition

We believe that diverse representation - across experience, nationality, culture, international background, and gender - drives innovation and growth. By 2025/26, we aim for at least 35% representation of both men and women within our Oterra Leadership Team (OLT) and Oterra Leadership Network (OLN). At the Board of Directors level, we are committed to a target of 40% representation of both genders among appointed members.

Cultivating a diverse talent pipeline

Oterra hires on merit, focusing on the skills and competencies required for each role. We ensure a fair evaluation process that respects all candidates, regardless of gender, race, religion, age, disability, sexual orientation, political orientation, or cultural background. Our recruitment, terms of employment, promotion and termination of employment are practiced on the same criteria as described above. When recruiting for senior leadership positions, it is a requirement that both female and male candidates with relevant skills and competencies are presented, no matter whether recruited internally or externally. Any non-compliance with this requirement must be explained and justified.

Ensuring equal opportunity

At Oterra, we prioritize fostering a culture of continuous learning, encouraging curiosity, and driving innovation. We view every challenge as an opportunity for growth and development. Recognizing that our employees are our greatest asset, we are dedicated to creating an inclusive environment that offers equal opportunities for both personal and professional advancement.

Our global People Review process ensures fair and consistent evaluations of employee performance across all functions and regions. This process not only measures goal achievements but also considers the behaviors and approach each employee demonstrates in reaching their annual objectives.

Gender distribution in leadership

This report section fulfills statutory requirements (FSA §99b). While Oterra embraces diversity in many dimensions, gender balance remains a key focus. The Board of Directors elected on the general assembly consists of six members, whereas the underrepresented gender is 17%. The target figure is 40% in 2025/26. Within the four externally appointed professional members (non-EQT), the underrepresented gender is 25%.

The other managerial positions consist of level 1 and level 2. Level 1 is the Oterra Leadership Team (OLT) and consists of our Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Operations Officer (currently vacant), Chief Innovation Officer, Chief Product & Strategy Officer and Chief People & Culture Officer. Level 2 is our senior leadership, referred to as Oterra Leadership Network (OLN), and is comprised of leaders within the company who report directly to an OLT member (Level 1) and hold a significant leadership role in the company. The other managerial positions consist of 68 members, whereas the underrepresented gender is 30%. The target figure is 35% in 2025/26.

We are committed to fostering an inclusive workplace culture that ensures equal opportunities for both genders. We strive to achieve gender balance across all levels of management, with a goal to increase the representation of the underrepresented gender. In the financial year, we have discussed and confirmed the policy for gender diversity on the board and the other managerial positions (Level 1 and 2). In the current financial year, we have also made efforts to identify potential candidates for the top management body and OLT (and level 1 in other managerial positions), and actively sought qualified individuals, including those from the underrepresented gender, to increase diversity. Despite these efforts, the most relevant candidates for the board and OLT (and level 1 in other managerial positions) were from the overrepresented gender, which is why we have not achieved our target. As for the Level 2 and below (all leaders in Oterra), we have also made efforts to find diverse candidates, including those from the underrepresented gender. Despite these initiatives, there was a limited number of applications or a limited number of suitable candidates from the underrepresented gender for the level 2 positions, which is why we have not achieved our target; however we have seen a slight increase in number of underrepresented gender in the total Oterra leader population, which aligns with our plan to build a more diverse leadership pipeline. The OLT is our key leadership and consists of our Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Operations Officer (currently vacant), Chief Innovation Officer, Chief Product & Strategy Officer and Chief People & Culture Officer. Our senior leadership, referred to as Oterra Leadership Network (OLN), is primarily comprised of leaders within the company who report directly to an OLT member and hold a significant leadership role in the company. A 'leader' includes all employees with personnel responsibility.

Future goals and initiatives

Looking ahead, Oterra is dedicated to further advancing our diversity and inclusion agenda through the following initiatives:

Inclusive leadership training

Training leaders to adopt inclusive practices and embed diversity principles into our leadership culture.

Enhanced data tracking

Improving our data collection and reporting capabilities to track progress on our diversity goals with transparency.

Talent development

Measure diversity in pipeline of talents equipped to deliver on our strategy.

Diversity dashboards

Tracking metrics like gender representation and engagement scores to measure progress.

Incorporating D&I goals in leadership expectations

Holding leaders accountable for advancing diversity within their teams.

Transparent reporting

Sharing updates in our annual reports and other communications.

			Unit	2022/23	2023/24	2024/25	2025/26	2026/27	Comments
Gender distribution at top management levels									
Top managerial position (Board of Directors)	Total number of members	Number	6	6				Change of one (1) externally appointed board member (not EQT representation), occured in September 2023, leaving a decline in underrepresented gender. Externally appointed women: 25% (2022/23: 50%)
	of which externally appointed		4	4				
	Underrepresented gender in full BoD	%	33	17				
	Target	%	40	40				
	Year for fulfilment of target	Year	2025/26	2025/26				
Gender diversity in Oterra Leadership Team (women, based on headcount)		%	16	0				Oterra Leadership Team decreased by one (1) female member
Gender diversity in senior management (women, based on headcount)		%	33	31				Senior Management expanded in total numbers, but declining in underrepresented gender in pct.
Gender diversity in all Oterra leaders (women, based on headcount)		%	32	34				Overall leader population declined, but increased in underrepresented gender in pct.
Other managerial positions (level 1 and 2)	Total number of members	Number	58	68				The managerial group (level 1 and 2) was expanded, both from within our organisation and with externals during the previous year, leading to a decline in underrepresented gender in pct.
	Underrepresented gender in pct.	%	32	30				
	Target in pct.	%	35	35				
	Year for fulfilment of target	Year	2025/26	2025/26				
Total employee headcount		Number	1,230	1,210				
Headcount per gender								
Male		Number	861	845				Gender composition remained the same as in the previous year.
Female		Number	369	365				
Male		%	70	70				
Female		%	30	30				
Nationalities		Number	51	47				
Distribution of employees by age group								Age composition moved a bit in 31-40 and >60 category compared to previous year.
<30		%	19	15				
31-40		%	33	35				
41-50		%	27	27				
51-60		%	18	19				
>60		%	3	4				

Benchmarking Against Industry Standards

Oterra's approach to diversity aligns with industry trends and best practices, reflecting the growing expectations for progress in diversity and inclusion. This includes meeting regulatory requirements, adopting gender quotas for leadership roles, and fostering an inclusive culture. By regularly benchmarking our performance, we ensure that we stay at the forefront of diversity and inclusion efforts in our industry.

For more details on our policy and actions to increase gender balance in management, please refer to page 36 of this report.

Health & safety

Oterra is committed to ensuring that our activities are carried out guaranteeing the health and safety of our workers, contractors and subcontractors. As such, we are committed to driving towards an incident free work environment. This year has been the start of Oterra´s new company-wide safety journey which is focused on building a systematic and structured approach to risk management with a focus on safety culture. Overall safety performance has improved from last year and new KPIs have been introduced to better align our focus.

EHS principles

As part of our safety journey, we have launched our environment, health and safety (EHS) principles. The EHS principles are eight systems that will govern key aspects of our business and set up both the operational and managerial standards to which we will adhere. Our goal with this system is to standardize our EHS approach at every site, covering everything from site infrastructure to how our workers are prepared to do their roles.

Each of the principles is built up of a master standard with several auxiliary procedures and tools that help clarify and implement the standard. Rollout has started this year with the implementation of isolation management and full implementation is expected to be completed by the end of 2025/26.

Risk management

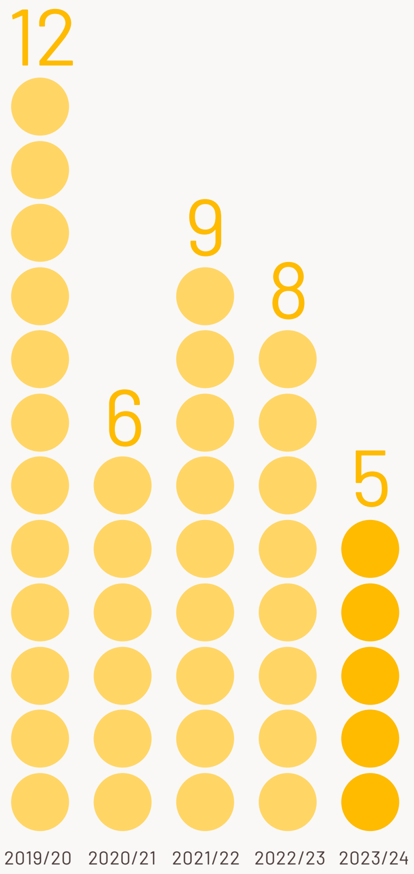
We have rebuilt our approach to risk management at our sites focusing on involving and listening to the frontline, gathering valuable operational intelligence and combining this with the technical expertise of our EHS specialists to build a holistic view of our plants.

This has been a year-long effort to map all our major hazards at our sites and to evaluate the level of control we have over each hazard to create an effective ranking which allows us to prioritize and ensure awareness from the shop floor all the way to upper management of the top five major hazards at each site.

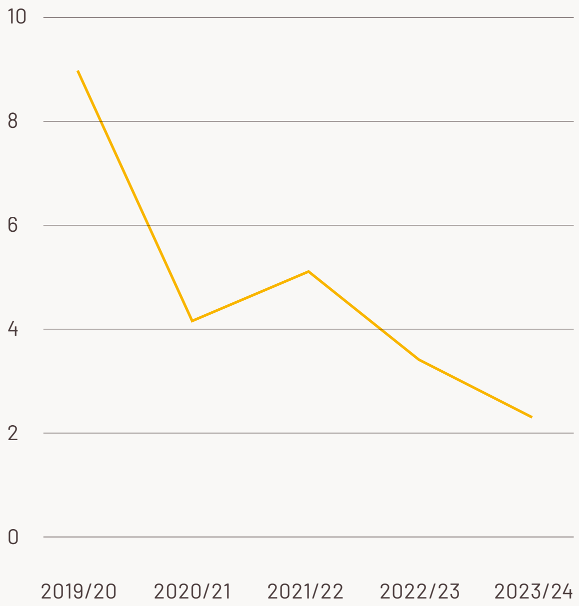
Based on the work we have done in identifying our major hazards, the main risks that Oterra controls with securing a safe work environment for our employees and contractors is our management of the chemicals we utilize and handling the mobile equipment on our sites.

EHS principles

lost time incidents



LTI Rate



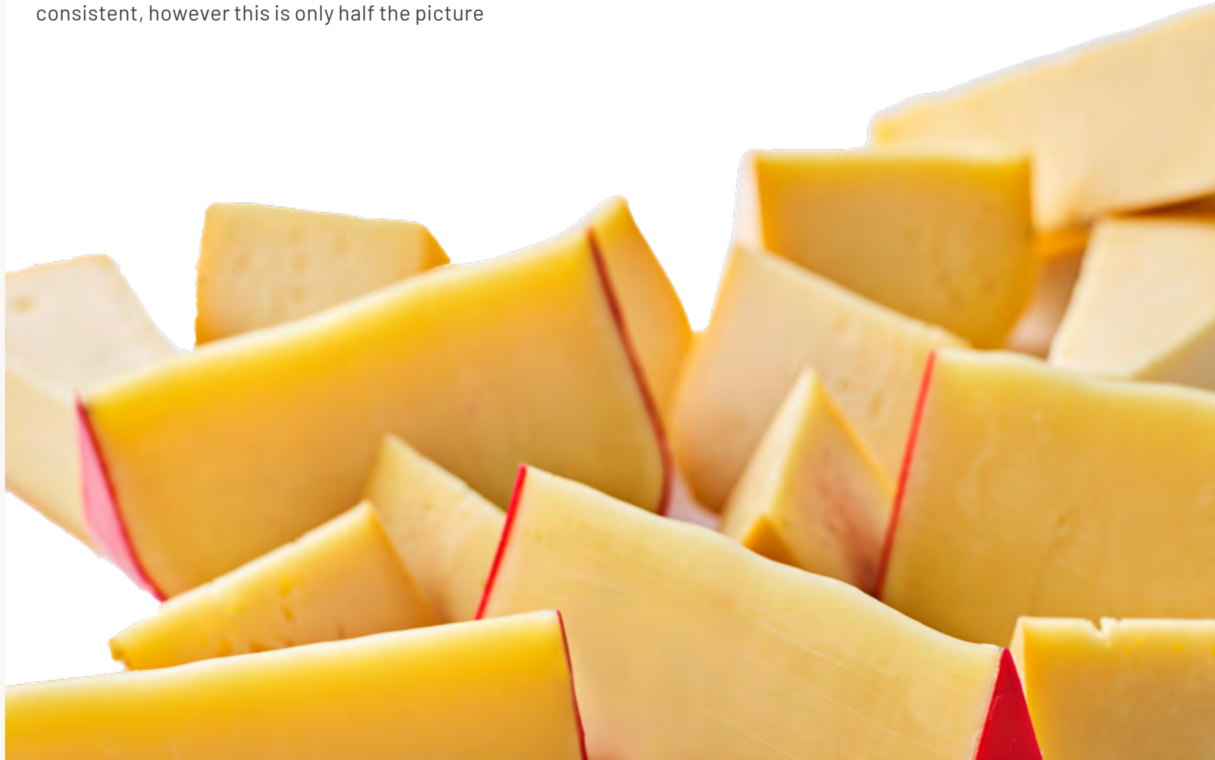
LTI Rate is the number of LTIs per 1,000,000 workhours (number of lost time incidents during the reporting period x 1,000,000 hours) / (Total hours worked in the reporting period). At Oterra the work hours are calculated based on Oterra employees (permanent and part-time) excluding student workers and contractors.

Year	2019/20	2020/21	2021/22	2022/23	2023/24
LTI	12	6	9	8	5
LTIR	8.93	4.17	5.21	3.71	2.16

Knowing our major hazards, they will undergo several levels of checks each year to ensure consistent and effective control at our sites. This level of verification will be included in the responsibilities of all leaders in the organization so that the interdependent safety culture is further imbedded into how Oterra works.

Safety performance

Overall safety performance has shown a consistent improvement over the year in comparison to prior years. Overall lost time incident (LTI) numbers have slightly decreased and are consistent, however this is only half the picture as over the years, the growth of the organization has been significant and is not reflected in these numbers. When looking at the LTIR (LTI Rate) a clearer picture can be seen of Oterra´s safety performance throughout the years. We have had a significant decrease in the rate of LTIs as our workforce doubled in the last four years.



Corporate governance

In this section

Board of Directors

Oterra has a two-tier management structure, consisting of the Board of Directors and the Oterra Leadership Team. The Board of Directors supervises the work of the Oterra Leadership Team and is responsible for the overall management and strategic direction, while the Oterra Leadership Team is in charge of the day-to-day management.

As of 31 August 2024, the Board of Directors consisted of six shareholder-elected members. The composition of the Board of Directors ensures that its members represent the required skills, industry knowledge, diversity and international experience. The board members are elected by the shareholders at the Annual General Meeting for a one-year term and are eligible for re-election. The Board of Directors evaluates its work on an annual basis, and determines once a year the qualifications, experience and skills needed for the Board of Directors to best perform its tasks.

Name	**Cornelis de Jong**	**Nils Philipp Ketter**
Born in year	1961	1982
Nationality	Dutch	German
Position in the Board	Chairman	Vice Chairman, member of the Audit Committee, representing EQT
Member of the Board since	March 2021	August 2023
Education	• MD (Erasmus University Rotterdam) • MBA (Rotterdam School of Management)	• MSc. Electrical Engineering from ETH Zurich and Ecole Centrale Paris, MBA from London Business School
Other Board positions	Chairman Novonesis Group (Novozymes A/S) and Meatable B.V.	Dellner Couplers (Board member)
Special competencies	Extensive international business and management experience from a range of industries, such as the food, food ingredient and industrial biotech industries, as well as financial and accounting expertise. Pioneered to embed sustainability into strategy, operating model and reporting, ensuring a meaningful, positive corporate societal impact.	Extensive experience within investments and operational value creation leading EQT European Private Equity investment activities in Industrial Technology and coordinating EQT's internal Private Equity Value Creation team. Currently based in Munich, Germany, previously based in Paris, France.




Name	**Xiangwei Gong**	**Christoffer Erik Mathies Lorenzen**	**Thijs Bakker**	**Vesa Koskinen**
Born in year	1969	1975	1974	1979
Nationality	American	Danish	Dutch	Finnish
Position in the Board	Board member	Board member	Board member, Chairman of the Audit Committee	Board member, representing EQT
Member of the Board since	March 2021	March 2021	September 2023	January 2024
Education	• BA in Economics, University of International Business and Economics, Beijing; • MBA, Columbia Business School, New York	• Master's degree, Business Administration & Economics	• MSc. Economics and business and Post Graduate Master of Finance and Control (RC)	• M.Sc. (Econ), major in Finance from the Helsinki School of Economics
Other Board positions	Executive board member of AptarGroup Inc. (NYSE: ATR) Board member of BTY Plastic Technology Co., Ltd.	J. H. SCHULTZ-FONDEN (Board member), Karo Health-care AB (various Board roles in Karo Group companies), BIRDSATFIVE ApS (Board member), Bactolife A/S (commercial advisor)	Azelis Denmark A/S (Board member)	BioGaia AB (Board member), BlueStep Bank (Board member), Desotec (Board member)
Special competencies	Experienced global executive in building and leading B2B and B2C businesses. A strong track record in the global beauty, personal care, food, nutrition and pharmaceutical sectors with a deep understanding and experiences in full value chains from ingredients, formulation, packaging, manufacturing, regulatory, to marketing and distribution.	11+ years in leadership roles in leading ingredients business and 4+ years as CEO of a private equity owned consumer healthcare business. Extensive experience with sales excellence, M&A, change management and business transformation.	Over 20 years' international experience in finance, having worked in various finance roles in the Netherlands, the United States and across the Asia Pacific region for a leading global paints and coatings company and a major producer of specialty chemicals.	Extensive board of directors experience in a range of industries and geographies in both private and public companies. Chairman or board member of various EQT internal investment and portfolio performance commit-tees. Based in Helsinki, Finland.

Our Leadership Team

The Oterra Leadership Team is responsible for Oterra's day-to-day management, including the development of Oterra's activities and operations and its risk management, financial reporting and internal affairs. The Oterra Leadership Team also prepares and presents the company's strategy, long-term financial planning and budgets to the Board of Directors. The delegation of powers and responsibilities by the Board of Directors to the Oterra Leadership Team is described in the Rules of Procedure for the Executive Management and the provisions of the Danish Companies Act (Selskabsloven).

Our six-member Oterra Leadership Team comprises broad and international management experience, comprehensive natural colors expertise, leadership, and in-depth knowledge of Oterra's business.

Name	**Martin Sonntag**	**Hubert Windegger**
Title	Chief Executive Officer	Chief Financial Officer
Born in year	1965	1970
Nationality	German	Swiss and Italian
Joined in	January 2024	April 2024
Experience	Martin has worked the past nine years in corporate executive business leadership positions in multi-billion companies in the food ingredients industry and driven significant organic growth and M&A in specialty ingredients, natural and plant-based alternative ingredients. Prior, he has worked in Private Equity and 10 years in global business leadership positions in food, pharma, personal care, ingredients, and industrial chemicals at Dow Chemical. During his first 10 years with Dow Chemical, he was working as an engineer leading plants and global technology development and deployment.	Hubert has over 30 years of experience in global finance leadership positions within multi-billion-dollar companies across the chemical and petrochemical industries. He started his career at Dow Chemical where he held various leadership roles focused on financial management, M&A, and business strategy execution. He continued to drive value creation and business transformation through strategic financial initiatives and M&A integrations at the carve-out Trinseo and subsequently at ASK Chemicals. Both private equity portfolio companies.
Core competencies	Global business leadership in chemicals and ingredients, strategic growth leadership, organizational design and change management	Mergers & Acquisitions leadership and integration, process & systems optimization, strategy definition and execution, change management and economic evaluation
Education	• Hamburg Chemical Engineering degree	• Swiss certified expert in accounting & controlling • Executive MBA, IMD, Lausanne, Switzerland



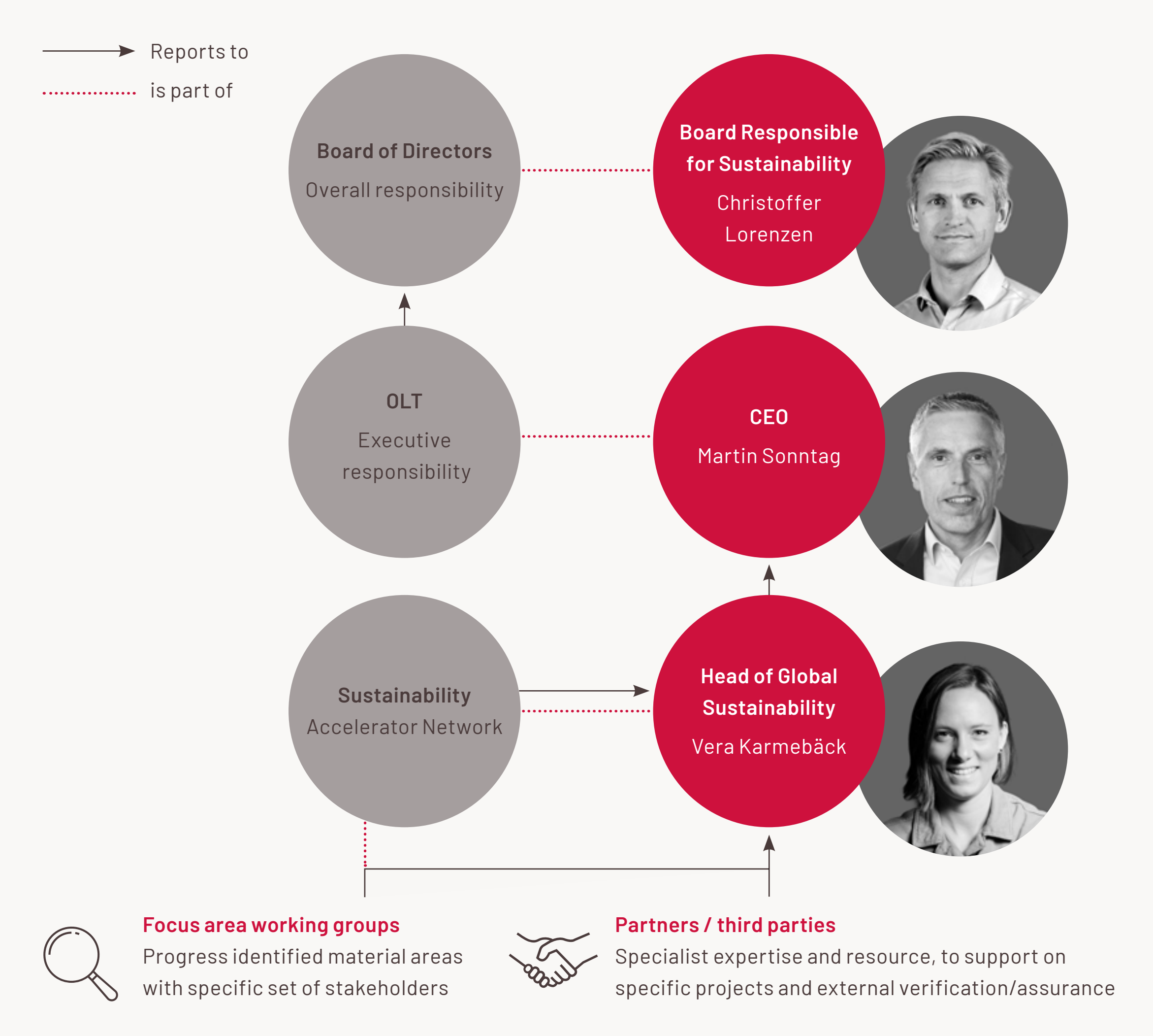

Name	**Luc Ganivet**	**René Schou**	**Jan Fledelius**	**Carl Martin Borcher**
Title	Chief Innovation Officer	Chief Commercial Officer	Chief People & Culture Officer	Chief Product & Strategy Officer
Born in year	1972	1969	1983	1984
Nationality	French	Danish	Danish	Danish
Joined in	January 1999	July 2024	July 2024	November 2022
Experience	Luc is an experienced Head of Research and Development with a business development specialty, and a demonstrated history of working in the biotechnology and ingredients industry. He is a business driven, professionally skilled in food & beverage, B2B, innovation management and international business. Luc has been President of the Natural Food Colors Association (NATCOL) since 2019.	René has previously served in senior leadership roles at Danisco A/S transforming Danisco into a world leading ingredient house and later at AAK A/B. AAK went through a significant successful transformation during the last 10 years and René was a key member of the executive leadership team.	Jan joined Oterra from Ellab A/S (owned by Novo Holdings), where he served as Chief People Officer, leading their global people, organization, and communications efforts. Prior to that, Jan held senior global leadership positions at LEO Pharma, Scandinavian Tobacco Group, and Novo Nordisk, including several years working in the United States.	Carl Martin joined Oterra from EQT Partners where he for the last decade has worked on numerous M&A transaction as part of EQT's Industrial Technology and Sustainability teams and served on the Board of Directors of companies such as Fertin Pharma, Dellner, StormGeo and Oterra. Prior to joining EQT Partners, Carl Martin was part of establishing Moelis & Company's (Global Investment Bank) European presence and worked with UBS Investment Bank in their offices in New York and London.
Core competencies	Innovation management, business development, food colors	General Management, transformation, modernisation, P&L and performance management, strategic planning, M&A and integration.	Organizational development, change management & communications, global & cultural effectiveness	Mergers & acquisitions, business strategy & development, change management
Education	• Ecole Nationale Supérieure d'Agronomie et des Industries Alimentaires - Nancy Engineer's Degree, Biotechnology, Agronomy & Food Sciences	• Food technologist • Executive MBA	• Aarhus University (DK) – Master of Business Administration (MBA) • De Montfort University (UK) - BA (Hons), Business Administration	• The Wharton School of the University of Pennsylvania – BSc in Economics and Business Administration (exchange program) • Copenhagen Business School – BSc in Economics and Business Administration

Sustainability governance

Responsibility for sustainability lies with the highest corporate governance entity, our Board of Directors. Christoffer Lorenzen, non-executive board member, is our board member responsible for sustainability. This means that Christoffer ensures that sustainability progress is regularly reviewed and discussed at board meetings, and is kept up to date on pertinent sustainability matters.

The Oterra Leadership Team (OLT) has executive responsibility and decision-making authority over sustainability matters. We have a dedicated Head of Global Sustainability who drives Oterra's sustainability agenda with a direct reporting line to the CEO, and regularly reviews progress with the full OLT. Each identified sustainability focus area has an owner and a senior leadership team sponsor, and where appropriate, we have formed working groups to drive progress with specific sets of internal and/or external stakeholders.

The Sustainability Accelerator Network is where our focus area owners come together to review and enable progress on Oterra's key sustainability KPIs, by taking a holistic view on their interdependence. The members of this group also serve as sustainability ambassadors in their respective locations and departments.



Stakeholders

We engage regularly and actively with our stakeholders so that we make balanced decisions and ensure the continuing success of Oterra. To the right is a summary of our key stakeholders, what their sustainability concerns are and how we engage with them. A key stakeholder is defined as a stakeholder impacted by Oterra that has an interest in how we run our business and holds an important role in our company's success.

Stakeholder	Stakeholder's key sustainability concerns	How we engage
Customers Our customers are food and beverage manufacturers and companies active in the health and wellness space, ranging from large multinational corporations to bespoke local producers.	• Low carbon products • Innovative product portfolio • Supply chain security • Regional regulatory guidance • Product quality and safety • Zero tolerance of child labor, forced labor and human trafficking in extended supply chain	• Committed customer support team • Tailored workshops • On-site demonstrations and visits • International and local conferences • Targeted engagement on sustainability matters
Employees We employ 1,210 people with 47 nationalities as of 31 Aug 2024.	• Diversity, inclusion, and equal opportunity • Professional growth and development opportunities • Engaged leadership • Occupational health and safety • Work-life balance	• Employee surveys • Local and global townhalls • Colorful intranet sharing company updates and news • Global Health & Safety program including workshops and leadership safety walks • Employee engagement activities
Suppliers and partners Our business builds upon a network of trusted long-term suppliers and partners, supporting us in delivering our objectives.	• Long term preferential partnerships • Learning and exchange, sharing of best practices • Guidance on Oterra's sustainability expectations • Regular communication to allow for future planning and quick resolution of issues	• Initial supplier vetting and engagement • Day-to-day communication • On-site supplier visits and audits • Targeted engagement on sustainability matters
Investor Oterra is a portfolio company of EQT IX.	• Climate action and net zero • Strong management of material ESG risks and opportunities • High standards of corporate governance	• Ongoing close communication through regular briefings with management • EQT portfolio company forums and network meetings
Local communities We have an impact on the local communities surrounding our production sites as well as on the farming communities that produce our raw materials.	• Job and internship or educational opportunities • Water and air pollution • Proper waste management • Local area security • Charitable support within education and health	• Vocational training centers in select locations • Regular engagement in some locations with local community representatives • Ad hoc engagement on topical matters
Industry bodies Oterra is involved in wider industry discussions and engagements via industry bodies.	• Opportunity to shape industry legislative and regulatory requirements • Lobbying for industry-wide standards	• Membership in and strong engagement with NATCOL (Natural Food Colors Association)

Risk management

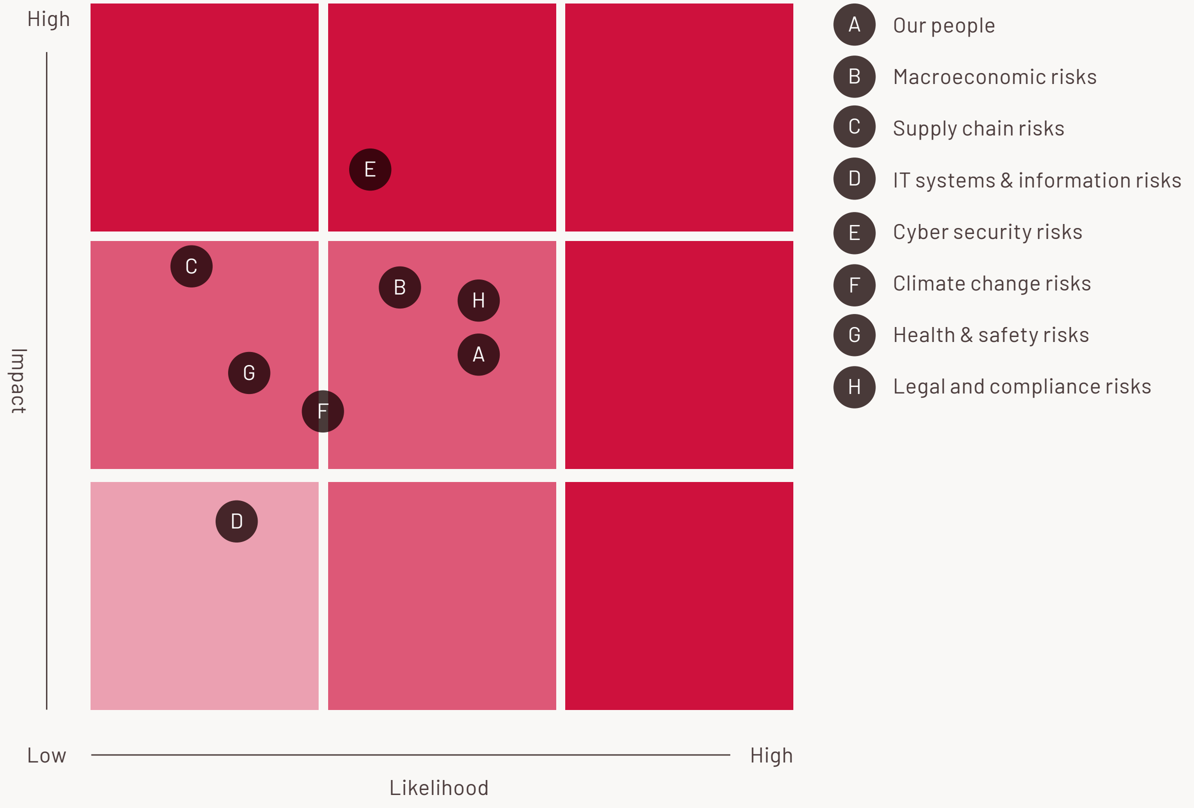
The Board of Directors holds the primary responsibility of aligning the Group's risk exposure with its desired risk profile. The board conducts thorough evaluations to ensure the implementation of appropriate awareness and management processes throughout the organization.

The Group CFO assumes the day-to-day responsibility of managing the risk process, while also keeping the board informed about significant developments in the key risk areas. The Group CFO conducts ongoing assessments of our insurance coverage to ensure it remains sufficient for mitigating day-to-day concerns.

Our risk management practices are built upon continuous monitoring, allowing us to identify relevant risks promptly. Through our enterprise risk management practice, we aim to proactively identify, monitor, assess, and mitigate risks at the earliest stage possible, effectively managing both the likelihood and potential impact.

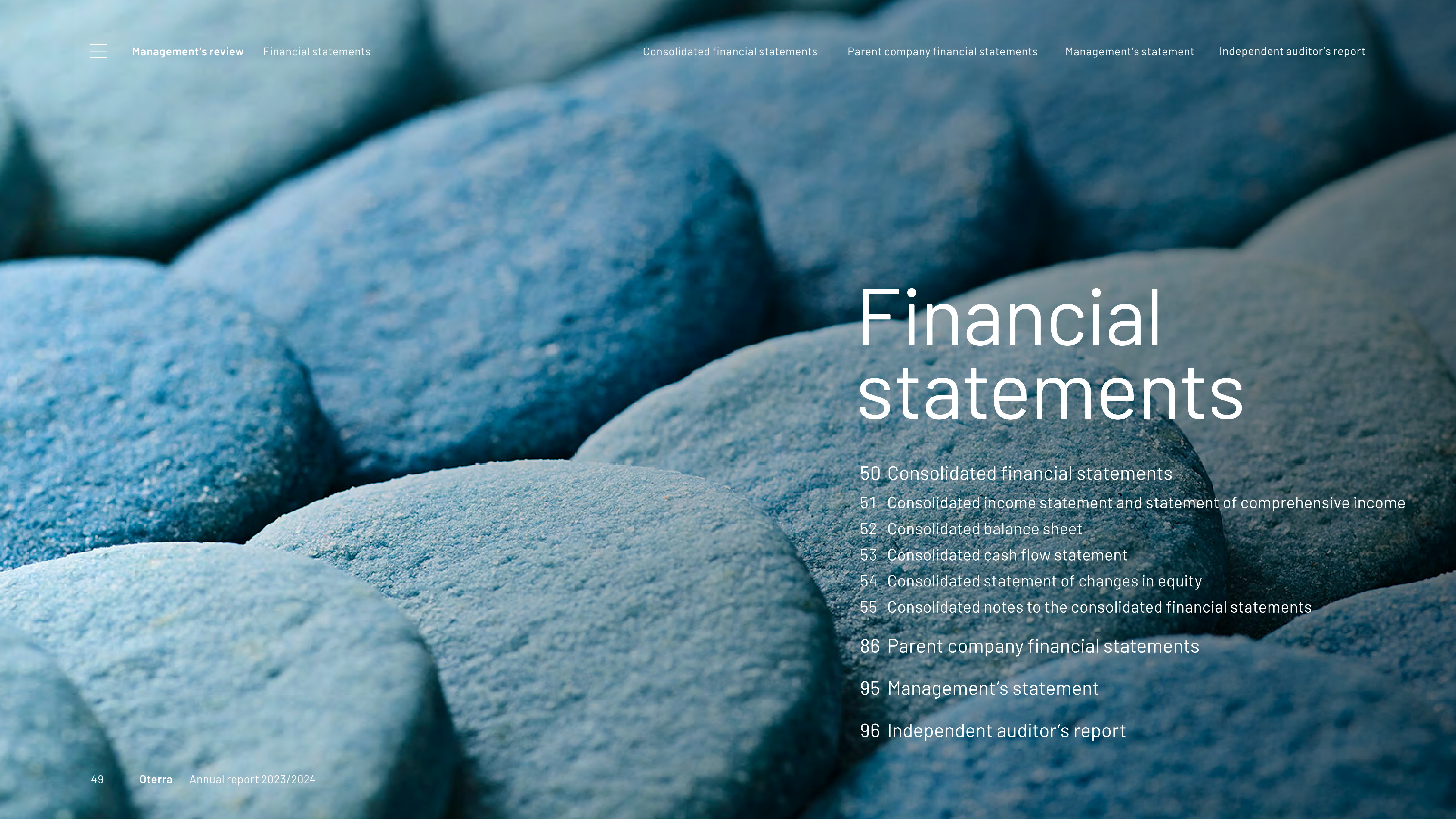
Risk action hierarchy

Risk heatmap



Risk overview

	A Our people	B Macroeconomic risks	C Supply chain risks	D IT systems & information risks	E Cyber security risks	F Climate change risks	G Health & safety risks	H Legal and compliance risks
Risk	Risk of loosing knowledge and experience by being unable to attract or retain skilled employees depend among others on the quality of the management team and the expertise of the key leading personnel.	Macroeconomic development, market dynamics, regulation and crises may affect results and lead to reduced ability or willingness to pay.	Disruption of product supply due to e.g. shortage may compromise product availability and result in lost commercialization.	Interference with IT systems such as infrastructure failure, leading inability to serve customers.	The risk of cyber attacks, leading to breach of confidential data or significant impact on our operations.	Climate changes or regulation around climate leading to shortage or decreased demand.	Severe accidents due to e.g. lack of safety on the factory or environmental incidents.	Non-compliance with laws and regulations, including competition law, privacy, trade sanctions , anti-bribery and corruption regulations.
Potential impact	Not meeting customer needs, impacted market position, reputation about Oterra as a workplace.	Impact prices, sales, profit, market position and limited conversion towards natural.	Product shortage, not meeting customer demands, impacted sales, profit and market position.	Limit the ability to maintain operations, significant impact on sales and market position.	Compromise individual's privacy, theft, limit the ability to maintain operations and significant impact on sales and market position.	Impacted prices, sales, profit, market position and scarcity of conversion towards natural.	Injury or fatality, lawsuits and a reputational damage.	Violations and non-compliance may lead to investigations by authorities, fines and/or criminal and civil sanctions and other penalties.
Mitigation	Management setting clear cross-functional priorities for personnel, as well as HR processes around retention and recruitment of talents.	Diversity in the business and ensuring proper cost controlling to navigate in macroeconomic factors affecting the business.	Establish multiple suppler strategy, supplier risk assessment and quality management system.	Cloud first strategy secures that all critical IT systems are hosted in cloud and conducting monthly penetration tests. Measures are back-up, failover sites and network redundancies.	All IT access is secured with multi-factor authentication, 24/7 security governance is implemented, employee training in cyber threats and phishing simulations are executed.	Large product portfolio and a global sourcing strategy.	Established an Environment, Health & Safety (EHS) Management system at local level.	Ongoing strengthening of compliance program, including training activities. Confidential whistleblower portal for reporting of unethical situations, violations and misconduct.



Financial statements

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Consolidated financial statements

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Section 2 Income statement

Section 3 Balance sheet

Section 4 Financing and risk

Section 5 Other disclosures

Consolidated income statement

EUR million	Note	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Revenue	2.1	417.2	396.0
Cost of sales	2.2, 2.3	(308.6)	(308.5)
Gross income		**108.6**	**87.5**
Research and development expenses	2.2, 2.3	(24.8)	(26.3)
Sales and marketing expenses	2.2, 2.3	(35.2)	(29.2)
Administrative expenses	2.2, 2.3, 2.4	(40.6)	(42.0)
Operating income/(loss) (EBIT) before special items and impairment of goodwill		**8.0**	**(10.0)**
Impairment of intangible assets	2.2, 3.1	-	(43.0)
Special items	2.2, 2.3, 2.5	(16.1)	(31.9)
Operating loss (EBIT)		**(8.1)**	**(84.9)**
Financial income	2.6	6.6	5.5
Financial expenses	2.6	(42.3)	(41.2)
Loss before tax		**(43.8)**	**(120.6)**
Income taxes	2.7	(9.0)	9.8
Loss for the year		**(52.8)**	**(110.8)**
The loss for the year is attributable to:			
Owners of Oterra Holding ApS		(56.7)	(115.7)
Non-controlling interests		3.9	4.9
Loss for the year		**(52.8)**	**(110.8)**

Consolidated statement of comprehensive income

EUR million	Note	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Loss for the year		(52.8)	(110.8)
Items that will be reclassified subsequently to the income statement when specific conditions are met			
Currency translation of foreign operations		(14.7)	(38.2)
Value adjustment of hedge instruments for the year		(10.8)	(0.6)
Income tax relating to these items		2.4	0.1
Other comprehensive income/(loss) for the year		**(23.1)**	**(38.7)**
Total comprehensive loss for the year		**(75.9)**	**(149.5)**
The total comprehensive loss for the year is attributable to:			
Owners of Oterra Holding ApS		(77.1)	(149.9)
Non-controlling interests		1.2	0.4
Total comprehensive loss for the year		**(75.9)**	**(149.5)**

Consolidated balance sheet

EUR million	Note	Aug 31, 2024	Aug 31, 2023
ASSETS			
Non-current assets			
Goodwill	3.1	366.8	402.0
Other intangible assets	3.1	407.7	432.8
Property, plant and equipment	3.2, 3.3	154.9	152.6
Other long-term assets		18.0	24.5
Deferred tax	2.7	6.7	17.1
Total non-current assets		**954.1**	**1,029.0**
Current assets			
Inventories	3.4	114.1	127.2
Trade receivables	3.5	88.1	89.0
Tax receivables		5.1	7.0
Other receivables		22.8	19.0
Prepayments		7.8	3.8
Cash at bank		31.2	43.7
Total current assets		**269.1**	**289.7**
Total assets		**1,223.2**	**1,318.7**

EUR million	Note	Aug 31, 2024	Aug 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	0.1	0.1
Hedging reserve		(2.0)	6.4
Translation reserve		(41.6)	(29.0)
Retained earnings		627.1	578.3
Non-controlling interests		9.8	8.6
Total equity		**593.4**	**564.4**
Non-current liabilities			
Employee benefit obligations	3.6	1.0	1.6
Deferred tax	2.7	77.3	93.7
Borrowings	4.3, 5.3	430.8	460.9
Lease liabilities	4.3, 5.3	20.9	17.7
Provisions	3.7	1.0	0.6
Total non-current liabilities		**531.0**	**574.5**
Current liabilities			
Borrowings	4.3, 5.3	20.7	54.1
Lease liabilities	4.3, 5.3	3.0	6.9
Trade payables	4.3	44.0	64.8
Tax payables	4.3	2.9	4.8
Other payables	4.3	28.1	49.2
Total current liabilities		**98.7**	**179.8**
Total liabilities		**629.7**	**754.3**
Total equity and liabilities		**1,223.2**	**1,318.7**

Consolidated cash flow statement

EUR million	Note	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 - Aug 31, 2023
Operating income/(loss) before special items and impairment of goodwill		8.0	(10.0)
Special items	2.5	(16.1)	(31.9)
Non-cash adjustments	5.1	48.4	47.4
Change in working capital	5.2	(12.8)	5.5
Interest paid		(43.0)	(28.0)
Taxes paid		(7.9)	(10.3)
Net cash flow from operating activities		**(23.4)**	**(27.3)**
Acquisition of businesses, net of cash acquired	5.4	-	(131.4)
Investments in other long-term assets		(2.6)	-
Acquisition of intangible assets		(3.1)	(3.8)
Acquisition of property, plant and equipment		(23.2)	(36.9)
Sale of property, plant and equipment		-	-
Cash flow from investing activities		**(28.9)**	**(172.1)**
Proceeds from cash group contribution		99.5	158.0
Proceeds from borrowings	5.3	3.1	103.0
Repayment of borrowings	5.3	(56.4)	(31.8)
Repayment of lease liabilities	5.3	(5.1)	(3.1)
Cash flow from financing activities		**41.1**	**226.1**
Cash and cash equivalents at the beginning of the financial year		43.7	19.5
Unrealized exchange losses included in cash and cash equivalents		(1.4)	(2.5)
Net cash flow for the year		(11.2)	26.7
Cash and cash equivalents at August 31		**31.2**	**43.7**

Consolidated statement of changes in equity

EUR million	Note	Share capital	Hedging reserve	Translation reserve	Retained earnings	Non-controlling interests	Total equity
2023/24							
Equity at September 1		0.1	6.4	(29.0)	578.3	8.6	564.4
Income/(loss) for the year		-	-	-	(56.7)	3.9	(52.8)
Other comprehensive income/(loss) for the year		-	(8.4)	(12.6)	-	(2.7)	(23.7)
Total comprehensive income/(loss) for the year		**-**	**(8.4)**	**(12.6)**	**(56.7)**	**1.2**	**(76.5)**
Cash group contribution		-	-	-	105.5	-	105.5
Equity at August 31		**0.1**	**(2.0)**	**(41.6)**	**627.1**	**9.8**	**593.4**
2022/23							
Equity at September 1		0.1	6.9	4.7	536.0	8.2	555.9
Income/(loss) for the year		-	-	-	(115.7)	4.9	(110.8)
Other comprehensive income/(loss) for the year		-	(0.5)	(33.7)	-	(4.5)	(38.7)
Total comprehensive income/(loss) for the year		**-**	**(0.5)**	**(33.7)**	**(115.7)**	**0.4**	**(149.5)**
Cash group contribution		-	-	-	158.0	-	158.0
Equity at August 31		**0.1**	**6.4**	**(29.0)**	**578.3**	**8.6**	**564.4**

The Board of Directors has decided not to propose an ordinary dividend for the financial year ending August 31, 2024 nor August 31, 2023.

Section 1: Basis of preparation

1.1 General accounting policies

BASIS FOR PREPARATION

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to large reporting class C entities.

These financial statements for the year ended August 31, 2024 comply with IFRS applicable as of August 31, 2024

Where possible, the accounting policies for an accounting area are presented in the individual notes for that area. Accounting policies not directly related to an area covered by a note are presented below. The consolidated financial statements have been prepared on a historical cost basis, except when noted otherwise in the specific accounting policies.

Accounting policies are applied consistently with prior year. However, the description of accounting policies for the measurement of inventories has been updated to reflect that inventories are measured in accordance with the weighted average cost method and not, as previously stated, the FIFO method. The application of the weighted average cost method is in accordance with the underlying measurement principles in the Oterra Group's accounting systems and consistent with prior years. The updated wording of accounting polities for measurement of inventories does not impact recognition or measurement.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern concern on the basis of Managements's current financial outlook, available liquidity and committed facilities.

APPLICATION OF MATERIALITY

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. There are substantial disclosure requirements throughout IFRS.

Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the intended users of the consolidated financial statements or not applicable.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Oterra Holding ApS (the Parent Company) and subsidiaries controlled by Oterra Holding ApS, which are prepared in accordance with the Group's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Section 1: Basis of preparation

1.1 General accounting policies (continued)

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with those applied by the Group.

Intercompany transactions, shareholdings, balances, and dividends as well as realized and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

Consolidated income statement
The consolidated income statement is presented based on costs classified by function.

Non-controlling interests
On initial recognition, non-controlling interests are measured at the fair value of the ownership share or at the proportionate share of the fair value of the acquired business' identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the non-controlling interests' ownership share of the acquired business is thus recognised, while, in the latter scenario, goodwill in relation to the non-controlling interests is not recognised.

CURRENCY TRANSLATION OF FOREIGN OPERATIONS

Translation from functional currency to presentation currency
The functional currency of the Parent Company is the Danish krone (DKK). However, due to the Group's international relations, the consolidated financial statements are presented in euros (EUR).

Items in the financial statements of each of the reporting entities of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency).

Assets, liabilities, and equity items are translated from each reporting entity's functional currency into EUR at the balance sheet date. The income statements are translated from the functional currency into the presentation currency based on the average exchange rate for the individual months. Differences arising on the translation of equity at the beginning of the period and translation of the income statement from average rates to the exchange rate at the balance sheet date are recognized in other comprehensive income and presented as a separate reserve in equity.

Translation and balances
Transactions in foreign currencies are initially translated into the functional currency at the exchange rates at the transaction date.

Exchange adjustments arising due to differences between the transaction date rates and the rates at the payment date are recognized in financial income or financial expenses in the income statement. Receivables, payables, and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

IMPLEMENTATION OF NEW OR AMENDED STANDARDS AND INTERPRETATIONS, NOT YET ADOPTED

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the year ended August 31, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group expects to adopt the new accounting standards, amendments, and interpretations, as they become mandatory. Except for IFRS 18, none of the new accounting standards, amendments and interpretations are expected to have any significant impact on the consolidated financial statements, as they become mandatory.

ALTERNATIVE PERFORMANCE MEASURES

Oterra presents certain financial measures of the Group's financial performance, financial position and cash flows that are not defined according to IFRS.

Other companies may not define or calculate these non-IFRS financial measures using similar methods, which could lead to a lack of comparability.

The financial measures should not be considered as a replacement for performance measures as defined under IFRS, but rather as supplementary information.

Section 1: Basis of preparation

1.1 General accounting policies (continued)

CALCULATION OF KEY FIGURES AND FINANCIAL RATIOS

EBITDA before special items	Operating income/(loss) adjusted for amortization, depreciation, impairment losses and special items
EBIT before special items and impairment of goodwill	Operating income/(loss) adjusted for special items and impairment of goodwill
EBIT	Operating income/(loss)
Invested capital	Intangible assets, property, plant and equipment adjusted for deferred gains on sale and lease back transactions, trade receivables and inventories less trade payables
Net working capital	Inventories and trade receivables less trade payables
Net interest-bearing debt	Borrowings from financial institutions and lease liabilities less cash at bank and cash equivalents
Free cash flow	Free cash flow is calculated as the sum of cash flows from operating activities and investing activities
Free cash flow before special items and acquisitions	Free cash flow adjusted for cash effect of special items and acquisitions

1.2 Significant accounting estimates and judgements

In preparing the consolidated financial statements, Management made various judgements, accounting estimates and assumptions concerning future events. These form the basis of the presentation, recognition and measurement of the Group's assets and liabilities. The most significant accounting estimates and judgements are presented below.

In applying the Group's accounting policies, Management makes judgements, accounting estimates and assumptions that may significantly influence the amounts recognized in the consolidated financial statements.

Determining the carrying amount of some assets and liabilities requires judgements, accounting estimates and assumptions to be made concerning future events.

The judgements, accounting estimates, and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which are inherently associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect and unexpected events or circumstances may arise.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, either positively or negatively.

Assumptions about the future and estimation uncertainties at the balance sheet date are described in the notes when there is a significant risk of changes that could result in material adjustments to the carrying amounts of assets or liabilities within the next financial year.

Management considers the key accounting estimates and judgements used in the preparation of the consolidated financial statements to relate to the following:

- Special items (judgement), note 2.5
- Goodwill (estimate), note 3.1
- Business combinations (judgement and estimate), note 5.4

See the specific notes for further information on the key accounting estimates and assumptions applied.

Climate change
The consolidated financial statements consider the climate change impact on sustainability targets. A qualitative review found no significant financial impacts different from planned updates in line with the investment plans to cater for the strategy applied. It is concluded, that impact from climate changes and the management of related risks, will not significantly affect future cash flows or the Group's going concern assessment.

Macroeconomic uncertainty
The macroeconomic uncertainty from the current war in Ukraine, Israeli/Palestinian conflict, and inflationary pressure affect Oterra's intangible assets, property, and internal forecasts. Management assesses impacts on income, expenses, selling prices, and direct costs based on market changes and past experience. Detailed risks and judgment areas are discussed in relevant sections and notes.

Section 2: Income statement

2.1 Revenue

The table below shows the Group's revenue broken down by geographical region. The geographic segmentation of revenue is based on the customers' location.

Geographic allocation

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
APAC	83.9	72.5
EEMEA	73.8	63.2
LATAM	25.1	41.0
North America	114.1	103.8
Western Europe	120.4	115.5
Total	**417.2**	**396.0**

Accounting policies

Revenue
Revenue includes sales of goods and is recognized at an amount that reflects the consideration to which Oterra expects to be entitled.

Revenue from sale of goods to customers is recognized at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Rebates
For products sold at a discount, revenue is recognized based on the price specified in the contract, net of the estimated discount. Discounts are estimated based on historical data as well as forecasts. Estimated discounts are reassessed at the end of each reporting period.

Variable consideration related to rebates are recognized as revenue only to the extent that it is highly probable that a significant reversal of revenue will not occur subsequently.

Trade receivables
A trade receivable is recognized when the customer obtains control of the goods and an invoice is issued, as this is the point in time when the consideration is unconditional and only the passage of time is required before the payment is due. Typical payment terms are 30-60 days, but there may be country-specific deviations from typical payment terms.

Cost of sales
Cost of sales comprises the cost of products sold. Cost comprises the purchase price of raw materials, consumables and goods for resale, direct labor costs and a share of indirect production costs, including costs of operation and depreciation of production facilities as well as operation, administration, and management of factories.

Section 2: Income statement

2.2 Amortization, depreciation, and impairment losses by function

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Amortization		
Intangible assets		
Research and development costs	15.5	16.5
Sales and marketing expenses	7.0	7.3
Administrative expenses	3.1	3.2
Total	**25.6**	**27.0**
Depreciation		
Property, plant and equipment		
Cost of sales	11.4	13.8
Research and development costs	0.4	0.2
Sales and marketing expenses	0.5	0.6
Administrative expenses	3.6	2.8
Special items	1.2	1.1
Total	**17.1**	**18.5**
Impairment of intangible assets		
Impairment of intangible assets	-	43.0
Total	**-**	**43.0**
Total amortization, depreciation and impairment	**42.7**	**88.5**

In 2023/24, total amortization, depreciation and impairment amounts to EUR 42.7 million (2022/23: EUR 88.5 million).

Depreciation of property, plant and equipment amounts to EUR 17.1 million in 2023/24 (2022/23: EUR 18.5 million).

Amortisation and impairment related to intangible assets, EUR 25.6 million in 2023/24 (2022/23: EUR: 70.0) can be attributed to the following:

- Impairment of intangible assets acquired in business combinations, amounted to EUR 0 million (2022/23: EUR 43 million);
- Amortization of intangible assets acquired in business combinations amounted to 24.6 million (2022/23: EUR 26.2 million); and
- Amortization of development projects amounted to EUR 1.0 million (2022/23: EUR 0.8 million).

§ Accounting policies

The accounting policies are described in notes 3.1, 3.2 and 3.3.

Section 2: Income statement

2.3 Staff costs

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Wages and salaries, etc.	62.6	74.8
Pension expenses	4.7	4.8
Social security	6.7	8.4
Total	**74.0**	**88.0**
Included in:		
Cost of sales	28.9	37.7
Research and development	6.8	7.3
Sales and marketing expenses	16.8	18.0
Administrative expenses	17.7	17.2
Special items	3.8	7.8
Total	**74.0**	**88.0**
Average number of employees (FTEs)	802	894
Key management personnel		
Board of Directors		
Employee benefits	0.2	0.3
Pensions	-	-
Total	**0.2**	**0.3**
Leadership team		
Employee benefits	2.8	2.2
Pensions	0.1	0.3
Total	**2.9**	**2.5**
Total		
Employee benefits	3.0	2.5
Pensions	0.1	0.3
Total	**3.1**	**2.8**

2.3 Staff costs (continued)

Key management personnel
Employee benefits include fixed-base salary and accrued cash bonuses designed to incentivize individual performance and the achievement of a number of predefined short-term functional and individual business targets. If an individual is dismissed, the ordinary salary is paid for a 6-month notice period. In the event of change of control, individuals can receive a variable additional compensation.

For the financial years ending August 31, 2024 and August 31, 2023, key management personnel consisted of the Oterra Leaderhip Team members and the members of the Board of Directors.

Remuneration of key management personel
Total fees to key management personnel, comprising members of the Oterra Leaderhip Team and the members of the Board of Directors amounted to EUR 3.1 million, of which remuneration to the Executive Board amounted to EUR 1.3 million, hereof pensions EUR 0.1 million

For 2023/24, total fees to key management personnel, amounted to EUR 2.8 million, of which remuneration to the Executive Board amounted to EUR 1.2 million, hereof pensions EUR 0.2 million.

2.4 Fees to auditors

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
EY		
Statutory audit	0.7	0.7
Other services	0.1	0.7
Total	**0.8**	**1.4**

Section 2: Income statement

2.5 Special items

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Business combinations	1.8	9.0
Build-up activities in acquired businesses	14.3	14.2
Restructuring of acquired activities	0	8.7
Total	**16.1**	**31.9**

Significant accounting judgements

The use of special items entails Management judgement in the separation from other items in the income statement. Management considers such items in order to present a distinction between the operating activities, build-up, and restructuring of the Group carried out to enhance the future earnings potential. All income and costs presented under "Special items" are directly derived from the books and records monitored by Management to ensure that only amounts meeting the criteria of being of a non-recurring nature and not related to recurring operations are included.

Accounting policies

Special items comprise amounts that are not considered to be attributable to recurring operations, such as income and expenses related to M&A activities and fair value adjustments to contingent considerations relating to business combinations resulting from events after the acquisition date. Costs related to build-up activities or significant organizational changes in relation to acquired activities are also considered special items.

2.6 Financial income and expenses

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Financial income		
Foreign exchange gains	6.6	5.1
Other	–	0.4
Total	**6.6**	**5.5**

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Financial expenses		
Interest expenses	40.8	34.8
Interest on lease liabilities	0.3	0.1
Foreign exchange losses	1.2	6.3
Total	**42.3**	**41.2**

Accounting policies

Financial income and expenses comprise interest income and interest expenses, commission, interest expenses on lease liabilites, surcharges and refunds under Denmark's on-account tax scheme, and exchange gain/losses on items denominated in foreign currencies.

Section 2: Income statement

2.7 Income taxes and deferred tax

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Income taxes		
Current tax for the year	(6.5)	(2.7)
Change in deferred tax concerning the income/(loss) for the year	(4.1)	15.7
Prior year adjustments	4.0	(3.1)
Tax on the income/(loss) for the year	**(6.6)**	**9.9**
Tax in the income statement	**(9.0)**	**9.8**
Tax on other comprehensive income	**2.4**	**0.1**

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Reconciliation of tax rate		
Danish tax rate	22.0%	22.0%
Deviation from the Danish tax rate – taxation of foreign operations	0.8%	(1.8%)
Non-taxable income and non-deductible expenses	(18.5%)	(4.0%)
Prior year adjustments	3.0%	(3.9%)
Valuation allowance of deferred tax assets	(25.3%)	0.3%
Other taxes	(2.9%)	(0.1%)
Effective tax rate	**(20.9%)**	**12.5%**
Tax for the year	**(9.0)**	**9.8**

At 31 August 2024 the Group had gross unused tax losses of EUR 30.5 million (2022/23: EUR 26.2 million) available to offset against future profits and other temporary differences. A deferred tax asset of EUR 3.8 million (2022/23: EUR 13.5 million) has been recognised based on forecasted profits. Management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable income to utilize these deferred tax assets. Deferred tax losses can be carried forward indefinitely

EUR million	Aug 31, 2024	Aug 31, 2023
Deferred tax		
Deferred tax at Sep 1	76.6	74.0
Prior year adjustments	(9.5)	(0.4)
Additions from acquisitions	-	20.5
Change in deferred tax – recognized in the income statement	4.1	(15.7)
Currency translation	(0.6)	(1.8)
Deferred tax at August 31	**70.6**	**76.6**
Deferred tax assets	(6.7)	(17.1)
Deferred tax liabilities	77.3	93.7
Deferred tax at August 31	**70.6**	**76.6**
Specification of deferred tax		
Tangible and intangible assets	80.7	96.6
Non-current assets	(2.4)	(1.6)
Liabilities	(2.2)	(3.3)
Tax loss carry-forwards	(34.6)	(27.2)
Valuation allowance	29.1	12.1
Total deferred tax at August 31	**70.6**	**76.6**
Amounts due after 12 months, estimated	**70.6**	**76.6**

§ Accounting policies

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year, adjusted for tax on taxable incomes for prior years and for taxes paid on account. Deferred tax is measured using the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Apart from assets acquired as part of business combinations, deferred tax is not recognized in respect of temporary differences concerning goodwill. When the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset or settlement of the liability.

Section 3: Balance sheet

3.1 Intangible assets

EUR million	Goodwill	Technology and software	Customer relations	Completed development projects	Development projects in progress	Total
2023/24						
Cost at September 1	607.0	344.5	175.3	6.3	7.9	1,141.0
Adjustments	(32.6)	-	-	-	-	(32.6)*
Additions	-	0.1	-	-	3.0	3.1
Transferred	-	-	-	1.9	(1.9)	-
Exchange rate adjustments	(2.6)	(1.7)	(1.6)	-	-	(5.9)
Cost at August 31	**571.8**	**342.9**	**173.7**	**8.2**	**9.0**	**1,105.7**
Amortization and impairment at September 1	(205.0)	(65.4)	(33,3)	(2.5)	-	(306.2)
Amortization and impairment	-	(16.3)	(8.4)	(1.0)	-	(25.6)
Exchange rate adjustments	-	-	0.3	0.3	-	0.6
Amortization and impairment at August 31	**(205.0)**	**(81.7)**	**(41.4)**	**(3.2)**	**-**	**(331.2)**
Carrying amount at August 31	**366.8**	**261.2**	**132.4**	**5.1**	**9.0**	**774.5**
2022/23						
Cost at September 1	568.7	296.8	156.1	6.3	6.0	1,033.9
Additions from acquisitions, note 5.4	46.8	52.8	25.3	-	-	124.9
Additions	-	0.1	-	-	3.7	3.8
Transferred	-	0.5	-	0.1	(0.6)	-
Exchange rate adjustments	(8.5)	(5.7)	(6.1)	(0.1)	(1.2)	(21.6)
Cost at August 31	**607.0**	**344.5**	**175.3**	**6.3**	**7.9**	**1,141.0**
Amortization and impairment at September 1	(205.0)	(21.1)	(9.2)	(1.7)	-	(237.0)
Amortization and impairment	-	(44.7)	(24.5)	(0.8)	-	(70.0)
Exchange rate adjustments	-	0.4	0.4	-	-	0.8
Amortization and impairment at August 31	**(205.0)**	**(65.4)**	**(33.3)**	**(2.5)**	**-**	**(306.2)**
Carrying amount at August 31	**402.0**	**279.1**	**142.0**	**3.8**	**7.9**	**834.8**

* Adjustments to goodwill in the amount of EUR 32.6 million relates to correction of errors in the accounting for business combinations in prior periods having no impact on equity or profit/loss in current or prior periods..

Section 3: Balance sheet

3.1 Intangible assets (continued)

GOODWILL
In 2023/24 goodwill amounted to EUR 366.8 million (2022/23: EUR 402.0 million), a decrease of EUR 35.2 million following an adjustment to goodwill in the amount of EUR 32.6 million relating to correction of errors in the accounting for business combinations in prior periods having no impact on equity or profit/loss in current or prior periods.

For the purpose of the impairment test, Management considers the Oterra Group the Group´s only cash-generating unit ("CGU")..

The impairment test was performed as of August 31 2024 by comparing the carrying amount with the recoverable amount of the CGU. The recoverable amount is based on the "value in use" as the present value of the future cashflows expected to be derived from the CGU, since there was no basis for making a reliable estimate of fair value less cost of disposal.

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATION AND SENSITIVITY TO CHANGES IN ASSUMPTIONS
The calculation of value in use is most sensitive to the following assumptions:

- EBITDA margin
- Discount rate (WACC)
- Inflation
- Growth rate estimates

In addition to the above more sensitive assumptions, Management assess the level for working capital and CAPEX in the scenarios considered. The period applied prior to the terminal period is 10 years and consist of a three-year budget period followed by a seven-year normalization period due to the high growth in the budget period.

EBITDA margin
Overall, average revenue growth of 4.9% (2022/23: 6.8%) is expected in the budget and normalization period. For EBITDA before special items, the corresponding increase is expected to be higher. This is mainly driven by efficiency improvements in production from mainly increased scale of production as activity levels grow increasing Gross Margin, as well as other not yet realised upsides from synergies.

The expected future cash flows covering the period from September 1, 2024 to August 31, 2034 have been derived from the Group´s business plan. These cash flows relate to the CGU in the condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other future structural changes.

DISCOUNT RATE (WACC)
Discount rates represent the current market assessment of the risks taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived from the expected return on investment by the Group´s investors. The cost of debt is derived from borrowings the Group is obliged to service.

Adjustments to the discount rate are made to factor in the specific amount and timing of the future cash flows in order to reflect a pre-tax discount rate.

The expected future cash flow has been discounted using a WACC of 9.4% (2022/23: 10.5%).

INFLATION
Inflation applied in the budget period is on average 2.0% (2022/23: 2.5%).

GROWTH RATE ESTIMATES
Average growth rates, as described above, expected in the budget and normalization period is 4.9% (2022/23: 6.8%) and 2.0% (2022/23: 2.5%), equal to the expected long-term inflation, in the terminal period respectively.

The assumptions applied in the test represent Management's best estimate for the period under consideration.

No impairment loss has been recognized in 2023/24 (in 2022/23 an impairment related to other acquired intangibles assets of EUR 43.0 million was recognised).

Section 3: Balance sheet

3.1 Intangible assets (continued)

SENSITIVITY ANALYSIS

A sensitivity analysis covering key assumptions was performed in connection with the impairment test. As of August 31, 2024, the goodwill impairment test show a headroom of EUR 187.4 million (In 2022/23: EUR 53.8 million). The impact from changes to specific assumptions are based on all other things being equal and show the percentage change key assumptions can change before the recoverable amount equal the carrying amount.

Had the applied EBITDA-margin decreased by more than 3.1% percentage points compared to managements estimate, this would result in an impairment.

The applied WACC can increase by 1.3 percentage point to 10.7% before this would result in an impairment.

Management's estimated growth can decline by 3.0% percentage points before this would result in an impairment.

Management constantly monitors the macro-economical changes, considers the impact from new legislation and climate-related matters and changes assumptions accordingly. At this time, no legislation has been passed nor other events occurred, that will impact the Group negatively. The Group will adjust the key assumptions applied in the value-in-use calculations and sensitivity if and when such relevant changes are identified.

PATENTS, TRADEMARKS, KNOW-HOW, CUSTOMER RELATIONS ETC.

In 2023/24, the Group has not acquired any intangible assets through acquisitions (2022/23: EUR 78.1 million). Oterra did not identify any impairment in 2023/24 (2022/23: EUR 43.0 million).

The remaining useful lives of patents, trademarks, know-how and customer relations range from 5-20 years.

Key accounting estimates

Goodwill is tested for impairment annually and when indicators of impairment exist. Impairment tests are based on Management's projections and anticipated net present value of estimated future cash flows. These estimates are by nature uncertain and as the sensitivity analysis shows above, changes in key assumptions can potentially change the outcome of the impairment test.

Key assumptions, when calculating the future cash flows used, are based on budgets and Management's estimated development for the following years including estimated revenue growth, EBITDA, working capital, CAPEX, and the discount rate applied (WACC). Assumptions are tested for sensitivity.

Accounting policies

Research expenses are recognized in the income statement as incurred. Development costs are recognized as intangible assets if the costs are expected to generate future economic benefits.

Costs related to development and implementation of substantial software and IT infrastructure are capitalized and amortized over the expected useful lives of the assets. Software obtained through a Software-as-a-Service (SaaS) arrangement is capitalized to the extent the criteria for capitalization are met and amortized over the contract period.

Finished development projects are reviewed at the time of completion and annually to determine it there is any indication of impairment. If so, an impairment test is carried out for the individual development projects. Development projects in progress are tested annually. The impairment test is performed based on factors such as the future use of the project, the fair value of estimated future earnings or savings, interest rates, and risks.

For development projects in progress, Management estimates on an ongoing basis whether each individual project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated based on technical and commercial criteria.

Section 3: Balance sheet

3.1 Intangible assets (continued)

Accounting policies (continued)

Trademarks, patents, and customer relations acquired are recognized at cost and amortized over the expected useful lives of the assets.

Other intangible assets are measured at cost less accumulated amortization and impairment losses. An impairment test is carried out if there are any indications of impairment.

Borrowing costs in respect of construction of assets are capitalized when directly attributable to the development of the asset, and the development period is substantial.

Amortization is carried out systematically over the expected useful lives of the assets:

- Patents, trademarks, know-how, customer relations etc. 5-20 years
- Software 5-10 years
- Development projects 3-20 years

No intangible assets, besides goodwill, has indefinite lives.

Section 3: Balance sheet

3.2 Property, plant and equipment

EUR million	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2023/24					
Cost at September 1	63.7	80.8	11.6	25.8	181.9
Additions from acquisitions, note 5.4	-	-	-	-	-
Additions	6.3	2.9	0.4	18.5	28.1
Disposals	(1.7)	(1.4)	(1.5)	-	(4.6)
Transferred	5.1	13.3	1.1	(19.5)	-
Exchange rate adjustments	(1.2)	(2.3)	(0.3)	(3.8)	(7.6)
Cost at August 31	**72.2**	**93.3**	**11.2**	**21.1**	**197.8**
Depreciation and impairment at September 1	(14.4)	(11.8)	(3.1)	-	(29.3)
Depreciation and impairment	(6.0)	(9.4)	(1.8)	-	(17.1)
Disposals	1.1	0.4	1.0	-	2.5
Exchange rate adjustments	0.2	0.6	0.1	-	1.0
Depreciation at August 31	**(19.1)**	**(20.1)**	**(3.8)**	**-**	**(42.9)**
Carrying amount at August 31	**53.1**	**73.2**	**7.5**	**21.1**	**154.9**
2022/23					
Cost at September 1	53.9	38.2	8.2	39.7	140.0
Additions from acquisitions, note 5.4	8.6	5.5	0.5	4.2	18.8
Additions	4.0	3.5	1.6	30.5	39.6
Disposals	(0.8)	(4.8)	(1.0)	(0.2)	(6.8)
Transferred	0.9	40.6	2.8	(44.3)	-
Exchange rate adjustments	(2.9)	(2.2)	(0.5)	(4.1)	(9.7)
Cost at August 31	**63.7**	**80.8**	**11.6**	**25.8**	**181.9**
Depreciation and impairment at September 1	(6.6)	(6.6)	(1.3)	-	(14.5)
Depreciation and impairment	(8.8)	(7.3)	(2.4)	-	(18.5)
Disposals	0.6	1.1	0.5	-	2.2
Exchange rate adjustments	0.4	1.0	0.1	-	1.5
Depreciation at August 31	**(14.4)**	**(11.8)**	**(3.1)**	**-**	**(29.3)**
Carrying amount at August 31	**49.3**	**69.0**	**8.5**	**25.8**	**152.6**

The fair values of property, plant and equipment at year-end are not considered significantly different from their carrying values.

§ Accounting policies

Items of property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. Property, plant and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to preparing the asset for use, and re-establishment expenses, provided that a corresponding provision is made at the same time. Borrowing costs for the construction phase of assets of property, plant and equipment are capitalized when directly attributable to the construction and the construction period is substantial.

The useful lives of the individual groups of assets are estimated as follows:

- Buildings 25-50 years
- Plant and machinery 5-20 years
- Other fixtures and equipment 3-10 years

Land as well as property, plant and equipment in progress are not depreciated. Depreciation is applied on a straight-line basis. Gains and losses on the disposal of property, plant and equipment are recognized in the income statement under other operating income and other operating expenses.

Please refer to note 3.3 for accounting policies regarding leases.

Section 3: Balance sheet

3.3 Leases

EUR million	Aug 31, 2024	Aug 31, 2023
Lease assets		
Land and buildings	21.5	23.2
Plant and machinery	-	0.6
Other fixtures and equipment	1.1	1.0
Carrying amount at August 31	**22.6**	**24.8**
Additions on lease assets	4.9	2.7

EUR million	Land and buildings	Plant and machinery	Other fixtures and equipment
2023/24			
Lease assets at Sep 1	**23.2**	**0.6**	**1.0**
Additions	3.7	0.8	0.4
Remeasurement of lease liabilities	0.3	0.2	(0.4)
Depreciation	(3.7)	(0.1)	(0.8)
Exchange rate adjustments	(2.0)	(1.5)	0.9
Carrying amount at August 31	**21.5**	**-**	**1.1**
2022/23			
Lease assets at Sep 1	**26.8**	**0.9**	**1.5**
Additions	2.1	-	0.6
Remeasurement of lease liabilities	(1.5)	(0.1)	(0.3)
Depreciation	(4.2)	(0.2)	(0.8)
Carrying amount at August 31	**23.2**	**0.6**	**1.0**

Change in right-of-use assets are primarily attributable to additions amounting to EUR 4.9 million (2022/23 EUR 2.7 million) and the combined effects of the depreciation expense for the year and foreign exchange.

Lease liabilities are classified as part of borrowings in the balance sheet. For further information related to lease liabilities, please refer to note 4.3 and note 5.3.

The following are the amounts recognized in profit or loss and cash flow statement:

EUR million	Aug 31, 2024	Aug 31, 2023
Depreciation expense of right-of-use assets	4.6	5.2
Interest expense on lease liabilities	0.3	0.1
Expense relating to short-term leases and low-value assets	-	0.7
Total amount recognized in the profit or loss	**4.9**	**6.0**
Total amount recognized in the cash flow statement	**5.1**	**3.1**

EUR million	Aug 31, 2024	Aug 31, 2023
Maturity analysis of lease liabilities		
Less than 1 year	3.0	6.9
Between 1 and 5 year	11.4	8.5
More than 5 years	9.5	9.2
Total	**23.9**	**24.6**

Oterra has several lease contracts that include extension and termination options. These options are negotiated by Management to provide flexibility in managing the leased-asset portfolio and align with Oterra's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Section 3: Balance sheet

3.3 Leases (continued)

Accounting policies

Lease assets are "right-of-use assets", which is a contract or part of a contract that conveys the leasee's right to use an asset for a period of time. Lease assets are initially measured as the present value of future fixed lease payments plus upfront payments and/or other initial direct costs incurred, less any lease incentives received. If, on the inception of the lease, it is reasonably certain that an extension, termination or purchase option will be exercised, future lease payments will be adjusted accordingly.

Lease liabilities are measured using the Group's average incremental borrowing rate.

Lease assets are classified alongside owned assets of a similar type under "Property, plant and equipment".

Lease assets are depreciated using the straight-line method over the lease term. Lease assets are tested when there is an indication of impairment.

Short-term leases and leases of low value are recognized as expenses in the income statement on a straight-line basis over the lease term.

Oterra's portfolio of leases includes land, buildings, cars, and equipment.

3.4 Inventories

EUR million	Aug 31, 2024	Aug 31, 2023
Inventory before write-down	125.0	131.6
Write-down	(10.9)	(4.4)
Total	**114.1**	**127.2**
Raw materials and consumables	28.9	31.7
Work in progress	51.2	53.5
Finished goods and goods for resale	34.0	42.0
Total	**114.1**	**127.2**
Write-downs at Sep 1	(4.4)	(2.5)
Effects from acquisitions	(0.2)	(0.5)
Write-downs during the period	(8.0)	(2.7)
Reversal of write-downs	1.3	1.2
Utilization of write-downs	0.3	0.1
Inventory write-down at August 31	**(11.0)**	**(4.4)**

Accounting policies

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of goods for resale and raw materials and consumables comprises the purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising costs incurred to bring the product to its current stage of completion and location. Costs include the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery, buildings and equipment, as well as production administration and management.

Section 3: Balance sheet

3.5 Trade receivables

Trade receivables classified at amortized cost

EUR million	Aug 31, 2024	Aug 31, 2023
Aging of trade receivables		
Not due	58.8	65.3
0-30 days overdue	18.8	10.0
31-60 days overdue	2.9	5.5
61-120 days overdue	4.7	4.3
> 120 days overdue	6.4	8.2
Total trade receivables	**91.6**	**93.3**

EUR million	2023/24	2022/23
Changes in allowances for trade receivables		
Allowances at Sep 1	(4.3)	(1.2)
Additions for the period	(1.0)	(3.1)
Reversals	1.8	-
Losses realized	-	-
Allowances at August 31	**(3.5)**	**(4.3)**

Trade receivables originating from certain customers are assigned on a non-recourse basis as a part of factoring agreement. Thus, these trade receivables are held for sale to a third party.

Accounting policies

Trade receivables measured at amortized cost
Trade receivables held by Oterra with the purpose of collecting contractual cash flows are measured at amortized cost less allowances for lifetime expected credit losses.

The Group applies the simplified approach to measuring expected credit losses under IFRS 9, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The allowance for expected credit losses for trade receivables is based on historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk. The expected loss rates are updated at every reporting date.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days overdue. Furthermore, an allowance for lifetime expected credit losses for trade receivables is measured on initial recognition.

Trade receivables are written off when all possible options have been exhausted and there are no reasonable expectations of recovery. The cost of allowances for expected credit losses and write-offs for trade receivables are included in "Sales and marketing expenses" and "Administrative expenses".

Section 3: Balance sheet

3.6 Employee benefit obligations

EUR million	2023/24	2022/23
Net employee benefit obligations		
Net obligations at Sep 1	1.6	1.5
Additions from acquisitions	-	0.2
Employer contributions	(0.6)	(0.1)
Net employee benefit obligations at August 31	**1.0**	**1.6**

Employee benefit plans in the Group
Other employee benefit obligations consist of obligations regarding payments made in connection with employee service tenure, long-service benefits, and other social benefits.

The Group has entered into pension agreements with a significant number of its employees. The majority of the plans are defined contribution plans, while only a small proportion are defined benefit plans.

Defined contribution plans
The Group finances the plans through regular premium payments to independent insurance companies, which are responsible for the pension obligations. Once the pension contributions to the defined contribution plans have been paid, the Group has no further pension obligations vis-à-vis current or former employees.

Defined benefit plans
For certain groups of employees, the Group has entered into agreements on the payment of certain benefits, including pensions. These obligations are not or only partly covered by insurance. Unfunded plans have been recognized in the balance sheet, income statement, and statement of other comprehensive income as shown above.

§ Accounting policies

Contributions to defined contribution plans are charged to the income statement in the year to which they relate. In France and Italy, the Group still operates defined benefit plans. The costs for the year of defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees up to the valuation dates and is based on actuarial assumptions, primarily regarding discount rates used in determining the present value of benefits and projected rates of remuneration growth. Discount rates are based on the market yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement. Pension assets are only recognized to the extent that it is possible to derive future economic benefits such as refunds from the plan or reductions of future contributions. The Group's defined benefit plans are usually funded by payments from group companies and by employees to funds independent of the Group. Where a plan is unfunded, a liability for the retirement obligation is recognized in the balance sheet.

Section 3: Balance sheet

3.7 Provisions, commitments and contingent liabilities

Pending court and arbitration cases
Oterra Group is party to various disputes and customer claims whose outcome is still uncertain and not recognized in the financial statement at the balance sheet day. None of these are expected to materially affect profit for the year or the financial position.

Change of control
The loan facilities are subject to change-of-control clauses.

Provisions

EUR million	2023/24	2022/23
Opening at Sep 1	0.6	0.3
Provisions during the year	0.4	-
Additions from acquisitions	-	0.7
Other movements	-	(0.4)
Provisions at August 31	**1.0**	**0.6**

Section 4: Financing and risk

4.1 Share capital

Number of shares	2023/24	2022/23
Share capital at Sep 1	1,000,000	1,000,000
Addition	-	-
Share capital at August 31	**1,000,000**	**1,000,000**

Oterra's share capital has a nominal value of DKK 1,000,000 (equivalent to EUR 134 thousand), divided into 1,000,000 shares of DKK 1.0 each. The share capital is fully paid.

During the financial year 2023/24, an equity injection of EUR 105.5 million was paid to the Company in form of a tax-exempt group contribution by the parent company, Spring Midco DK ApS. No shares were issued in 2023/24.

4.2 Capital management

Oterra's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure of Oterra consists of net debt (short-term and long-term borrowings after deducting cash at bank) and equity (issued capital, reserves, retained earnings and non-controlling interests).

Oterra manages its capital structure and adjusts in light of changes in economic conditions and the require-ments of the financial covenants agreed for the Groups borrowings.

The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash at bank.

EUR million	Aug 31, 2024	Aug 31, 2023
Interest-bearing loans and borrowings	475.4	539.6
Trade and other payables	72.1	114.0
Cash at bank	(31.2)	(43.7)
Net debt	**516.3**	**609.9**
Equity	593.4	564.4
Total capital	593.4	564.4
Capital and net debt	**1,109.7**	**1,174.3**
Gearing ratio	47%	52%

No changes were made in the objectives, policies or processes for managing capital during the years 2023/24 and 2022/23.

Section 4: Financing and risk

4.3 Financial assets and liabilities

Financial risks
Oterra is exposed to currency and interest rate fluctuations. Oterra's treasury department monitors and manages risks related to currency exposure and interest rate levels.

Funding and liquidity risk
Funding and adequate liquidity are fundamental factors in driving an expanding business and managing funding and liquidity risks is an integral part of Oterra's continual budget and forecasting process. To ensure focus on managing these risks, Oterra's Treasury department manages and monitors funding and liquidity for the entire Group and ensures the availability of the required liquidity through cash management and uncommitted as well as committed facilities.

Foreign exchange risk
To reduce exposure to exchange rate fluctuations, Oterra primarily trades in EUR and USD. However, trading also takes place in other currencies. Currency exposure is mainly managed by having revenue and expenses in the same currency.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows on borrowings from exposure related to bank loans with floating interest rates. The senior facility requires that 50% of the floating interest rate is fixed, and Oterra's Treasury department manages the interest rate risk using financial derivatives.

Credit risk
Credit risks mainly relate to trade and other receivables. The risk is limited due to Oterra's diverse customer base, which represents multiple industries and businesses on international markets in which Oterra cooperates with many large and medium-sized partners. When dealing with smaller businesses, Oterra mainly sells through distributors, thus reducing the credit risk associated with these customers.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors, and/or regions.

Counterparty risk
Oterra manages counterparty risk for cash, deposits and financial instruments by only engaging with financial institutions that have a satisfactory long-term credit rating. Oterra's core financial counterparties currently have long-term credit ratings of AA or A.

The following table set forth a breakdown of current and non-current borrowings as of August 31, 2024 and August 31, 2023:

EUR million	Aug 31, 2024	Aug 31, 2023
Non-current borrowings		
Bank borrowings	439.8	469.2
Lease liabilities	20.9	17.7
Total before amortization of financing expenses	**460.7**	**486.9**
Capitalized financing expenses, bank borrowings	(9.2)	(8.3)
Total non-current borrowings	**451.5**	**478.6**
Current borrowings		
Bank borrowings	20.7	54.1
Lease liabilities	3.0	6.9
Total current borrowings	**23.7**	**61.0**
Total	**475.2**	**539.6**

The Group's borrowings are denominated in EUR and USD. Please refer to the table presented below.

The financing of entities within the Oterra Group is monitored and managed at group level. The purpose of capital management is, among other things, to ensure the Group is able to meet the financial covenants relating to its bank borrowings. There have been no breaches of the financial covenants relating to bank borrowings in the current period.

Section 4: Financing and risk

4.3 Financial assets and liabilities (continued)

EUR million	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Contractual cash flows	Carrying amount
2024 Aug					
Financial liabilities					
Bank borrowings	48.0	552.3	-	600.3	451.0
Other borrowings from related parties	0.5	-	-	0.5	0.5
Lease liabilities	3.0	11.4	9.5	23.9	23.9
Trade payables	44.0	-	-	44.0	44.0
Tax payables	2.9	-	-	2.9	2.9
Other payables	25.2	-	-	25.2	25.2
Financial liabilities at amortized cost	**123.6**	**563.7**	**9.5**	**696.8**	**547.5**
2023 Aug					
Financial liabilities					
Bank borrowings [1)]	79.8	562.2	16.0	658.0	509.9
Other borrowings from related parties	5.1	-	-	5.1	5.1
Lease liabilities	7.1	9.0	9.6	25.7	24.6
Trade payables	64.8	-	-	64.8	64.8
Tax payables	4.8	-	-	4.8	4.8
Other payables	32.7	-	-	32.2	32.2
Financial liabilities at amortized cost	**194.3**	**571.2**	**25.6**	**791.1**	**641.9**

1) Includes a loan which may be unconditionally extended until March 2028, meaning that the loan is classified with a maturity in excess of 5 years. As Management expects to repay the loan in March 2027 and 2028, interest has been calculated until then.

Section 4: Financing and risk

4.3 Financial assets and liabilities (continued)

EUR million	Effective interest rate (%) [1]	Currency	Available facility	Drawn amount	Maturity years	Carrying amount	Interest rate risk amount [2]
2024 Aug							
Other borrowings from group companies							
Floating rate	1.8%	EUR	0.5	0.5	1.0	0.5	0.1
Total			**0.5**	**0.5**		**0.5**	**0.1**
Bank borrowings							
Floating rate	8.3%	EUR	411.8	363.5	3-4	355.8	1.4
Floating rate	10.6%	USD	95.2	95.2	3-4	95.2	0.6
Total			**507.1**	**458.7**		**451.0**	**2.0**
2023 Aug							
Other borrowings from group companies							
Floating rate	1.8%	EUR	5.1	5.1	1.0	5.1	0.1
Total			**5.1**	**5.1**		**5.1**	**0.1**
Bank borrowings							
Floating rate	8.7%	EUR	407.9	407.9	4-5	410.8	1.8
Floating rate	9.6%	USD	94.4	94.4	4-5	99.1	0.2
Total			**502.3**	**502.3**		**509.9**	**2.0**

1) Interest rate including zero-floor
2) Interest rate risk if interest rates increase by 1.0 percentage point

The fair value of bank borrowings does not differ significantly from the carrying amount.

Section 4: Financing and risk

4.3 Financial assets and liabilities (continued)

EUR million	Total bank borrowings	Total other borrowings from group companies	Floating rate	Fixed rate
2024 Aug				
Currency of the principal				
EUR	355.8	0.5	356.3	-
USD	95.2	-	95.2	-
Total	**451.0**	**0.5**	**451.5**	**-**
2023 Aug				
Currency of the principal				
EUR	410.8	5.1	415.9	-
USD	99.1	-	99.1	-
Total	**509.9**	**5.1**	**515.0**	**-**

4.4 Financial instruments

Accounting policies

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Oterra initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Oterra's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that Oterra commits to purchase or sell the asset.

Section 4: Financing and risk

4.4 Financial instruments (continued)

Accounting policies (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost and financial assets at fair value through profit or loss.

Financial assets
Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Oterra's financial assets at amortized cost mainly include trade and other receivables.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- the economic characteristics and risks are not closely related to the host;

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;

and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Oterra's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- Oterra has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) Oterra has transferred substantially all the risks and rewards of the asset, or (b) Oterra has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When Oterra has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Oterra continues to recognize the transferred asset to the extent of its continuing involvement. In that case, Oterra also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Oterra has retained.

Financial liabilities
Financial liabilities are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, with the exception of derivative financial instruments.

Section 4: Financing and risk

4.5 Hedging activities and derivatives

Derivatives are accounted for as cash flow hedges
As of 31 August, 2024 and 2023, Oterra has outstanding arrangements to hedge interest rate exposures on its foreign currency denominated debts. Details as follow:

EUR million	Outstanding notional amount	Unit	Carrying amount	Average interest rate	Expected maturity				
2024 Aug					**2025**	**2026**	**2027**	**2028**	**2029**
Interest rate cap	219.20	EUR	-1.9	3.1%	-	219.2	-	-	-
Interest rate swap	60.68	EUR	0.15	4.4%	60.7	-	-	-	-
Interest rate swap	33.06	USD	-0.43	4.6%	-	33.1	-	-	-

EUR million	Outstanding notional amount	Unit	Carrying amount	Average interest rate	Expected maturity				
2023 Aug					**2024**	**2025**	**2026**	**2027**	**2028**
Interest rate cap	179.7	EUR	5.6	0.0%	179.7	-	-	-	-
Interest rate swap	52.5	EUR	0.8	2.8%	-	52.5	-	-	-
Interest rate swap	68.5	USD	1.8	1.8%	36.7	31.8	-	-	-

The corresponding derivative assets are included in other long-term assets in the statement of financial position and measured using fair value level 2 inputs using discounted cash flow model and Black Scholes model.

The following table shows the presentation of amounts related to cash flow hedges as follows:

Derivatives	Other comprehensive income	Balance sheet	Equity
Interest rate swaps	Value adjustments of hedge instruments for the year	Other long-term assets	Hedging reserve
Interest rate cap	Value adjustments of hedge instruments for the year	Other long-term assets	Hedging reserve

Section 4: Financing and risk

4.5 Hedging activities and derivatives (continued)

Accounting policies

Initial recognition and subsequent measurement
Oterra uses derivative financial instruments, such as interest rate swaps contracts, to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Oterra only has hedges classified as cash flow hedge. These hedge the exposures to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, Oterra formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how Oterra will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the net fair value changes on cash flow hedges, while any ineffective portion is recognized immediately in the consolidated statement of income. The net fair value changes on cash flow hedges are adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Oterra uses interest rate swaps and caps to hedge its interest rate risks. Changes in the fair value of the interest rate swaps are recognized in OCI and accumulated as a separate component of equity under "Net fair value changes on cash flow hedges".

Oterra designates only the elements of the interest rate swaps as hedging instruments to achieve its risk management objective. These elements are recognized in OCI and accumulated in a separate component of equity under net fair value changes on cash flow hedges.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Section 5: Other disclosures

5.1 Non-cash adjustments

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Depreciation and amortization	42.7	45.5
Change regarding employee benefit obligations	(0.6)	(0.1)
Exchange rate adjustment	(5.4)	1.2
Other non-cash adjustments	11.7	0.8
Total	**48.4**	**47.4**

5.2 Change in working capital

EUR million	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
(Increase)/decrease in receivables	(11.9)	15.6
(Increase)/decrease in inventory	7.9	14.4
Increase/(decrease) in payables and other liabilities	(8.8)	(24.2)
Adjustment for non-cash investing activities	-	(0.3)
Change in working capital	**(12.8)**	**5.5**

5.3 Changes in liabilities arising from financing activities

EUR million	1 September	Cash flows	Foreign exchange movement	New leases	Additions from acquisitions	Others	31 August
2023/24							
Lease liabilities	24.6	(5.1)	(0.5)	4.9	-	-	23.9
Borrowings	515.0	(53.3)	(1.1)	-	-	(9.2)	451.5
Total liabilities from financing activities	**539.6**	**(58.4)**	**(1.6)**	**4.9**	**-**	**(9.2)**	**475.4**

EUR million	1 September	Cash flows	Foreign exchange movement	New leases	Additions from acquisitions	Others	31 August
2022/23							
Lease liabilities	27.3	(3.1)	(1.6)	2.7	-	(0.7)	24.6
Borrowings	426.2	71.2	(4.3)	-	15.9	6.0	515.0
Total liabilities from financing activities	**453.5**	**68.1**	**(5.9)**	**2.7**	**15.9**	**5.3**	**539.6**

Section 5: Other disclosures

5.4 Business combinations

Details of the provisional purchase consideration, net assets acquired, and goodwill are as follows:

EUR million	2024 Aug	2023 Aug
Purchase consideration		
Cash paid	-	132.6
Fair value of total consideration	**-**	**132.6**
Fair value of net assets acquired		
Other intangible assets	-	78.1
Property, plant and equipment	-	18.8
Other non-current assets	-	1.2
Current assets	-	46.6
Other current liabilities	-	(44.2)
Interest-bearing debt	-	(15.9)
Cash at bank	-	1.2
Net identifiable assets acquired	**-**	**85.8**
Goodwill from acquisition	-	46.8
Fair value of total consideration	**-**	**132.6**
Hereof cash at bank	-	(1.2)
Acquisition costs, net of cash	**-**	**131.4**

ACQUISITIONS DURING 2022/23

Acquired businesses are recognized in the consolidated financial statements from the time Oterra obtain control. A purchase price allocation has been performed in accordance with IFRS by assessing the fair value of identifiable assets and liabilities at the acquisition date.

The following valuation techniques have been applied in the fair value assessment of significant net assets acquired:

- Property, plant and equipment – have been assessed for fair value by applying the replacement cost approach.
- Technology – has been assessed using a multi-period excess earnings model.
- Customer relationships – have been assessed using an allowed margin approach as the valuation methodology.

Acquisition of Akay

On October 17, 2022, Oterra acquired 100.0% of the shares in AKAY Natural Ingredients Private Limited, a non-listed company based in India specializing in colors and nutraceuticals. Aside from further strengthening its natural color portfolio, the acquisition also expanded its activities further within nutraceutical ingredients while increasing Oterras foothold in Asia.

The fair value of the trade receivables amounted to EUR 13.8 million. The gross amount of trade receivables was EUR 13.9 million and contractual amounts expected to be collected in full.

The goodwill of EUR 46.8 million represented the value of the current workforce and know-how but also the operational synergies expected from integration of one of the Groups larger suppliers within the Group.

Goodwill was allocated entirely to the aggregated level, as Oterra is considered one cash-generating unit. None of the goodwill recognized is expected to be deductible for income tax purpose.

Acquisition costs related to the acquisition amounted to EUR 6.4 million.

The acquisition of AKAY on October 17, 2022, impacted revenue positively by EUR 49.0 million and EBIT negatively by EUR 1.7 million for the period October 17, 2022, to August 31, 2023. Had the acquisition been effective from September 1, 2022, the impact would have been revenue of EUR 58.2 million and EBIT of EUR 3.2 million, respectively.

Section 5: Other disclosures

5.4 Business combinations (continued)

Key accounting estimates and judgements

The most significant assets acquired generally comprise goodwill, patents, IP rights, customer relationships, and property, plant and equipment. No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, Management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

The fair value of development projects and customer contracts acquired in business combinations is based on an evaluation of the conditions relating to the acquired portfolio and related customer relations.

Measurement is based on a discounted cash flow model on key assumptions about the estimated split of the acquired and expected revenue, the related churn rates and the expected profitability of the revenue at the time of the acquisition.

Accounting policies

On business combinations involving external parties, the acquisition method is applied. Acquired assets, liabilities and contingent liabilities are measured on initial recognition at fair value at the time Oterra obtains control. Identifiable intangible assets are recognized if they can be seperated and the fair value can be reliably measured. Deferred tax on revaluations is recognized.

Any positive differences between cost and fair value of the assets, liabilities and contingent liabilities acquired on acquisition of subsidiaries are recognized as goodwill under "Intangible assets". The cost is stated at the fair value of shares, debt instruments, and cash and cash equivalents. Goodwill is not amortized but is tested annually for impairment. Positive differences on the acquisition of joint ventures are recognized in the balance sheet under "Investments in joint ventures".

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is affected, adjustments made to the provisional fair value of acquired assets, liabilities and contingent liabilities or cost of the acquisition within 12 months of the acquisition date are reflected in the initial goodwill. The adjustment is calculated as if it had been recognized at the acquisition date, and comparative figures are restated.

Changes in estimates of the cost of the acquisition that are contingent on future events are recognized in the income statement. Acquisition-related costs are expensed as incurred and included in special items.

Section 5: Other disclosures

5.5 Partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2024 Aug	2023 Aug
Vitivinícola Ramírez sl	Spain	50.0%	50.0%
Erkon Konsantre Sanayi Ve Ticaret Anonim Şirketi	Turkey	50.0%	50.0%

EUR million	2024 Aug	2023 Aug
Accumulated balances of non-controlling interests:		
Vitivinícola Ramírez sl	0.4	0.4
Erkon Konsantre Sanayi Ve Ticaret Anonim Şirketi	12.1	8.2
Profit allocated to material non-controlling interest		
Vitivinícola Ramírez sl	0.1	(0.1)
Erkon Konsantre Sanayi Ve Ticaret Anonim Şirketi	4.0	5.0

5.6 Related parties

Related parties are defined as parties with control or significant influence, including group companies.

As of August 31, 2024, Spring MidCo DK ApS (Agern Allé 24, 2970 Hørsholm) held 100% of the share capital of Oterra Holding ApS, which in turn is owned 100% by Spring TopCo DK ApS (Agern Allé 24, 2970 Hørsholm). Spring TopCo DK ApS is controlled by Spring LuxCo HoldCo S.á.r.l., Luxembourg.

Other related parties include members of the Board of Directors and the Executive Board together with their immediate families.

The remuneration of key management personnel is specified in note 2.3.

As of August 31, 2024, Oterra A/S had a payable loan of EUR 5.3 million including accrued interests with Spring TopCo DK ApS (Agern Allé 24, 2970 Hørsholm) as lender. The interest expense related to this loan was EUR 0.3 million in the financial year 2023/24. Oterra Holding A/S had a payable loan of EUR 0.5 million with Spring MidCo ApS (Agern Allé 24, 2970 Hørsholm) as lender)

Furthermore, the company received tax-exempt group contributions from Spring MidCo DK ApS totalling EUR 105.5 million during the year.

There were no transactions with members of the Board of Directors or other key management personnel other than payment of remuneration.

5.7 Events after the balance sheet date

No material events have occurred between August 31, 2024 and the date of publication of this annual report that have not already been included in the annual report and that would have a material effect on the assessment of the Group's financial position.

Section 5: Other disclosures

5.8 Group companies

Legal entity name	Country	Consolidated ownership %	Activity
Parent company:			
Oterra Holding ApS	Denmark	100	O
Subsidiaries:			
Oterra France SAS Bureau de liaison	Algeria	100	S
Oterra Australia Pty Ltd	Australia	100	S
Local HoldCo Brazil Ltda.	Brazil	100	O
NCD Brasil Indústria e Comércio de Corantes Naturais Ltda	Brazil	100	P, S
Akay Flavors and Aromatics (Cambodia) Private Ltd.	Cambodia	100	S
Oterra Shanghai Trading Co., Ltd 1)	China	100	S
Oterra S.A.S	Colombia	100	S
Oterra Operations ApS, Czech Republic Branch	Czech Republic	100	S
Oterra A/S	Denmark	100	P, S
Oterra Operations ApS	Denmark	100	S
Oterra France SAS	France	100	P, S
Akay Europe GmbH	Germany	100	S
Oterra GmbH	Germany	100	S
AKAY NATURAL INGREDIENTS PRIVATE LIMITED	India	100	P, S
Akay Spices Private Ltd.	India	100	S
Oterra Operations ApS, Indonesia Representative Office	Indonesia	100	S
Oterra Operations ApS, Irish Branch	Ireland	100	S
Oterra Italia S.p.A	Italy	100	P, S
Oterra S.p.A	Italy	100	S
EG industriale S.r.l.	Italy	100	S
OTERRA TRADING MALAYSIA SDN. BHD.	Malaysia	100	S
Oterra México S.A. de C.V.	Mexico	100	S
Oterra Peru S.A.C 1)	Peru	100	S
Oterra S.A. 1)	Peru	100	P, S
Oterra Poland sp. Z o. o.	Poland	100	S
Oterra Operations ApS Hørsholm Sucursala Bucuresti	Romania	100	S
Oterra Rus LLC	Russia	100	S

Legal entity name	Country	Consolidated ownership %	Activity
Oterra Singapore PTE. LTD.	Singapore	100	S
OTERRA INDIGO PTE. LTD.	Singapore	100	O
Oterra Colors Spain SLU	Spain	100	O
Sociedad Espanola de Colorantes Naturales y Afines SAU	Spain	100	P, S
Oterra Operations ApS, Sucursal en Espana	Spain	100	S
Oterra Operations ApS, Thailand Representation Office	Thailand	100	S
Oterra Operations Aps Merkezi Danimarka Istanbul Merkez Subesi	Turkey	100	S
Oterra Middle East FZ-LLC	UAE	100	S
Oterra UK Limited	UK	100	S
Akay US LLC	USA	100	S
Oterra Holdings, LLC	USA	100	O
Oterra US Holdings, LLC	USA	100	O
Oterra, LLC	USA	100	P, S
Food Ingredient Solutions, LLC	USA	100	P, S
The Representative Office of Oterra A/S in Ho Chi Minh City	Vietnam	100	S
Joint ventures:			
Vitivinícola Ramírez sl	Spain	50.0	S
Erkon Konsantre Sanayi Ve Ticaret Anonim Şirketi	Turkey	50.0	S

The "Consolidated ownership" column shows the portion of the income/(loss) of the entity which is attributable to the shareholders of Oterra Holding ApS in the consolidated financial statements.

P – Production
S – Sales
O - Other

1) The group company's financial reporting period (January-December) deviates from that of the Group.

Parent company financial statements - contents

Parent company financial statements

Notes

Income statement

EUR thousand	Note	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Revenue		-	-
Gross loss		**-**	**-**
Administrative expenses	2.1	(4,107)	(2,691)
Other operating income		3,361	1,561
Operating loss (EBIT) before special items and impairment of investments in group companies		**(746)**	**(1,130)**
Impairment loss on investments in group companies	3.1	-	(82,000)
Special items		(3,913)	(7,091)
Operating loss (EBIT)		**(4,659)**	**(90,221)**
Financial income	2.2	56,664	41,053
Financial expenses	2.2	(35,625)	(26,668)
Profit/loss before tax		**16,380**	**(75,836)**
Income taxes	2.3	(1,953)	(1,659)
Profit/loss for the year		**14,427**	**(77,495)**

Statement of comprehensive income

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Profit/loss for the year	14,427	(77,495)
Items that will be reclassified subsequently to the income statement when specific conditions are met		
Currency translation to presentation currency	(483)	(1,750)
Value adjustment of hedge instruments for the year	(10,720)	(642)
Income tax relating to these items	2,354	141
Other comprehensive income for the year	**(8,849)**	**(2,251)**
Total comprehensive income for the year	**5,578**	**(79,746)**

Balance sheet

EUR thousand	Note	2023/24	2022/23
ASSETS			
Non-current assets			
Investments in group companies	3.1	583,074	503,112
Deferred tax		1,773	-
Total non-current assets		**584,847**	**503,112**
Current assets			
Receivables from group enterprises		562,159	558,683
Tax receivables		0	783
Other receivables		660	8,350
Prepayments		298	0
Cash at bank		5,157	528
Total current assets		**568,274**	**568,344**
Total assets		**1,153,121**	**1,071,456**

EUR thousand	Note	2023/24	2022/23
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	134	134
Hedging reserve		(1,967)	6,399
Translation reserve		(3,194)	(2,111)
Retained earnings		801,192	680.689
Total equity		**796,165**	**685.111**
Non-current liabilities			
Borrowings	4.2	329,654	353,864
Total non-current liabilities		**329,654**	**353,864**
Current liabilities			
Borrowings		18,256	5,778
Trade payables		1,101	5,474
Payables to group companies		523	2,034
Tax payables		3,713	1,657
Other payables		3,709	17,538
Total current liabilities		**27,302**	**32,481**
Total liabilities		**356,956**	**386,345**
Total equity and liabilities		**1,153,121**	**1,071,456**

Cash flow statement

EUR thousand	Note	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Operating loss before special items and impairment of investments in group companies		(746)	(1,130)
Special items		(3.913)	(7,091)
Non-cash adjustments	5.1	45,419	36,997
Change in working capital		(7,372)	(93,814)
Interest received		-	-
Interest paid		(24,171	(23,491)
Taxes paid		-	(2)
Net cash flow from operating activities		**9,217**	**(88,531)**
Payment for investments in subsidiaries		(92,355)	(118,317)
Cash flow from investing activities		**(92,355)**	**(118,317)**
Proceeds from cash group contribution		99,500	157,979
Proceeds from borrowings		-	53,246
Repayment of borrowings		(11,732)	(5,332)
Cash flow from financing activities		**87,768**	**205.893**
Cash and cash equivalents at the beginning of the financial year		528	1,437
Unrealized exchange gains/(losses) included in cash and cash equivalents		-	46
Net cash flow for the year		4,629	(955)
Cash and cash equivalents at August 31		**5,157**	**528**

Consolidated statement of changes in equity

EUR thousand	Share capital	Hedging reserve	Translation reserve	Retained earnings	Total
2023/24					
Equity at September 1	134	6.399	(2.111)	680.689	685.111
Income/(loss) for the year	-	-	-	14,427	14,427
Other comprehensive income/(loss) for the year, see the statement of comprehensive income	-	(8.366)	(1,083)	483	(9,449)
Total comprehensive income/(loss) for the year	**-**	**(8.366)**	**(1,083)**	**14,910**	**5,461**
Cash group contribution	-	-	-	105.593	105.593
Equity at August 31	**134**	**(1,967)**	**(3,194)**	**801,192**	**796,165**
2022/23					
Equity at September 1	134	6,900	(361)	600,205	606,878
Income/(loss) for the year	-	-	-	(77,495)	(77,495)
Other comprehensive income/(loss) for the year, see the statement of comprehensive income	-	(501)	(1,750)	-	(2,251)
Total comprehensive income/(loss) for the year	**-**	**(501)**	**(1,750)**	**(77,495)**	**(79,746)**
Cash group contribution	-	-	-	157,979	157,979
Equity at August 31	**134**	**6,399**	**(2,111)**	**680,689**	**685,111**

The Board of Directors has decided not to propose an ordinary dividend for the financial year ending August 31, 2023 or August 31, 2022.

Notes

1.1 Accounting policies

The parent company financial statements of Oterra Holding ApS (the Parent Company) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The accounting policies applied by the Parent Company are the same as apply to the Oterra Group, see the notes to the consolidated financial statements, with the exception of the following

Investments in group companies
The accounting policies for investments in group companies and related transactions are presented in note 3.1.

1.2 Key accounting estimates and judgements

In preparing the parent company financial statements, Management makes various accounting estimates and assumptions that form the basis of the recognition and measurement of the Parent Company's assets and liabilities.

In applying the Group's accounting policies, Management makes judgements that may significantly influence the amounts recognized in the financial statements. The key accounting estimates and judgements for the Oterra Group are presented in the notes to the consolidated financial statements. Furthermore, Management considers the key accounting estimates and judgements used in the preparation of the consolidated financial statements in particular referring to the carrying amount of investments in group companies.

Assumptions about the future and estimation uncertainty at the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

2.1 Fees to auditors

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
EY		
Statutory audit	130	110
Other	-	-
Total	**130**	**110**

2.2 Financial income and expenses

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Financial income		
Interest income, group companies	44,240	37,007
Foreign exchange gains	12,424	4,046
Total	**56,664**	**41,053**

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Financial expenses		
Interest expenses	35.035	23,394
Interest expenses, group companies	1	273
Foreign exchange losses	589	3,001
Total	**35.625**	**26,668**

Notes

2.3 Income taxes and deferred tax

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Income taxes		
Current tax for the year	(1,372)	(1,518)
Change in deferred tax concerning the year	1,773	1,046
Prior year adjustments, deferred tax	-	(2,285)
Change in valuation allowance	-	1,239
Tax on the loss for the year	**401**	**(1,518)**
Tax in the income statement	**(1,953)**	**(1,659)**
Tax on other comprehensive income	**2,354**	**141**

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Reconciliation of tax rate		
Danish tax rate	22.0%	22.0%
Non-deductible financial expenses	(14.7%)	(26.0%)
Non-deductible expenses	4.6%	3.0%
Valuation allowance of deferred tax assets	-	(1.0%)
Effective tax rate	**11.9%**	**(2.0%)**
Tax for the year	**1,953**	**1,659**

EUR thousand	2023/24	2022/23
Deferred tax		
Deferred tax at Sep 1	-	-
Change in deferred tax – recognized in the income statement	1,773	-
Deferred tax at August 31	**1,773**	**-**
Deferred tax assets	1,773	-
Deferred tax liabilities	-	-
Deferred tax at August 31	**1,773**	**-**
Specification of deferred tax		
Assets/Liabilities	1,773	(2,366)
Tax loss carry-forwards	-	-
Valuation allowance of deferred tax assets	-	2,366
Total deferred tax at August 31	**1,773**	**-**
Amounts due after 12 months, estimated	**-**	**-**

Notes

3.1 Investments in group companies

EUR thousand	2023/24	2022/23
Cost at September 1	503.112	467,760
Adjustment*	(14,000)	-
Currency translation	1.607	(949)
Additions	92.355	118,301
Impairment	-	(82,000)
Cost at August 31	**583,074**	**503,112**

*Please refer to note 3.1 in the Consoldiated financial statement for information on the adjustment made in 2023/24.

See note 5.8 to the consolidated financial statements for a list of group companies.

Accounting policies

Dividends from group companies are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared. If the carrying amount of an investment in a subsidiary exceeds the carrying amount of the net assets in the subsidiary's financial statements, or if the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared, the carrying amount of the subsidiary is tested for impairment.

Investments in group companies are measured at cost. If the cost exceeds the recoverable amount, it is written down.

3.2 Commitments and contingent liabilities

Please refer to note 3.7 to the consolidated financial statements regarding pending court and arbitration cases.

EUR thousand	Aug 31, 2024	Aug 31, 2023
Individual assets directly pledged		
Equity investment in Oterra A/S	558,716	491,502
Equity investment in Oterra Italia S.p.A.	11,494	3,000
Equity investment in Local HoldCo Brazil Ltda	1,540	3,003
Equity investment in Oterra Operations ApS	100	100
Equity investment in Oterra Poland	1	-
Equity investment in Oterra Peru S.A.C	1,203	-
Equity investment in Oterra Singapore	1,431	-
Carrying amount of pledged individual assets	**571,413**	**497,605**

The Parent Company has issued letters of support in favour of certain subsidiaries.

Joint taxation

The Parent Company and its Danish subsidiaries are jointly taxed with the Danish companies in the Oterra Group. The joint taxation arrangement also covers withholding taxes in the form of dividend tax, royalty tax, and interest tax. The Danish companies are jointly and individually liable for the joint taxation payments. Any subsequent adjustments to income taxes and withholding taxes may lead to a higher liability. The taxes for the individual companies are allocated in full on the basis of the expected taxable income.

Notes

4.1 Share capital

Number of shares	2023/24	2022/23
Share capital at September 1	1,000,000	1,000,000
Additions	-	-
Share capital at August 31	**1,000,000**	**1,000,000**

The Parent Company's share capital has a nominal value of DKK 1,000,000 (equivalent to EUR 134 thousand), divided into 1,000,000 shares of DKK 1.0 each. The share capital is fully paid up.

During the financial year 2023/24, an equity injection of EUR 105.5 million was made to the Company in the form of a tax-exempt group contribution by the parent company, Spring Midco DK ApS.

No shares were issued in 2023/24.

4.2 Financial assets and liabilities

Please refer to note 4.3 to the consolidated financial statements. The Parent Company is the borrower of Senior bank borrowings with a carrying amount EUR 451 million of which EUR 355.8 million and EUR 95.2 million are denominated in EUR and USD, respectively.

5.1 Non-cash adjustments

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Interest receivables	40,762	37,007
Exchange rate adjustment	11,835	(1,045)
Other non-cash adjustments	(7,179)	1,035
Total	45,419	36.997

5.2 Related parties

Please refer to note 5.6 to the consolidated financial statements

Transactions between the Parent and the subsidiaries

EUR thousand	Sep 1, 2023 – Aug 31, 2024	Sep 1, 2022 – Aug 31, 2023
Sale of services	3.361	1,561
Interest income	44.003	37,007
Interest expenses	(1)	(273)
Total	**47.363**	**38.295**

Oterra Holding ApS is 100% owned by Spring MidCo DK ApS, Agern Alle 24, 2970 Hørsholm and is part of the consolidated financial statements of Spring TopCo DK ApS which in turn is owned 100% by Spring TopCo DK ApS (Agern Allé 24, 2970 Hørsholm). Spring TopCo DK ApS is controlled by Spring LuxCo HoldCo S.á.r.l., Luxembourg.

5.3 Events after the balance sheet date

Please refer to note 5.7 to the consolidated financial statements.

Management's statement

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of Oterra Holding ApS for the financial year ended August 31, 2024.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position at August 31, 2024 of the Group and the Parent Company and of the results of the Group's and the Parent Company's operations and cash flows for the financial year September 1, 2023 - August 31, 2024.

In our opinion, the Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of their results of operations for the year, and of the financial position of the Group and the Parent Company, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted by the Annual General Meeting.

Hørsholm, December 18, 2024

Executive Board

Martin Sonntag
CEO

Board of Directors

Cornelis de Jong
Chair

Nils Philipp Ketter
Vice Chair

Xiangwei Gong

Christoffer Erik Mathies Lorenzen

Thijs Bakker

Vesa Veikko Koskinen

Independent auditor's report

To the shareholders of Oterra Holding ApS

Opinion
We have audited the consolidated financial statements and the parent company financial statements of Oterra Holding ApS for the financial year 1 September 2023 – 31 August 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2023 – 31 August 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Statement on the Management's review
Management is responsible for the Management's review.

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

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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 18 December 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Design and production: **Noted**