

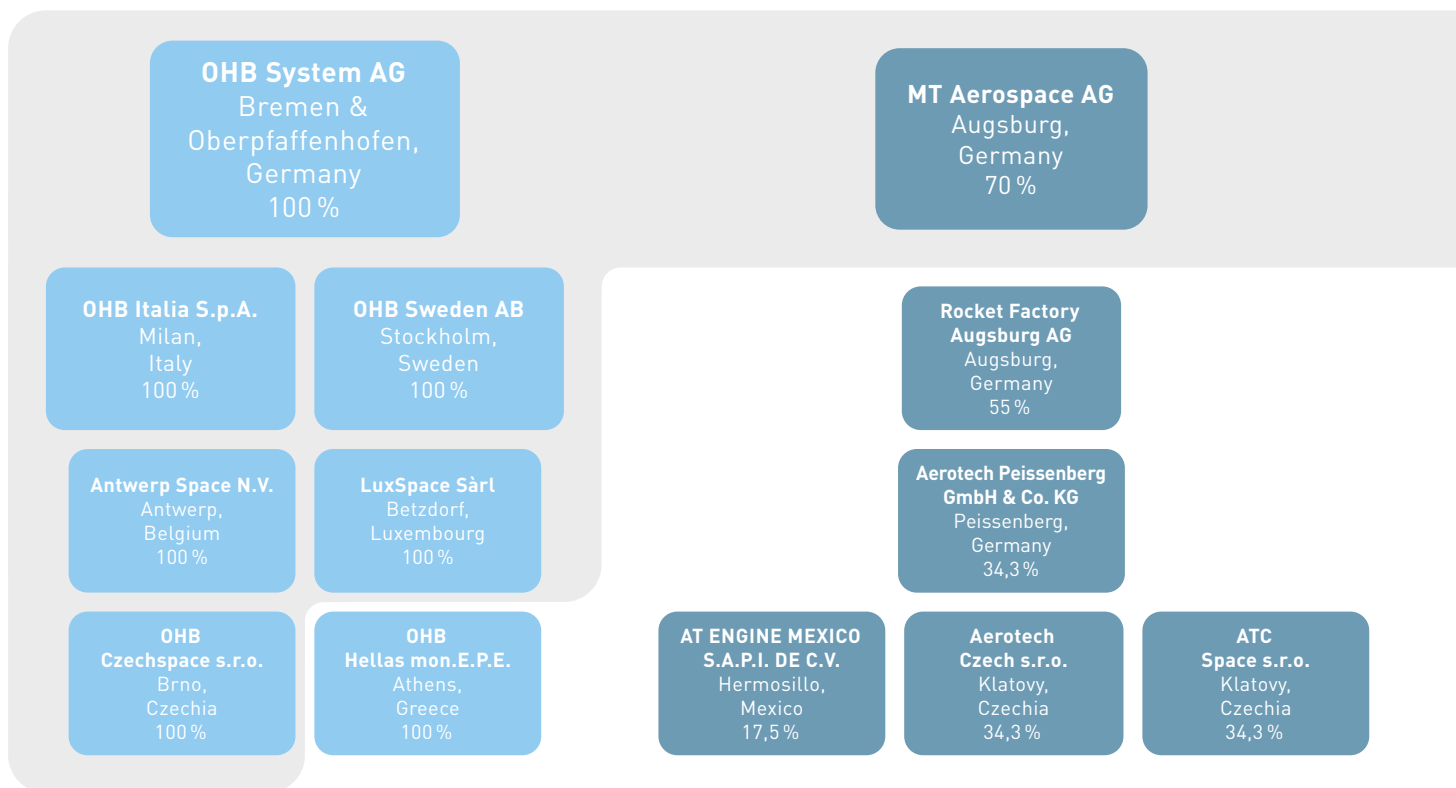
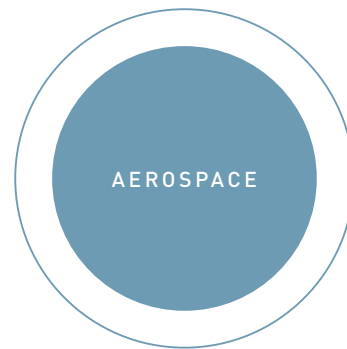
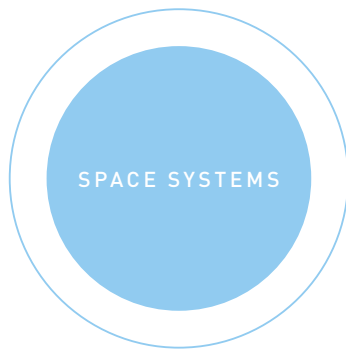
Creating digital knowledge

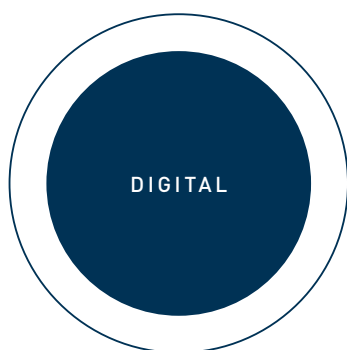


OHB SE AT A GLANCE

OHB SE is a European space and technology group and one of the major independent forces in this industry. With its more than 40 years of experience in the development and implementation of innovative space systems and projects as well as its range of specific aerospace and telematics products, the OHB Group has

positioned itself excellently and is well positioned to compete internationally. The Company has locations in key ESA member countries. These locations allow it to participate in numerous European programs and missions.





**OHB Digital
Connect GmbH**
Bremen, Mainz &
Gelsdorf, Germany
100 %

**OHB Digital
Services GmbH**
Bremen,
Germany
74,9 %

**OHB COSMOS
International GmbH**
Bremen,
Germany
100 %

OHB Teledata GmbH
Bremen &
Oberpfaffenhofen,
Germany
100 %

GEOSYSTEMS GmbH
Germering,
Germany
100 %

**MT Aerospace
Guyane S.A.S.**
Kourou,
French Guiana
70 %

OHB Chile SpA
Santiago de Chile,
Chile
100 %

Blue Horizon Sàrl
Betzdorf,
Luxembourg
100 %

OHB Infosys GmbH
Bremen &
Oberpfaffenhofen,
Germany
100 %

**OHB Digital
Solutions GmbH**
Graz,
Austria
100 %

 = consolidated

SPACE SYSTEMS

In the "SPACE SYSTEMS" segment, the focus is on the development and implementation of space projects. In particular, this means the development and production of near-Earth and geostationary satellites for navigation, science, communications, Earth and weather observation and reconnaissance including scientific payloads. Reconnaissance satellites and secure broadband radio transmission of image reconnaissance data are core technologies for the application domains security and reconnaissance. In the Exploration division, studies and concepts for the exploration of our solar system are developed with a focus on Mars, the Moon and asteroids. In the field of astronautical space, the focus is on projects for equipping and operating the International Space Station ISS and the future Lunar Gateway.

AEROSPACE

The focus of the "AEROSPACE" segment is on the manufacturing and development of products for the aerospace industry. Here, OHB has positioned itself as a key supplier of aerospace structures and is, among other things, the largest German supplier for the Ariane program as well as an established manufacturer of components for satellites and aircraft. Our participation Rocket Factory Augsburg AG is currently developing a promising microlauncher as a system provider.

DIGITAL

A broad portfolio of service activities characterises the new "DIGITAL" division, including satellite operations, IT applications based on satellite data (so-called downstream applications), e.g. in the areas of maritime and rail logistics or autonomous mobility, as well as the procurement of launches and provision of IT services. In addition, OHB is involved in major projects for radio telescopes as an experienced supplier of mechatronic systems for antennas and telescopes.

OHB SE IN FIGURES

The Group

in EUR 000	2021	2020	2019	2018	2017
Revenues	905,001	880,319	1,004,618	976,551	825,894
Total revenues	916,547	901,431	1,030,086	1,000,392	859,689
EBITDA	83,618	77,024	78,331	65,013	58,809
EBIT	47,021	41,634	49,109	47,751	44,223
EBT	41,594	29,817	39,144	44,092	42,238
Share of OHB SE shareholders in net profit for the year	27,498	20,869	25,543	24,998	23,355
Earnings per share (EUR)	1.58	1.20	1.47	1.44	1.34
Total assets	960,847	912,078	931,019	753,606	719,698
Equity	252,621	223,326	200,830	200,019	207,280
Cash flow from operating activities	-17,346	44,121	22,884	60,179	34,977
Equity investments	38,899	35,394	36,923	40,736	44,885
thereof capital spending	1,732	4,693	2,388	2,342	245
Order backlog	2,120,779	2,632,328	1,840,009	2,398,682	2,438,864
Employees at December 31	2,962	3,029	2,933	2,769	2,420

The share

in EUR	2021	2020	2019	2018	2017
Closing price	36.00	38.60	43.50	30.90	44.61
Year high	49.85	46.70	48.65	49.75	47.47
Year low	33.50	25.65	29.60	27.55	18.26
Market capitalisation at year-end (in EUR million)	629	674	760	540	779
Number of shares	17,468,096	17,468,096	17,468,096	17,468,096	17,468,096
Dividend	0.48*	0.43	0	0.43	0.40

* Subject to approval by the shareholders

2021	2021	2021
EUR 917 million	EUR 84 million	EUR 47 million
Total revenues	EBITDA	EBIT



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LETTER TO THE SHAREHOLDERS

Dear readers,

2021 was again dominated by the ongoing Covid-19 pandemic. However, it did not have any significant impact on the OHB Group companies and their financial performance thanks to various sector-specific factors. Developments during the year largely matched the Management Board's expectations due to our customers' long-term projects and multi-year budget decisions as well as their active efforts to mitigate the negative impact on projects caused by Covid-19. In contrast to the previous year, there was no series of major contract awards in 2021. As expected, fewer institutional space projects were implemented in the year under review than in the previous year as the regular ESA Conference of Ministers is not taking place until this year. In addition to working on our historically high order backlog, we

concentrated last year on implementing various internal measures to position OHB companies to optimum effect for the future. Effective January 1, 2021, we added a third segment – DIGITAL – to the two existing reporting segments, SPACE SYSTEMS and AEROSPACE. This measure reflects the systematic implementation of our corporate strategy for 2025, which provides for a significant expansion of our commercial activities. The new segment made significant contributions to revenues and profitability in its first reporting year. In line with the growing complexity of our operating business, we have expanded top management at various subsidiaries as well as at the holding company. At the same time, this step has allowed us to rejuvenate the management bodies and increase diversity. For example, Daniela Schmidt joined OHB SE's Management Board on January 1, the first woman to do so, while Dirk Schulze and Sabine von der Recke

f. l. t. r.

Klaus Hofmann

born in 1960, degree in business administration, member of the Management Board of OHB SE since 2015

Dr. Lutz Bertling

born in 1962, doctor of engineering, member of the Management Board of OHB SE since 2018

Daniela Schmidt

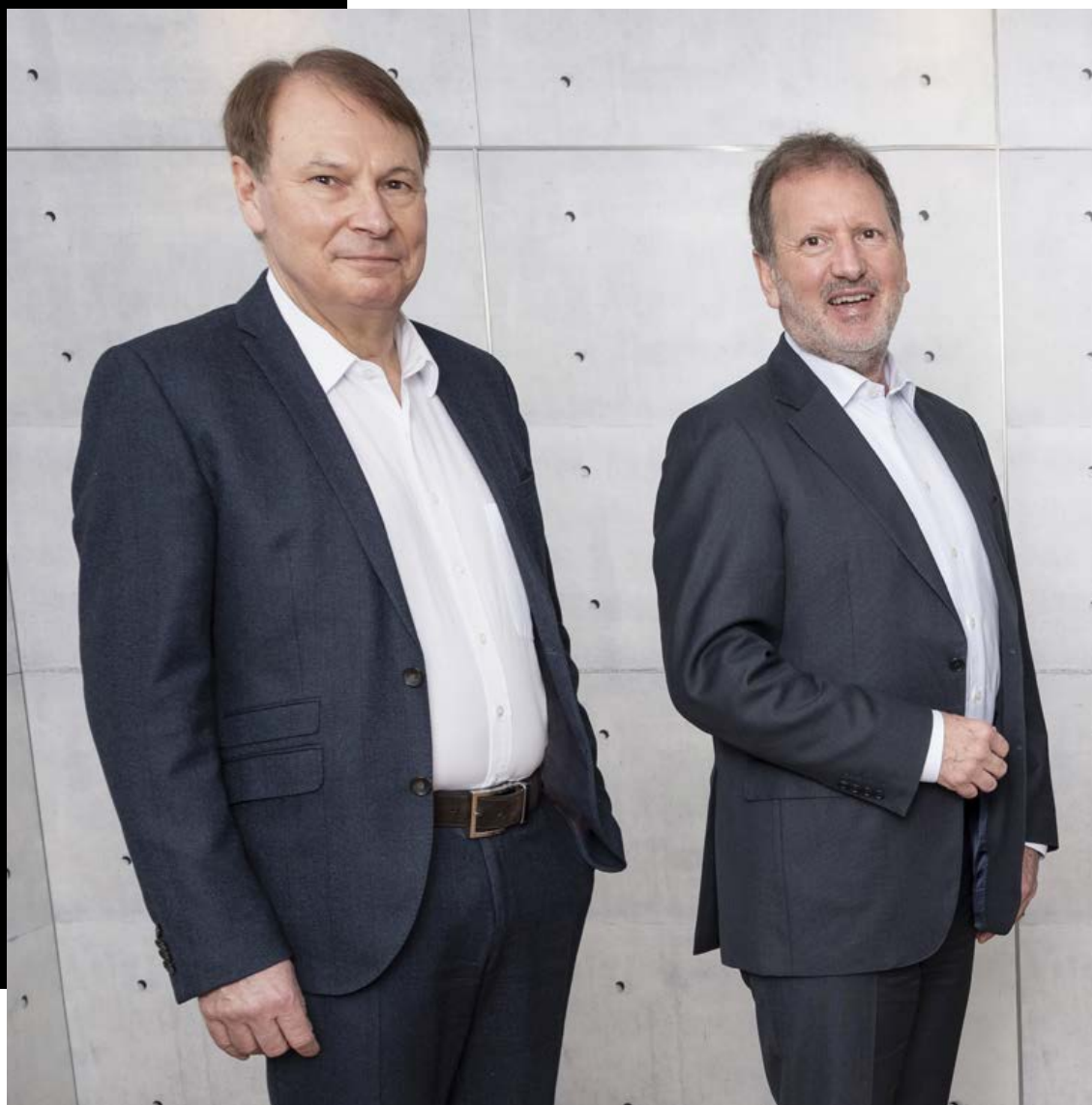
born in 1982, attorney, member of the Management Board of OHB SE since 2022

Marco R. Fuchs

born in 1962, attorney, chairman of the Management Board of OHB SE since 2000

Kurt Melching

born in 1962, degree in business administration, member of the Management Board of OHB SE since 2018



were appointed to the Management Board of OHB System AG on November 1, 2021. For the first time, express personal responsibility for sustainability has been established on the Management Board in a position specially created for this purpose.

»In 2021, the focus was on the implementation of various internal measures to optimally strengthen the OHB companies for the future.«

SPACE SYSTEMS

In the SPACE SYSTEMS segment, a further project for analyzing and predicting weather developments was gained with the award of ESA's Arctic Weather mission. The Company will be developing and building the prototype for a possible later constellation of

satellites to provide meteorological data from the northern polar region. We are particularly pleased that in 2021 we were able to continue expanding our existing portfolio of projects devoted to the increasingly important area of environmental monitoring. The further course of the year also promises to be extremely interesting in this connection: With the launch of the EnMAP satellite scheduled for the beginning of April, it will be possible to collect new types of data to monitor the condition of ecosystems on the surface of the Earth and in the water and also track changes in them. The high-resolution spectral images generated by the satellite will provide unique information on water pollution, the content of minerals or pollutants in soils and the availability of nutrients for plants. OHB System has developed and built the satellite on behalf of the German Space Agency DLR. You can find extensive information on this project, which is crucial for our society and plays an important technological role, in our management report.



In the area of exploration, OHB System AG will be making a contribution to the Esprit module of the planned Lunar Gateway under the subcontract entered into with Thales Alenia Space in the year under review. This station will be located in a lunar orbit, where it will serve as a base camp for missions to the surface of the moon as well as to Mars and other distant destinations.

In the third quarter, OHB System AG achieved a significant commercial breakthrough in the telecoms segment after it was selected out of several global providers to be the preferred partner for the implementation of US company SpaceLink Corp.'s first MEO satellite constellation. In the meantime, the original technical and program specifications of the system have been altered. This will result in a new decision on the corresponding proposals by SpaceLink Corp., which is now expected in April 2022.

AEROSPACE

With regard to the European launcher program Ariane in the AEROSPACE segment, MT AEROSPACE AG is benefiting from positive trends: Last year saw the signing of the series-production contract that governs the legal basis for collaboration on the newly developed Ariane 6 launcher. The support for the industrial consortium promised by the ESA member countries in mid-August also contributed significantly to the stabilization of the program. At the same time, MT AEROSPACE AG has adjusted its own production capacities in the light of the currently significantly lower expected annual sales compared with the original plans. With this improved efficiency, together with the expansion of the

customer base and the identification of growth opportunities beyond launcher programs, the company will again be able to make significantly higher contributions to revenues and earnings over the coming years.

»The newly created „DIGITAL“ segment already contributed significantly to sales and profitability in the first reporting year.«

DIGITAL

With higher than expected contributions to the main financial indicators underpinned by progress at the operational level, the DIGITAL segment's first year was successful. The customer-centric range of services offered by the companies forming part of this segment is allowing the OHB Group to lengthen its value chain by adding downstream applications. One example of this was the launch of a small telecommunications satellite in the first quarter, only six months after the contract had been awarded to OHB. The customer expectations were met in full. However, the companies in the DIGITAL segment were also able to generate new orders last year, including the delivery of a telescope completed with the receiver, data storage and control system as well as a service contract for the operation of an Earth observation satellite system.



Every day, we circulate approx.

10,700,000 m³

of air in the cleanrooms in Bremen in order to meet the relevant cleanroom classes and process approx.

2,000,000 m³

of outside air (heating/cooling/humidifying/dehumidifying) in order to be able to ensure the required environmental conditions (temperature/humidity).

Guidance for 2021 and 2022 and outlook for 2025

OHB SE was able to exceed the guidance that it had published in February 2021 for its main performance indicators with EBITDA of EUR 84 million, and EBIT of EUR 47 million, thus widening the EBIT margin relative to total revenues to 5.1%. However, at EUR 917 million, total revenues fell short of expectations. This was primarily due to the impact of the Covid-19 pandemic since March 2020, which had necessitated the postponement of sub-contractor services which it was not possible to catch up on in the manner originally planned in the year under review.

Based on the high order backlog of around EUR 2.1 billion (previous year: EUR 2.6 billion, as of December 31 in both cases), the Management Board expects consolidated total revenues to increase to EUR 1.2 billion in 2022 as a whole. EBITDA should come to EUR 97 million and EBIT to EUR 60 million.

»The review of the 2025 targets conducted in the third quarter of 2021 resulted in, among other things, an increased prioritization of the topic sustainability and some upward adjustments of the targets.«

In 2020, we presented our current Group strategy for the first time and issued financial targets for 2025. In the third quarter of 2021, we reviewed the fundamentals and targets once again against the backdrop of current developments. This review confirmed the main elements, resulting in greater priority being given to sustainability and leading to the upward adjustment of certain targets. At the Capital Market Day held in January, we

published a multi-year outlook for total revenues, EBITDA and EBIT for the first time. This covers 2023 and 2024; in addition, we fleshed out the outlook for 2025 that had already been published, revising it upwards.

Vote of thanks to all involved

Although the target for total revenues was not quite achieved, the Management Board is generally pleased with the Group's performance in the year under review due to the increased profitability and margin development. Given our business model, our own manufacturing input primarily depends on the successes achieved by our employees with regard to project progress, services and production. As in the previous year, all employees performed their duties under difficult conditions last year. On behalf of all the members of the Management Board, I would like to express my gratitude for their motivation and their commitment in tackling and completing all tasks despite the adverse circumstances.

We also thank our customers, suppliers and all other partners for their constructive cooperation and our shareholders for their confidence in us.

Bremen, March 22, 2022



Marco R. Fuchs
Chief Executive Officer

REPORT OF THE SUPERVISORY BOARD



Dear shareholders,

In 2021, the Supervisory Board performed its duties with due care in accordance with the applicable statutory requirements, the provisions of the Company's bylaws and its rules of procedure. It regularly advised the Management Board on the management of the Company and monitored it on an ongoing basis. In addition to its supervisory function, the activities of the Supervisory Board also include a formative element. Thus, the Supervisory Board contributes to the Company's business success not only in the short term, but also in the medium and long term.

The Management Board briefed the Supervisory Board regularly and comprehensively on the Group's business performance, current tendering processes, order intake, the relevant financial indicators and capacity utilization at OHB SE, the other Group companies and the individual business units. The Management Board answered all of the Supervisory Board's questions in full and comprehensively. The Supervisory Board sought and received ongoing information on corporate planning, strategic development and the main acquisition projects and advised the Management Board on individual matters relating to human resources, corporate acquisitions and project tenders.



f. l. t. r.

Prof. Heinz Stoewer

Deputy Chairman of the Supervisory Board, member of the Supervisory Board since 2005, born in 1940, Professor em. Space Systems Engineering, Technical University of Delft, Netherlands, Managing Director of Space Associates GmbH, Munich

Ingo Kramer

Member of the Supervisory Board since 2018, born in 1953, degree in industrial engineering, partner of J. Heinr. Kramer Holding GmbH & Co. KG, Bremerhaven

Christa Fuchs

Member of the Supervisory Board since 2002, born in 1938, businesswoman, managing shareholder of VOLPAIA Beteiligungsgesellschaft mbH, Bremen

Robert Wethmar

Chairman of the Supervisory Board since 2018, member of the Supervisory Board since 2012, born in 1961, attorney at law, LL.M., partner at the international law firm Taylor Wessing, Hamburg

in the year under review were attended in full. All members of Management Board attended all of the meetings of the Supervisory Board in nearly all cases. One member of the Management Board sent his apologies for the meeting of September 21. The minutes of all the Supervisory Board's meetings were taken by the Company's legal counsel.

The meeting held on **January 29, 2021** was devoted to the announcement by the European Space Agency (ESA) on behalf of the European Commission that OHB Systems AG's bid for the second-generation satellites in the Galileo program had not been accepted. The Supervisory Board discussed the evaluation of ESA's reasons for its decision, the conclusions to be drawn from it for the future and the competitive environment. The Supervisory Board agreed that there were sufficient aspects and arguments to justify a judicial review of the decision and supported the Management Board's actions in this regard. In addition, the Supervisory Board deliberated on the corporate planning for the years from 2021 to 2023, which had been revised in the light of the Galileo decision, and approved the new guidance for 2021 presented by the Management Board. Finally, the Supervisory Board discussed current aspects of digitization at OHB SE.

The meeting held on **March 16, 2021** was chiefly devoted to the Management Board's report on the Group's performance in the period commencing January 1 and ending December 31, 2020, the current state of business as well as the forecasts for 2021. For this purpose, the Management Board submitted the annual financial statements, the consolidated financial statements, the management report for OHB SE and the Group management report for 2020. The independent auditor from PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, personally presented the audit report and elaborated on it at this meeting. The Supervisory Board approved and, consequently, duly adopted the consolidated financial statements and the annual financial statements of OHB SE after a detailed review. The Report of the Supervisory Board including the declaration of consent of the Related Parties Report prepared by the Management Board was also approved. The Supervisory Board took note of and unanimously adopted the Management Board's proposal for the allocation of the unappropriated surplus and the distribution of a dividend of EUR 0.43 per share for approval by the shareholders.

Meetings in 2021

The Supervisory Board held six ordinary meetings at which it deliberated on the Group's business performance, the reports submitted by the Management Board, the updates on the status of current projects, pending tender processes, planned acquisitions and the corporate budget for 2022–2024. Ordinary meetings of the Supervisory Board in 2021 were held on January 29, March 16, April 12, May 26, September 21 and December 17 at the Company's offices in Bremen. All six meetings of the Supervisory Board held

In addition, the Supervisory Board deliberated on the agenda for the 7th Annual General Meeting to be held on May 26, 2021 and, in particular, on the upcoming elections to the Supervisory Board. As well as this, the Supervisory Board discussed the establishment of committees consisting of members of the Supervisory Board and subsequently decided to set up three committees to which the following persons were appointed:

- **Audit Committee:** Ingo Kramer (chair), Christa Fuchs, Robert Wethmar
- **Personnel Committee:** Robert Wethmar (chair), Ingo Kramer, Prof. Heinz Stoewer
- **Corporate Governance and Nominating Committee:** Robert Wethmar (chair), Christa Fuchs, Prof. Heinz Stoewer

Following the decision taken at the previous meeting to form committees, the Supervisory Board unanimously decided at its meeting on **April 12, 2021** to update OHB SE's declaration of conformity to reflect recommendations D.2 to D.5 and D.11 of the German Corporate Governance Code (formation of committees). Moreover, it set the dates for the first meetings of the committees. In connection with the establishment of committees, the Supervisory Board also discussed an amendment to the Articles of Association concerning the remuneration of the Supervisory Board. In particular, the remuneration of the Supervisory Board should no longer be determined on the basis of the Company's articles of association but decided by the shareholders. The members of the Supervisory Board unanimously approved this proposed amendment to the articles of association. In addition, the Supervisory Board deliberated again on the agenda for the 7th annual general meeting to be held on May 26, 2021, confirmed the dividend proposal of EUR 0.43 per share for 2020 after detailed discussion and accepted the proposal to hold the annual general meeting in virtual form. Further items on the agenda concerned European employee affairs and intensive treatment of project management within the Group.

At the meeting of **May 26, 2021**, the Supervisory Board and the Management Board confirmed their satisfaction with the second online annual general meeting that had been held that morning. Following the election of a certain number of members at that annual general meeting, the newly elected Supervisory Board was constituted and elected Mr. Robert Wethmar as Chairman and Prof. Heinz Stoewer as Deputy Chairman of the Supervisory Board. Subsequently, the Management Board reported on the Group's business performance in the first quarter of 2021 and the current state of business. In addition, the Management Board and Supervisory Board discussed the share buyback program, which is to be launched in the coming weeks on the basis of the resolution passed at the annual general meeting on May 26, 2020. Finally, the Supervisory Board appointed Mr. Marco Fuchs to the Management Board of the Company for a further three years, i.e. until June 30, 2024.

At the meeting of **September 21, 2021**, the Management Board reported on OHB SE's business performance in the first half of the year and on the current state of its business. As well as this, it presented various business expansion projects and provided information on the business situation of individual Group companies. The chairs of the Supervisory Board's Audit Committee and the Personnel Committee subsequently reported on their first meetings. Other items on the agenda included a status report on various lease agreements between OHB companies and companies of the Fuchs family and the resolution to engage PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, as the external auditor following its election at the annual general meeting on May 26, 2021.

Held on **December 17, 2021**, the Supervisory Board's final meeting for the year dealt primarily with the Management Board's report on the Group's business performance in the third quarter of 2021, the current business situation and the expected full-year financial figures for 2021. In addition, the Management Board presented the budget for the years from 2022 to 2024, which the Supervisory Board duly noted with approval. As well as this, the Management Board reported to the Supervisory Board on the current status of the ongoing business development activities, outlined the medium-term prospects for the individual companies and also discussed current acquisition projects.

The December meeting also dealt with the presentation of the 2021 internal audit report and the 2022 audit plan, which was unanimously approved by the Supervisory Board. Legal counsel presented the compliance report for 2021, which the Management Board and Supervisory Board duly approved. Other corporate governance matters included the adoption of the declaration of conformity in accordance with Section 161 of the German Stock Corporation Act on the basis of the German Corporate Governance Code as amended on December 16, 2019 and the self-assessment of the effectiveness of the Supervisory Board's performance of its duties in 2021..

In addition, the Supervisory Board took two personnel decisions: it renewed Dr. Lutz Bertling's appointment to the Management Board until December 31, 2023 and appointed Ms. Daniela Schmidt to OHB SE's Management Board for the first time with effect from January 1, 2022 until December 31, 2024. Ms. Schmidt is responsible for sustainability, integrity, legal and corporate security.

Corporate governance

The Management Board also submitted a corporate governance report to the Supervisory Board in accordance with Principle 22 of the German Corporate Governance Code in connection with the corporate governance declaration stipulated by Section 289f of the German Commercial Code. The corporate governance declaration can be examined at OHB SE's website. The Supervisory Board regularly discussed the application and further development of the principles of corporate governance within the Company. On December 17, 2021, the Management Board and the Supervisory Board issued an updated declaration of conformity in accordance with Section 161 of the German Stock Corporation Act and made this available permanently to shareholders on the Company's website.

Non-financial consolidated statement in accordance with Section 315b of the German Commercial Code

In 2021, the Supervisory Board examined the non-financial statement pursuant to Section 315b of the German Commercial Code for 2020 prior to its publication.

Approval of the annual financial statements for 2021

The annual financial statements, the consolidated financial statements and the related management reports of OHB SE for 2021 were audited by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft, Bremen, and given an unqualified auditor's opinion.

These documents were made available to all members of the Supervisory Board in sufficient time. At the Supervisory Board's balance sheet meeting held on March 22, 2022, these documents were discussed in the presence and with the involvement of the statutory auditor.

The Supervisory Board did not raise any objections and accepted the results of the audit. It approved the consolidated financial statements, as a result of which they are now deemed to have been duly adopted. The Supervisory Board concurred with the Management Board's proposal for the allocation of the Company's unappropriated surplus. The related parties report prepared by the Management Board was audited by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft, Bremen, and given the following unqualified audit certificate:

"Having examined and assessed the related parties report in accordance with our duties, we hereby confirm that

1. the facts stated in the report are correct,
2. the Company's transactions as detailed in the Report were not unreasonably high."

The Supervisory Board raises no objections following its own examination and therefore approves the Management Board's related parties report.

Changes to the Supervisory Board and the Management Board

There were no changes to the composition of OHB SE's Supervisory Board and Management Board in 2021.

Vote of thanks

The Supervisory Board wishes to sincerely thank the Management Board, all employees and the employee representatives for the work they performed. Despite the difficult conditions, they thus contributed to a successful financial year for OHB SE.

Bremen, March 22, 2022

Robert Wethmar
Chairman of the Supervisory Board

GAINS IN EQUITY MARKETS DESPITE TURBULENT CONDITIONS IN 2021

Despite the protracted Covid-19 pandemic, the German blue chip index (DAX) rose by 15.8% in the course of 2021, closing the year higher for the ninth time in ten years. In November, it reached an all-time high of 16,290 points before retreating in the ensuing weeks and closing the year at 15,884 points. The TecDAX, which is composed of the 30 largest German tech stocks, posted a gain of 22%, equivalent to 707 points. In addition to the pandemic, investors took their cues from other adverse developments such as possible interest rate hikes due to increased inflation and global supply chain problems. Even so, the year under review was a successful one for IPOs, with flotations climbing to a twenty-year high and a total of 22 transactions worth around EUR 10 billion completed in Germany.

OHB SHARE DOWN OVER THE YEAR AS A WHOLE AFTER A GOOD START

The initially very strong gains posted by the OHB share at the beginning of the year came to a halt in mid-February, after which the share traded at a lower level throughout the remainder of the year. It closed the year 7% down in a trading range of between EUR 36.00 and EUR 49.85. Average daily trading volumes rose from 14,122 shares in the previous year to 18,318 in 2021 (including 13,257 via Xetra and Frankfurt floor 5,061 via Tradegate).

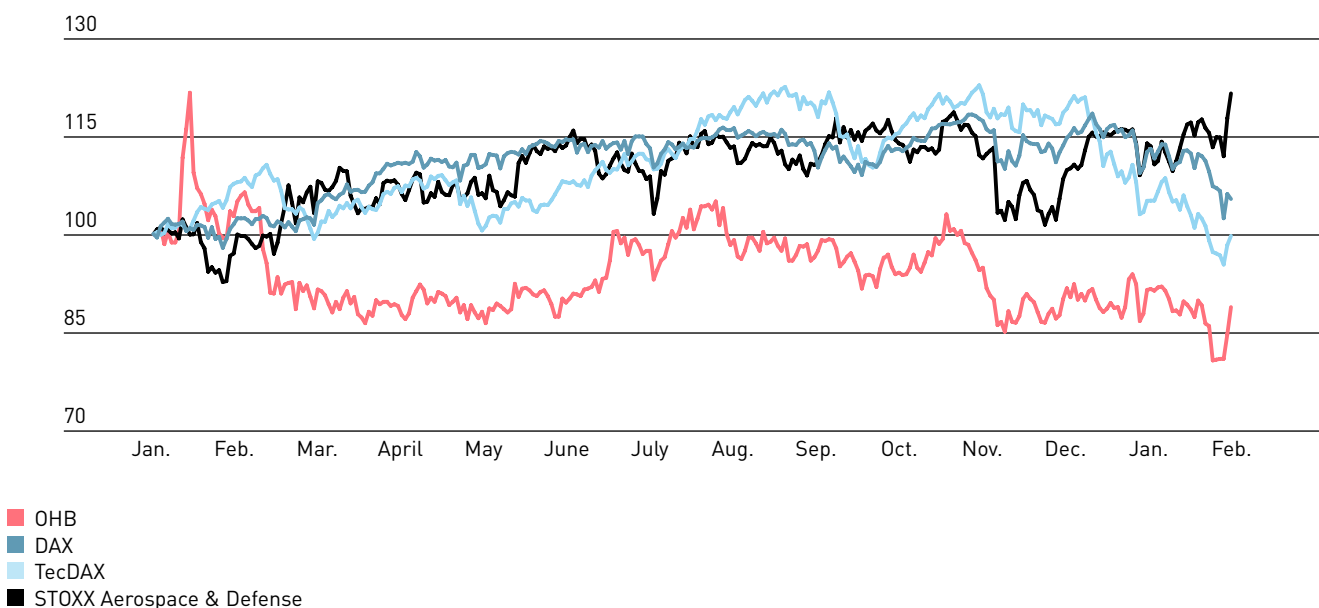
TREASURY STOCK

As of December 31, 2021, OHB SE's treasury stock comprised a total of 107,496 shares, equivalent to 0.62% of its issued capital.

STOCK BUYBACK PROGRAM

The share buyback program adopted by the Management Board of OHB SE on June 17 ended on October 8 with the completion of a preliminary tranche. The authorized number of 77,000 shares, which were acquired at an average price of EUR 38.6469, was reached on that day. The share buy-back program currently has a total value of EUR 2,975,814.20. The legal basis for the program is the resolution passed at the annual general meeting on May 26, 2020, under which the shares acquired may be used for all legally permissible purposes, including the acquisition of companies and the award of shares to employees or members of the Management Board in fulfillment of existing or future contractual remuneration commitments. The program, which has a maximum volume of 170,000 shares and a maximum total purchase price (excluding acquisition costs) of EUR 6 million, expires on March 31, 2022 at the latest. Further information on the share buyback program can be found in the Investor Relations section of our website (www.ohb.de) under the menu item "OHB share", sub-item "Share buyback".

Performance of OHB share in comparison to DAX, TecDAX and STOXX Aerospace & Defense
for the period from January 4, 2021 to February 28, 2022 in %



OHB stock parameters

in EUR	2021	2020	2019	2018
Year-end closing price	36.00	38.60	43.50	30.90
High for the year	49.85	46.7	48.65	49.75
Low for the year	33.50	25.65	29.60	27.55
Market capitalization (end of year) in million	629	674	760	540
Average daily trading volume (shares) including Xetra, Floor, Tradegate	18,318	14,122	7,768	15,659
Price/earnings ratio (P/E) (end of year)	22.78	32.17	29.59	21.46
Earnings per share (EPS)	1.58	1.20	1.47	1.44
Dividend per share	0.48*	0.43	0	0.43
Dividend yield (end of year)	1.33 %	1.11 %	0.00 %	1.39 %

* Subject to approval by the shareholders

Analyst ratings

Date	Bank	Target price in EUR	Rating
February 2022	DZ Bank AG	48.00	buy
January 2022	HSBC Trinkaus & Burkhardt	53.00	buy
January 2022	Stifel Europe Bank AG	50.00	buy
January 2022	Kepler Cheuvreux	47.00	buy
January 2022	Pareto Securities	45.00	buy

OHB stock data

ISIN	DE0005936124
Ticker	OHB
Sector	Prime Standard
Industry	Aerospace, Telecommunication, Information Technology
Indexes	Prime All Share, Tec All Share, CDAX
Designated Sponsor	DZ Bank AG, Stifel Europe Bank AG
Issued capital	EUR 17,468,096
Share type	Bearer shares without par value

IR CONTACT

Martina Lilienthal

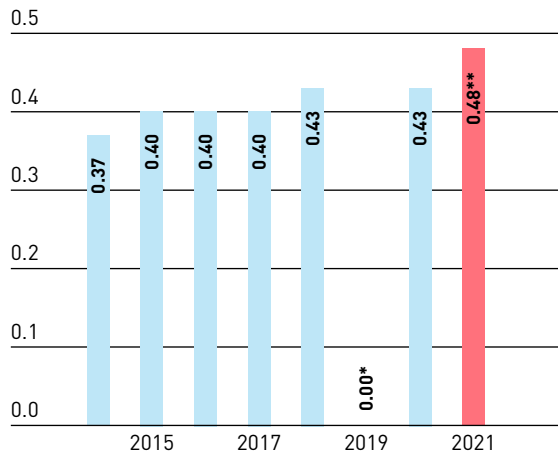
Investor Relations

Phone: +49 (0) 421-2020 7200

Fax: +49 (0) 421-2020 613

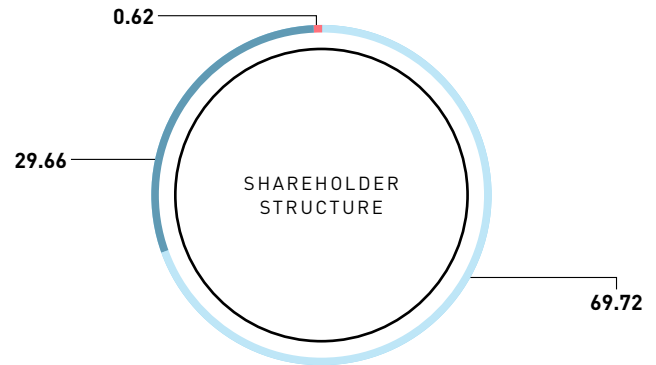
Email: ir@ohb.de

Dividend performance
2014–2021 in EUR



* Due to the Covid-19 pandemic
** Subject to approval by the shareholders

Shareholder structure OHB SE
as of December 31, 2021 in %



Issued capital: shares 17,468,096

- Treasury stock (shares 107,496)
- Free float (shares 5,181,880)
- Fuchs pool (shares 12,178,720)

DIVIDEND PAYMENT APPROVED AT THE VIRTUAL ANNUAL GENERAL MEETING

The shareholders of OHB SE received a dividend of EUR 0.43 per share for the 2020 financial year (the same amount as the last pre-pandemic distribution). The shareholders approved a motion to this effect by the Management Board and the Supervisory Board at the annual general meeting on May 26. All the other items of the agenda were also approved with a large majority. Specifically, these were the motions to ratify the actions of the Management Board and Supervisory Board, to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, as the external auditor, to elect Robert Wethmar, Prof. Heinz Stoewer and Christa Fuchs to the Supervisory Board in an individual vote for a further term of office and to adjust the Supervisory Board remuneration with corresponding amendments to the articles of incorporation. Due to the Covid-19 pandemic, this year's meeting was again held virtually, i. e. without the physical presence of the shareholders. The virtual annual general meeting was live-streamed online.

INVESTOR RELATIONS ACTIVITIES

In January, representatives of the Company attended the Germany conference organized by Kepler Cheuvreux in Frankfurt, presenting OHB in various conversations with potential investors. OHB SE's Management Board provided preliminary guidance for the current year during the capital market day held in the form of a webcast on February 11. In a series of presentations, the participating analysts, investors and bankers were updated on the implementation of the "OHB 2025 - Shaping the future" strategy, the progress being made on current projects and new market developments. The Company published its consolidated financial statements for 2020 on March 17, 2021, holding a virtual press conference attended by various media representatives followed by a separate analysts conference. In the third quarter, the Company attended a conference jointly hosted by Commerzbank and ODDO BHF in virtual form. In the fourth quarter, OHB representatives took part in both the DZ Bank online conference and the virtual German Equity Forum organized by Deutsche Börse.



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I. BASIS OF THE GROUP

[A] GROUP BUSINESS MODEL

As a space technology group, OHB SE combines activities from different areas of space-related high technology. As the individual subsidiaries are spread geographically across different European countries, the Company as a German group has operations in key member countries of the European Union (EU) and the European Space Agency ESA. This is a crucial requirement for successfully taking part in projects under national and European space programs. The individual companies are able to retain their individuality and corporate culture within the Group, while still being bound by the decisions made by the Group holding company and being able to harness synergistic benefits. OHB SE does not engage in any operating business itself but supports the subsidiaries in various areas, particularly sales and marketing activities, participation in trade fairs, human resources, procurement, the installation and maintenance of the IT infrastructure and digitalization, thus assuming the role of an active holding company. As of the end of 2021, OHB SE comprises the following three segments:

„SPACE SYSTEMS“

This segment focuses on developing and executing space projects. In particular, it is responsible for developing and assembling satellites for navigation, research, communications, Earth and weather observation and reconnaissance including scientific payloads for low and geostationary orbits as well as beyond. The Group companies assigned to this segment are already involved in various institutional projects that help to analyze the changes on the Earth at an early stage, enabling adverse developments to be addressed in a timely manner. Earth observation satellites are developed, built and tested. They collect a wide range of environmental data and thus generate significant added value for scientists and political decision-makers. The tasks performed by our satellites include addressing the increasingly urgent problem of climate change and associated effects such as the melting of polar ice, the scope for improving resource management and the detection of pollution in waters and other habitats. Reconnaissance satellites and broadband wireless transmission of image data form core technologies for security and reconnaissance. The exploration segment works on studies and models for exploring our solar system, primarily the moon, Mars and the asteroids. Its human space flight activities chiefly entail projects for the assembly and outfitting of the International Space Station ISS and the future Lunar Gateway.

„AEROSPACE“

This segment is primarily responsible for assembling and developing aviation and space products as well as performing other industrial activities. In this area, OHB has positioned itself as a significant supplier of aerospace structures; among other things, it is the largest German supplier of components for the Ariane program and an established producer of components for satellites and aircraft.

The Group companies have also launched an initiative to gain system skills in small launchers to complement their existing capabilities.

„DIGITAL“

The focus of the DIGITAL segment is on ground-based space systems (e. g. mechatronic systems for antennas and radio and optical telescopes), the operation of space-borne systems, digital applications based on satellite data as well as information technology and cybersecurity. OHB is thus building a foothold in these fast-growing market segments and tapping commercial markets that are subject to cycles differing from those of the institutional satellite and launcher market. Process control technology is responsible for the reliable monitoring and control of the electric traction power supply for trains on the entire network operated by Deutsche Bahn (DB).

[B] TARGETS AND STRATEGIES

The Group is continuing to pursue a policy of steady growth and increased total revenues. Annual average growth of above 10% is being targeted. This involves preserving and broadening its employees' expertise and protecting jobs. The profitability margins (EBIT and EBITDA relative to total revenues) are to be significantly increased in the coming years. These goals are to be reached by expanding business development activities, establishing and expanding the new DIGITAL segment, participating in the ramp-up of Ariane 6, implementing a program for boosting productivity, leveraging existing technologies, subsystems and products to a greater extent and pursuing further technological developments. Generally speaking, a positive cash flow from operating activities is being targeted. The Group will continue to focus on the space industry. The growth referred to above is primarily to be generated organically in this sector. Non-organic growth is being specifically sought in the future DIGITAL segment only. Business with institutional customers still forms the basis of OHB SE's activities. In this connection, the Group is clearly oriented to the European market. With the SmallGEO, Triton-X and InnoSat series developed by the SPACE SYSTEMS segment together with Earth observation satellites, the Group is additionally able to offer satellite products to commercial customers. These activities are not confined to the European market. DIGITAL will be concentrating on expanding services. These will entail the operation of satellites and satellite constellations as well as the development and marketing of software products or using space-derived data. As well as this, DIGITAL assembles ground-based systems such as satellite ground systems, antennas and telescopes.

[C] MANAGEMENT PROCESS SYSTEM

OHB SE's overarching goal is to steadily increase its enterprise value by improving its earnings potential on a sustained basis. The Group manages its financial position on the basis of the following performance indicators: total revenues, earnings before interest and taxes (EBIT), earnings before interest, taxes, depreciation and amortization (EBITDA) and cash flow. These parameters are defined

in an annual budget and tracked during the year by means of forecasts and reports on actual figures together with deviation analyses at the project level. The only performance indicator used by OHB SE is net profit for the year. Cash flows are managed at the project level by means of individual measures taken in consultation with customers and suppliers in order to optimize liquidity. Further management factors include productivity ratios, particularly employee productivity. Other important non-financial performance indicators are employee numbers in the individual companies as well as the fluctuation rate, for which a target of less than 5% has been defined. It was exceeded in 2021. The tool for analyzing the reasons for fluctuation, which has been developed for this case in particular, provides the input for an employee retention plan to be implemented this year. Fluctuation monitoring is aided by the measurement of employee satisfaction, which was carried out in 2018 at OHB System AG using the Organizational Health Index (OHI) offered by the McKinsey Group. Regular pulse checks are performed on the basis of the resultant status reports.

[D] RESEARCH AND DEVELOPMENT

In the year under review, OHB spent EUR 19.3 million (previous year: EUR 19.5 million) on research and development (R+D). The SPACE SYSTEMS segment accounted for EUR 17.2 million (previous year: EUR 12.6 million), the AEROSPACE segment for EUR 2.0 million (previous year: EUR 6.9 million) and the newly established DIGITAL segment for EUR 0.1 million (previous year: EUR 0 million). Part of the R+D activities are being funded in the form of grants (EUR 1.1 million; previous year: EUR 1.3 million) from various institutions such as the European Union and national government agencies. These grants account for between 25% and 75% of the total costs depending on the percentage of completion of the development project.

In the SPACE SYSTEMS segment, the main priorities, which were confirmed in 2021, are technological enhancements specifically for Earth observation and scientific research and exploration. In this connection, activities that combine technological progress with cost-cutting effects are growing in importance. Work on enhanced mission concepts based on the development of universal, cost-effective platforms for low-flying satellites and cost-effective launch concepts for these satellites was continued. A further important area being addressed by OHB System AG again entailed technologies for advancing and future-proofing the SmallGEO platform particularly in the light of commercial customers' requirements and the need for secure public-sector communications.

In addition, special attention is paid to internal studies and design work for constellations comprising a medium to large number of low and medium-orbit satellites. These latter activities are attractive for LuxSpace Sàrl, OHB Sweden AB and OHB Italia S.p.A in particular. Constellations of this type based on high-quality satellites are also becoming increasingly relevant for OHB System AG. These subsidiaries are also working on concepts and mission systems for smaller Earth observation constellations. Various internally financed studies are being stepped up for individual technologies and are considered to be particularly relevant for the system performance of the SPACE SYSTEMS segment. OHB System AG has established a task force to explore quantum cryptology and quantum computing to determine the relevance and application of these new technologies for future mission concepts, particularly in the context of the planned European constellation for public-sector and secure telecommunications.

Aspects of space situational awareness such as space traffic management or space surveillance and tracking (e. g. space debris detection and removal) as well as the detection and potential deflection of near-Earth objects, such as asteroids, will play an important role in the future. OHB is readying itself for this potential market, in which preliminary missions have already been executed, by engaging in customer-funded and internally financed studies. Exploration, which is expected to grow in importance in the second half of this decade, will be addressed by means of appropriate studies.

In the AEROSPACE segment, launcher development activities primarily focused on the final qualification of the Ariane 6 components. The qualification tests carried out for this purpose confirmed that all components had successfully withstood the test loads based on the range of future missions. Under the European Space Agency (ESA) Future Launcher Preparatory Program (FLPP), the focus is on development projects that significantly improve the payload performance of a launcher stage. In addition, further projects were launched to develop and demonstrate CFRP designs for highly stressed, two-dimensional structures as well as for concentrated load transmission structures on the basis of realistic product requirements. In 2021, two major ESA projects were initiated in the area of additive manufacturing (AF). These are furthering the product-related development of AF, based on the two processes DED and A-FSW. The aim is to produce complex components in a wide variety of different industrial applications.

In the DIGITAL segment, competence centers for artificial intelligence and big data processing were set up. A third competence center for cybersecurity has been under construction since the beginning of 2022. These centers will pool and coordinate the expertise held by the various companies within the DIGITAL segment. Accordingly, these areas were also the main focus of the work performed. In addition, "digital twin" skills were expanded.

[A] UNDERLYING CONDITIONS

I. Underlying economic conditions

The economic output of Germany as an ESA member is of particular relevance for the OHB Group's business activities as the ESA contributors' budget is based on their individual gross domestic product. In addition, ESA imposes certain requirements that guarantee that the contributions that are made flow back into the domestic industries via contract awards. Despite the protracted Covid-19 pandemic, German economic output, i.e. gross domestic product, widened by 2.8% compared to the previous year, which had been marked by the effects of the pandemic for the first time. In 2020, this figure had fallen (-4.6%) for the first time after a ten-year growth phase. Unemployment declined slightly over the previous year, with an annual average of 2.61 million people unemployed in Germany in 2021, marking a decrease of 0.2 percentage points to 5.7%. Inflation rose very significantly over the previous year, averaging 3.1% in Germany in 2021, up from 0.5% in the previous year.

II. Sector-specific environment

Space flight maintained its momentum in 2021 despite the effects of the pandemic. After the known launch of approximately 1,200 satellites in 2020, 1,730 spacecraft went into operation in the year under review, of which around 90% were commercial satellites (for Starlink, OneWeb, Planet, etc.), while 6% (99) were civilian institutional satellites (navigation satellites, satellites for climate monitoring, etc.) and 4% (74) known military satellites (reconnaissance, early warning, etc.). These satellites were successfully placed in orbit by a total of 134 launchers. Alongside established market players such as SpaceX and OneWeb, young companies (e.g. IceEye, Astrocast, Kepler, etc.) are driving the continued sharp increase in the number of new satellites. All over the world, further start-ups are entering the market. Private-sector space activities continued to grow rapidly and, alongside traditional institutional business, are evolving into a swiftly expanding economic factor.

Measured in terms of direct annual sales, the space industry still holds only a niche position compared with other industries in Europe and also the rest of the world but is indirectly of crucial importance for the economy as a whole. Space is an "enabling" industry. Infrastructure, mobility, digital transformation and quantum technologies are inextricably linked to space travel. Nearly all industries require space-based data. New technological developments that will determine our lives in the foreseeable future also rely on space-based applications. This development is picking up great pace: According to current forecasts, the global space market is set to grow from USD 337 billion (of which approximately 11% is upstream and 89% downstream services) in 2021 to over USD 640 billion in 2030 and to more than USD 1 trillion by 2040.

Navigation, Earth observation and communications satellites orbiting in space have a firm place in our infrastructure with an importance comparable to that of high-voltage power lines, roads, water ways and air transportation. Total failure or shutdowns – even only in material parts – would trigger a regional or global social and economic collapse. In addition to their core positioning function, navigation satellites also provide a global time reference. For example, they allow IT systems to be synchronized globally, providing the basis for international financial transactions to be executed and documented reliably. Electricity grids and communication networks also use the time signals.

The data collected by weather satellites ensures safe flying conditions and more frequent flights, improved efficiency in agriculture, the avoidance of poor harvests and more plannable logistics and holiday travel. In Europe alone, the economic benefits of weather satellites are estimated to be worth EUR 15–61 billion per year.

Space flight makes a material contribution to improving environmental protection and, for example, allows the causes of and flows in migration to be observed, thus making a decisive contribution to improving civil and military security. Not least of all, satellite data also provides valuable information to better understand the impact and spread of the Covid-19 pandemic. Space may be a small industry but it is of crucial importance for a modern and efficient economic system.

It is playing an indispensable role in trends such as the Internet of Things, future (autonomous) mobility in the air, on the ground and in the water, the global digital transformation and the availability of broadband communications in remote areas, climate and environmental protection and the protection of our planet.

Space activities vary greatly from region to region but are particularly important in the United States (total of 51 launches in 2021) China (55), Russia (24), Europe (7), Japan (3), India (4), South Korea (1), Canada, Israel, South Africa and Iran. China has almost reached eye level with the historically strong regions, while activities in India have also developed significantly. For several years now, the United Arab Emirates has been particularly active, while many emerging markets have been engaging in activities within the scope of the possibilities available to them. Space is acknowledged socially and politically as a key global industry.

Given the long-term nature of the programs and projects, macroeconomic and political conditions in individual countries have only a limited direct impact on current programs and projects. Moreover, depending on the region in question, commercial, civil and military space programs are often linked with each other to very differing extents or are completely independent of each other. Although the Covid-19 pandemic has caused delays in a number of space activities, there have not been any changes to programs or budgets. The space industry has thus once again proven to be extremely resilient in the face of crises. On the contrary, considerable additional resources have been channeled away from the Covid recovery program into space travel in Europe in particular.

Macroeconomic developments inherently have a somewhat greater impact on commercial and privately funded space flight, which is of less relevance for OHB. This particularly applies to funding opportunities for young space companies and start-ups. In the second half of 2021, the willingness to invest venture capital in space weakened due to an expected turnaround in the fixed-income markets and the limited success of the IPOs of relevant companies.

As far as the OHB Group is concerned, the programs initiated by the European Space Agency (ESA) and the EU as well as the national space activities of the countries in which the OHB subsidiaries are domiciled remain stable thanks to their multi-year budget horizons.

The budget for the German national space program was valued at around EUR 313.8 million in 2021, with a figure of EUR 369.8 million earmarked for 2022. The German Space Agency aims to increase this budget to EUR 500 million annually in the short to medium term. It is primarily funded by the German Federal Ministry for Economic Affairs and Climate Action. This is supplemented by project-tied funds from other sources such as the Federal Ministry of Defense, the Federal Ministry of Transport and Digital Infrastructure and others.

The budget of the European Space Agency ESA amounted to EUR 4.55 billion in the year under review, plus an additional EUR 1.94 billion for programs implemented by ESA on behalf of institutional partners (e.g. EU, EUMETSAT etc.). The budget for 2022 stands at EUR 4.81 billion from ESA's own funds, plus an additional EUR 2.34 billion from other sources. The German contribution to the ESA space program was EUR 920 million in 2021, with a figure of EUR 915 million budgeted for 2022.

At the ESA Conference of Ministers in Seville, Spain, in November 2019, programs with a record value of EUR 14.4 billion were approved for the next few years. The German share and, hence, also flowback amounts to EUR 3.3 billion over the duration of the new programs. This is the largest German contribution in ESA's history, simultaneously making Germany the largest contributor. Since ESA largely implements the "geo-return" principle, this is opening up corresponding opportunities for the German space industry. Preparations are already underway for the next Conference of Ministers in Paris in November 2022. ESA is aiming for a further significant increase in the budgets to be approved at the Conference compared to 2019.

The European Commission has proposed a significant increase in the budget for space to EUR 13.2 billion for the next multiannual financial framework from 2021 to 2027. The main elements of the budget are the Galileo and Copernicus programs and – more recently – secure satellite communications and space surveillance programs.

In the United States, NASA had a budget of USD 22.6 billion in 2020 and of USD 23.3 billion in 2021. A sum of USD 24.8 billion has been requested for 2022. In addition, the US Department of Defense's budgets for space projects came to a total of more than USD 26.6 billion in 2020. As the Department of Defense does not

have any overarching space budget and the details of many other activities are not published, a total budget of around USD 40 billion is expected for space activities in 2022. Accordingly, no verifiable figures are available; the US government's estimated expenditure on space travel is currently in excess of USD 60 billion per year.

The Russian Federation's space activities have still not been given any clear perspective in the almost three decades since the end of the Soviet Union. The civilian and military budget for 2021 is believed to be worth approximately USD 4 billion (of which approximately USD 1.7 billion is civilian). It is not yet possible to determine how the current war in Ukraine will affect Russian space programs and cooperation with foreign space organizations.

Although the United States in particular has substantially scaled back its joint activities with the Russian Federation, it still remained dependent on Russia for the transportation of supplies and astronauts to the International Space Station ISS up until the third quarter of 2020. With the completion of SpaceX's first commercial flight, the US regained autonomous access to the ISS in November 2020 and is currently making routine use of this possibility.

China, India, Japan, South Korea, the United Arab Emirates, Turkey and Brazil are still pursuing their ambitions of establishing national space flight capabilities and infrastructures, although Turkey and Brazil are experiencing some setbacks due to their economic situation. The installation of a national satellite-based navigation system, the country's own space station and long-term successful lunar landings including on the far side of the moon with rovers for robot-based exploration and, looking further into the future, with Taikonauts (Chinese astronauts) form core elements of the Chinese space program. After the United States, China has the highest national space budget.

The last ESA Conference of Ministers was of crucial importance for the European space industry both economically and in terms of programs. OHB benefited from this with the award of numerous contracts. Similar impulses are expected to come from the ESA Conference of Ministers in November 2022.

In addition to this established market with mostly institutional funding, growing worldwide momentum can also be observed as new, largely privately financed companies have entered the market or are in the process of doing so. In addition, a large number of start-ups are building microsatellites and launch systems based on small vehicles and developing innovative applications for using the data gained or transferred from them. This is triggering a revival in the space industry, which OHB views as an enrichment rather than a threat. This is particularly the case with start-ups, where a certain trend reversal is emerging. Young companies aiming to establish large telecommunications constellations (Starlink, OneWeb, etc.) have sought very high vertical integration. A different situation applies to the growing number of companies that want to build relatively small constellations with comparatively high-quality satellites, especially for Earth observation applications. They are increasingly relying on established, but agile and cost-effective producers, something that offers clear opportunities for OHB.

Demand has been softening in the market for geostationary (GEO) satellites for a number of years. At the same time, there has been a boom in small satellites for low-Earth orbits (LEO). More than 1,500 of such satellites were launched in 2021 (up from 1,010 in the previous year and 175 in 2019). An additional market for communication satellites in medium orbits (MEO) with a relay function is currently emerging, for which OHB is well equipped with the SmartMEO platform and the experience it has gained with laser-optical communications.

The lower number of launches of geostationary satellites, combined with new providers (SpaceX, Blue Origin) in the launcher segment, is spurring competition, thus exerting pressure on prices. As in the prior year, only three Ariane 5 vehicles were launched from the Kourou spaceport in 2021. All three launches were successful. A further Ariane 5 launch is scheduled for 2022, after which solely the newly developed Ariane 6 will be used following its maiden flight in the second half of 2022. Production of the Ariane 5 was discontinued in full in 2020. This factor, together with a decline in expected demand for Ariane 6, will lead to substantially lower revenues and necessitate adjustments to production capacities.

[B] OHB SE'S BUSINESS PERFORMANCE IN 2021

The Group's business performance in the year under review largely matched the Management Board's expectations. In February 2021, the Company published a full-year forecast for the three main important financial indicators. The forecast for total revenues was EUR 1.0 billion, while the profitability ratios EBITDA and EBIT were EUR 80 million and EUR 45 million, respectively. As in the previous year, total revenues, [SEE CHART \[01\]](#), were impacted by the pandemic-related postponement of subcontracted activities to later periods. The expected catching-up effect failed to emerge in the year under review; the fallout from the pandemic is still leaving traces on this figure, which came to

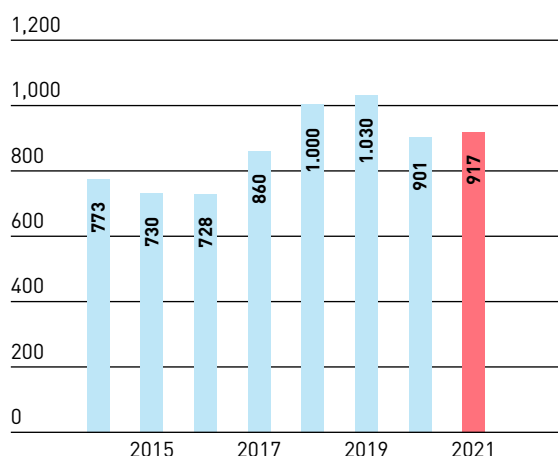
EUR 917 million in 2021 EBITDA and EBIT came to EUR 84 million and EUR 47 million, respectively. At 9.1%, the EBITDA margin was higher than the previous year's figure of 8.5% due to the smaller proportion of subcontractor services and the correspondingly higher own value creation. As this effect was counteracted by higher depreciation and amortization expense compared to the previous year, the EBIT margin shrank to 5.1% (previous year: 4.8%). Consolidated net profit after non-controlling interests rose to EUR 27.5 million (previous year: EUR 20.9 million), while earnings per share came to EUR 1.58 (previous year: EUR 1.20) [SEE CHART \[02\]](#). These key figures were influenced on the one hand by a significantly improved financial result compared with the previous year and, on the other hand, by increased taxes. As expected, order backlog at the end of the previous year (EUR 2,632 million) contracted as of the reporting date but, at EUR 2,121 million, continues to ensure strong capacity utilization and a high forward planning visibility.

[C] BUSINESS PERFORMANCE

The OHB Group largely continued its favorable business performance in 2021. As in the previous year, total revenues were affected by the impact of the Covid-19 pandemic but improved by 2% to EUR 917 million (previous year: EUR 901 million). In line with total revenues, sales increased by 3% to EUR 905 million, up from EUR 880 million in the previous year. The transformation of the space industry from what was once a solely research or politically/ideologically driven segment into a user-oriented and economically significant market has formed the basis for Group's continuous and sustained growth over the last one-and-a-half decades. The Management Board believes that the areas in which it engages via its subsidiaries place it in an excellent position. In particular, the Management Board of OHB SE sees Earth observation as a growth segment, and the significant order intake registered in this area following the Conference of Ministers held at the end of 2019 bears out this assessment. After the growth

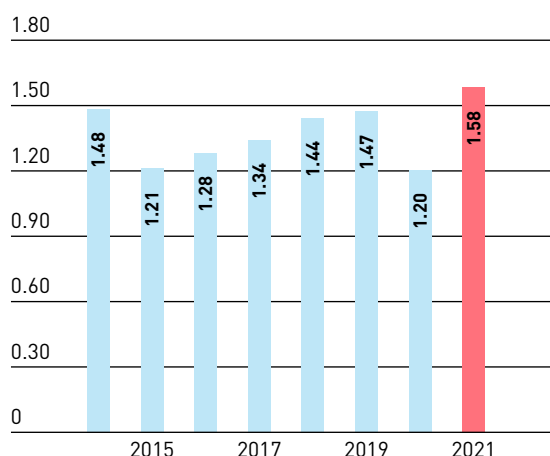
[01] Group total revenues

2014–2021 in EUR millions



[02] Earnings per share

2014–2021 in EUR



of the last few years, the space flight market will continue to expand as new possibilities for utilizing new or existing technologies are yielding new requirements. The existing applications are based on satellite systems already in operation which have a limited life expectancy and must therefore be replaced with new systems offering potentially improved technology or efficiency.

I. SPACE SYSTEMS segment

Business in the SPACE SYSTEMS segment is chiefly characterized by long-term projects which are generally awarded by public-sector customers. As expected, the order backlog of around EUR 1,858 million (December 31, 2021) was lower than in the previous year. The ESA Conference of Ministers, which makes budget decisions of decisive importance for the European space interest every two or three years, was held in November 2019. Orders for the programs and projects approved at the Conference are regularly awarded in the following year.

The Galileo European satellite navigation constellation

The first two satellites from Lot 3 were completed, successfully launched and put into initial operation in 2021. They went into full operation in 2022. As with the previous 22 Lots 1 and 2 satellites, OHB is providing the necessary operational support for the operator of the constellation. A further ten Lot 3 satellites have reached varying stages of completion. Two of them are in Kourou and are being prepared for launch in April 2022. A further two satellites will be readied on schedule for launch in the third quarter of 2022. All other satellites have reached an advanced stage of completion and will be ready for further launches in accordance with the schedule of the European Commission, subject to the possible impact of Covid-19. Consequently, OHB System AG is the supplier of a total of 34 Galileo satellites worth around EUR 1.3 billion. In addition to the production and operation of the satellites, OHB is strengthening its activities in various aspects of mission preparation and support for the next generation of satellites in response to a wide range of different invitations for proposals by the European Commission/ESA.

Earth observation and reconnaissance

Developed and built by OHB System and put into operation in 2007, the SAR-Lupe system with its five radar satellites, ground segments and the combined German-French reconnaissance satellite system made up of SAR-Lupe (radar images) and Helios 2 (optical images) is still operating with a high degree of stability and to the customer's full satisfaction.

In addition to the option already exercised by the customer in November 2020 to continue operating the satellites until the end of 2021, another option was exercised to continue operations in 2022. Work on the SAR-Lupe successor SARah, which offers substantially improved performance and for which OHB has also been awarded a contract, proceeded according to plan, with the scheduled milestones duly achieved in 2021. The system comprises three satellites.

Of these, two satellites are based on OHB System AG's reflector antenna technology, while one satellite using phased-array technology has been subcontracted out to Airbus Defence and Space GmbH. The satellites are scheduled to be launched in the second and third quarters of 2022. OHB System AG has supplied the necessary ground equipment, which has also been used for the operation of the SAR-Lupe satellites since the end of January 2018. The additional contract components covering new IT security requirements were signed in August 2019 and duly executed as planned in 2021.

Development and construction work on the electro-optical reconnaissance system for the Federal Republic of Germany commissioned at the end of 2017 is progressing according to plan. With a budget framework of originally up to EUR 400 million, this system will be used for global electro-optical reconnaissance. Alongside the SAR-Lupe and SARah programs, OHB has thus been able to additionally position itself as a supplier and partner for security-relevant space-based optical reconnaissance systems for the Federal Republic of Germany. Here, as well, the project and payment milestones were reached on schedule last year. Work on the construction of a further identical satellite, which was commissioned at the end of 2020, progressed according to plan in the year under review.

The development and construction of the third-generation European weather satellite Meteosat Third Generation (MTG) are continuing, with all the satellites now in the production phase. OHB is responsible for two complete satellites with infrared instruments (IR Sounder IRS) as well as a further four platforms for satellites with imaging instruments to be integrated by partner Thales Alenia Space S.A. (TAS). The first satellite platform was delivered to TAS in 2020, while the second one is now ready for delivery, a third one is available for planned storage in accordance with the contract and all other commissioned satellite platforms are currently in various production phases at OHB System AG's clean rooms in Bremen. In connection with the imaging satellites, the Company is also responsible for the design, development, procurement, assembly and delivery of a prototype flight model and for three flight models of the instrument (Telescope Assembly of the Flexible Combined Imager (FCI-TA)) as a subcontractor to TAS. The first FCI-TA flight model was shipped to project partner TAS in Cannes, France, in June 2019 for the integration of the FCI imager instrument, followed by the second one in December 2021. This instrument will be supplying the familiar images used in weather forecasts but in a substantially greater quality. Work on the IRS instruments being developed by OHB System for the flight models is proceeding very largely according to plan. However, some delays arose in 2020 and 2021 primarily as a result of the Covid-19 pandemic and the resultant shutdowns experienced by a number of European components suppliers. The MTG satellites will permit a further significant improvement in the internationally leading European weather forecasting models. In particular, the IRS instruments developed and assembled by OHB are a world-leading technology that will result in new methods and models for weather forecasting.

OHB Italia S.p.A. is currently performing development work on the microwave imager (MWI) for MetOp, a joint mission by ESA and Eumetsat (European Organization for the Exploitation of Meteorological Satellites). The microwave imager instrument will provide Europe's national meteorological services as well as international users and the science community with meteorological and climatic data. OHB Italia S.p.A. is responsible for designing and developing the MWI through to final in-orbit verification of three flight models for delivery to an Airbus Group company, which is the principal contractor for this mission. With the completion by OHB Italia S.p.A. of all testing activities on the structure and thermal model in Toulouse, the radiometric performance of the instrument in the integrated configuration was also successfully verified in a further test campaign. Accordingly, OHB Italia S.p.A. successfully executed all planned testing activities for the entire engineering qualification model of the MWI instrument in 2021.

OHB Italia S.p.A. also signed a contract worth EUR 168 million with the Luxembourg Ministry of Foreign and European Affairs in October 2018. The value of the order was increased to EUR 183 million in December 2020. The subject matter of this contract concerns the development of a high-resolution optical satellite together with the associated ground segment. A medium-sized reconnaissance satellite weighing about 600 kg, the LUXEO-Sys satellite will be launched in 2023 on board the European VEGA for a planned service life of seven years. Following the scheduled completion of the system critical design review for the satellite, OHB Italia S.p.A. also successfully finished all testing of the structure model (STM). All the necessary subcontracts for fitting the satellite with state-of-the-art equipment have been awarded, while work on the assembly of the satellite modules and integration of the ground segment proceeded according to schedule in 2021.

The satellite for the national optical Earth observation program EnMAP (Environmental Mapping and Analysis Program) for the German Aerospace Center was successfully completed and will be launched from Florida in the second quarter of 2022. With its new type of hyperspectral sensors, this environmental satellite is primarily designed to characterize and monitor the condition of the Earth. It is an innovative system which can be used for many new applications, e.g. security. From the point of view of the customer DLR, EnMAP is "a pioneer in hyperspectral remote sensing [...] used for the first time in an operational satellite mission".

Under the ESA and EC Copernicus Earth Observation Program, OHB System AG was selected as the main contractor for the CO₂M mission (CO₂ monitoring mission in the Copernicus program) in July 2020. This mission includes the Copernicus satellites, which will measure global anthropogenic CO₂ emissions, thus playing a crucial role in investigating and monitoring the cause of climate change. CO₂M is, so to speak, the monitoring mission for the Paris Agreement on Climate Change. OHB System continues to expand its leading role in hyperspectral satellites: under a further Copernicus mission (CHIME: Copernicus Hyperspectral

Imaging Mission for the Environment), it is responsible as a sub-contractor to Thales Alenia Space for the mission-critical hyperspectral payload. Signed in July and October 2020, respectively, the contracts for the two projects have a combined value of more than EUR 700 million. With work commencing on both contracts in 2020, the two projects progressed as planned in 2021.

OHB Italia S.p.A. also signed a new contract under the Copernicus program in December 2020 for the development of the instrument for the Copernicus Imaging Micro-Wave Radiometer (CIMR) mission. The CIMR instrument will improve monitoring of polar regions and particularly ensure precise measurement of the ice covering the Arctic Ocean. OHB Italia S.p.A. is responsible for designing and developing the CIMR instruments through to final in-orbit verification of up to three flight models for delivery to a Thales Alenia Space Group company, which is the principal contractor for this mission. In 2021, OHB Italia S.p.A., together with ESA and the general contractor TAS, successfully completed the system requirements review (SRR) for the CIMR instrument on time.

In 2020, ESA selected OHB Sweden AB for an Arctic weather mission (AWS), with the contract signed at the beginning of March 2021. The contract provides for the development of a satellite based on the InnoSat platform and the related ground segment. This satellite is the prototype of a future constellation of small weather satellites planned by EUMETSAT. The purpose of the constellation is to significantly improve weather forecasting worldwide and in the polar regions. OHB Sweden AB also signed the contract for the ESA "IOD/IOV Project 1 – Element 2" ("EIS") mission in August 2021. Equipped with a hyperspectral instrument, this satellite is the fourth one based on the InnoSat platform. Work was commenced on both projects and completed on schedule in 2021. Development and production of the MATS (Mesospheric Airglow / Aerosol Tomography and Spectroscopy) satellite for the Swedish space agency were completed in 2021. The satellite is expected to be launched in the first half of 2022. OHB Sweden AB was able to further consolidate its position in the propulsion market by signing contracts for the development and integration of propulsion systems for a total of six satellites in 2021.

The Group companies' very successful participation in tenders for Earth observation systems in 2020 and the implementation of corresponding projects in 2021 will further strengthen the Group's profile and position in this growth market. The OHB SE subsidiaries possess an increasingly broader and market-leading portfolio of technologies and products for Earth and weather observation and reconnaissance ranging from radar satellites to optical observation systems (including multi- and hyperspectral applications) in many different size and performance categories.

Satellite communications

H36W-1, the first geostationary telecommunication satellite built by OHB System AG, was launched on January 28, 2017 and has now been in orbit for more than five years, operating flawlessly to the customers' full satisfaction.

The second SmallGEO satellite was successfully placed in orbit on August 6, 2019 on board an Ariane 5 launcher that had lifted off from the space station in Kourou and complements the network as a data relay satellite EDRS-C from its geostationary (GEO) orbit. The satellite has been operating as expected for more than 2.5 years and the customer Space Data Highway has announced that several petabytes of image data have already been cumulatively exchanged with the LEO Earth observation satellite EC Sentinel 2 via optical terminals. With EDRS-C as the first dedicated data relay satellite for the Space Data Highway, OHB System AG has achieved an important strategic goal of utilizing optical technologies, which are becoming increasingly important in both civil and military applications in space.

On the basis of the experience gained with EDRS-C and the flight-tested SmartMEO bus, OHB was selected at the end of 2021 by US start-up SpaceLink Corp. following an international call for bids to realize a very innovative MEO (medium-Earth orbit) space data relay constellation. Authorization to proceed was given for the project. OHB expects the final selection of a supplier and the award of the contract in April 2022, with the production of the first operational capability planned for the second quarter of 2024.

The third SmallGEO platform was selected by the German Aerospace Center for the national "Heinrich Hertz" telecommunications mission. The purpose of this mission is to test new types of satellite communications technology under real conditions to safeguard national system competence in geostationary communications satellites. In addition, it will support the communications capabilities of the German federal armed forces by supplementing the present SATCOMBw2 and future SATCOMBw3 systems. The Heinrich Hertz satellite modules were assembled at OHB System AG's clean rooms in Bremen, with important functional and performance testing successfully completed at the end of 2021. The satellite is currently being prepared for the environmental test phase.

OHB is leveraging its previous experience with the SmallGEO system and systematically incorporating the various technologies that it has developed in the next evolutionary stage of the Electra platform development program. Electra will significantly enhance the competitiveness of the SmallGEO platform and triple the payload capacity at the same overall system cost. The most important innovation is the use of a fully electric propulsion system that has drastically lowered fuel requirements compared to conventional chemical propulsion systems. The resulting reduction in mass permits a corresponding increase in payload capacity and thus significantly improves efficiency. This makes Electra the most efficient version of the Small-GEO series for certain missions. As the main development work on the platform has been successfully completed, it will be possible for the first Electra mission to be carried out in 2022. Negotiations with various international satellite communication network operators on the implementation of the system are making progress.

In view of the internal investments that it has made in GEO and MEO applications and studies that have been funded in the private sector or by institutions (e.g. ESSCS, commercial Leo constellation), OHB considers itself to be well-positioned with its Electra and Smart-MEO product lines to address national and ESA/EC mission needs for institutional satellite communications (including optical communications) in all orbits (GEO, MEO, LEO) with a view to securing further long-term contracts in competition with international peers. As part of a consortium for the EU project for a space-based, global, secure connectivity system (ESSCS), OHB worked intensively in 2021 on preparing a detailed proposal for the implementation of a hybrid constellation and the partnerships together with the European Commission and other parties. A request for bids for the continuation of the work is expected to be issued in 2022.

OHB has been preparing for the next-generation encryption technology for several years and is a leader in several preparatory projects (EuroQCI, ESA SAGA) to implement quantum key distribution for future data communication for Europe.

Platform concepts

In 2021, LuxSpace Sàrl signed a new contract with ESA for the further development of the Triton-X platform for microsatellites in the 50-250 kg class for low Earth orbits (LEO). The modular architecture of the platform and the powerful on-board processing capabilities are ideal for small communication missions as well as Earth observation, spectrum monitoring and experimental missions. The Group is thus readying itself for the "new space" market at its Luxembourg facility. Several memoranda of understanding have been signed with potential customers for the use of Triton-X in future space missions. Launched in 2020, the ESAIL microsatellite, a forerunner of the Triton-X platform, is being successfully used by exactEarth for worldwide ship monitoring.

In 2021, OHB Sweden AB's InnoSat platform was able to establish itself on the market following the sale of the third and fourth platform of this type for the Arctic Weather and ICE projects. The platform is for satellites in the 50-250-kg class. A smaller version of the platform was successfully launched for a commercial telecommunications mission in January 2021 and is still in operation. The platform has thus been duly flight-tested. The InnoSat platform benefits from experience spanning 30 years in the successful development of cost-effective and reliable microsatellites for the Swedish Space Agency.

OHB System AG is currently developing the standard "EOS" platform for Earth observation satellites for contracts awarded under the Copernicus program in order to offer efficient, fast and cost-effective missions using attractive medium-sized low-orbit (LEO) satellites. The SmartMEO platform, the underlying principles of which were also used for the Galileo MEO satellites, is being deployed and further developed for the medium-Earth orbit (MEO) segment.

Including the Electra platform mentioned above, OHB SE companies are therefore addressing the entire gamut of platforms for communications and Earth observation applications.

Space exploration

The central unit for the Trace Gas Orbiter, which was developed and built in 2016 by OHB System AG under the ESA ExoMars 2016 program, is continuing to operate perfectly. Development and assembly work on the second part of the ExoMars twin mission, for which OHB System AG is supplying the carrier and the central system for the payload in the Mars Rover, has been almost completed, with all elements shipped to the principal contractor in 2019. Following the postponement of the ExoMars mission until 2022, OHB supported TAS with the still pending system integration activities in the year under review and will continue to do so in 2022 until the planned launch date in October.

Under this mission, Antwerp Space N.V. is building the lander radio instrument, which uses sophisticated communications technologies to transmit data from Mars to the Earth. The Company is also involved in the Jupiter JUICE mission, for which it is supplying the communications subsystem.

OHB was involved in various landing and experimental studies in 2021 as part of the activities to prepare for the planned European missions to and on the moon. The results will play a key role in the decisions made at the ESA Conference of Ministers in 2022.

Space research and robotics

OHB System AG's Plato mission, which has been under development since 2018, continued as planned in 2021. The purpose of the mission is to search for exoplanets, i.e. planets that orbit around other stars, and to determine the extent to which they are comparable to the Earth. The satellite is to be launched in 2026. All milestones were again achieved on schedule in 2021. As in earlier years, OHB SE companies were again involved in 2021 in several studies in connection with ESA's upcoming European scientific research missions. In this way, it is also building up a position for itself in this classic segment of space technology.

In November 2020, OHB Italia S.p.A. signed a new contract for development work on the Comet Interceptor, an ESA scientific mission consisting of three spacecraft with the primary goal of visiting an untouched, distant comet. However, an interstellar object could also be a potential destination when it begins its journey into the inner solar system. As the general contractor for this mission, OHB Italia S.p.A. is responsible for Phase A/B1, the purpose of which is to prepare for the subsequent development phase. In 2021, OHB Italia S.p.A., working together with ESA, successfully completed the system requirements review (SRR) of the CIMR instrument on time.

Human spaceflight

OHB System AG continued to provide particularly extensive support for activities on board the ISS International Space Station in 2021. In connection with the mission of the German astronaut Matthias Maurer, two experimental developments for rapid wound care using bio-ink and for supporting physical crew training on board the ISS were completed, delivered and successfully put into operation in 2021. A highly accurate trace gas monitoring system was also successfully supplied and is already in use. OHB System AG

performed several studies analyzing possible scenarios for transporting supplies to the ISS after the expiry of the ATV program and exploring potential alternatives in microgravitation research following the expected decommissioning of the ISS in the late 2020s. One key aspect of this is a future major role in the "Lunar Gateway", an international partnership led by NASA with the participation of ESA. NASA plans to place a temporarily human-occupied space station in an orbit around the moon in the late 2020s. This station is to serve as a gateway for a future lunar landing. OHB System AG is making an important contribution to ESA's "ESPRIT" supply module. Following the acceptance of Thales Alenia Space's proposal with OHB as a subcontractor, implementation work was commenced ahead of the final contract award in June 2020. Worth EUR 60 million, the contract for ESPRIT was signed in May 2021. In an international first, OHB will be engineering a system for refueling the space station's electric drive system with xenon, thus qualifying it for future refueling operations for systems in space.

Space situational awareness

Growing attention is being paid to asteroid defense. With HERA, preliminary groundwork is to be completed for a mission which may become necessary at some time in the future to shield the Earth from the impact of an asteroid. HERA is investigating the possibilities for deflecting asteroids that are on a collision course with the Earth from their original orbit by means of a targeted impact on the asteroid. In September 2020, OHB was awarded a contract worth EUR 129 million to execute the project as the prime contractor.

Work on HERA proceeded according to schedule in 2021. NASA's DART mission, which is a necessary part of the HERA mission, was successfully launched in 2021.

OHB is also conducting a definition study for an instrument for the Lagrange mission to improve observation of space weather. This involves a large satellite weighing about two tons, which will be positioned at Lagrange point L5, where it will be observing the solar surface continuously and providing early warning of solar flares. These eruptions on the surface of the sun can severely disrupt or even destroy satellites and electronics on the ground. The Conference of Ministers is expected to approve full funding of the L5 mission in 2022.

In a contract awarded by the Italian Space Agency ASI as well as ESA, OHB Italia S.p.A. has developed and patented the core technology for a new and innovative telescope for pinpointing asteroids approaching the Earth as well as for detecting space debris in low and geostationary orbits. Assembly of the 16 cameras required for the first telescope continued in 2021, as did the integration of all optical channels on the telescope. The first telescope is expected to be installed in Sicily in 2023. The budget for a second telescope to be installed in the southern hemisphere was approved at the last ESA Conference of Ministers. It is likewise expected to be supplied by OHB Italia S.p.A., with a corresponding contract set to be signed in 2022. Working in conjunction with the Italian space agency ASI, it is currently designing an assembly for a global optical network comprising up to 27 telescopes for space-monitoring purposes.

II. AEROSPACE segment

Business in the AEROSPACE segment is chiefly characterized by long-term projects. The order backlog in this segment amounted to EUR 136 million as of December 31, 2021. MT Aerospace AG's business performance in 2021 was materially impacted by the ongoing Covid-19 pandemic and a further rescheduling of the Ariane 6 program by the main contractor Ariane-Group SAS. The Ariane program was again stabilized in the year under review by means of new support programs provided by the member states. In addition, comprehensive measures such as cost reductions, working time measures, short-time work and a hiring freeze were introduced in the year under review to mitigate the adverse economic impact.

Work and testing of the components were completed in 2021 under the Ariane 6 development program. The individual components were successively qualified in testing. The contractually agreed conclusion of the qualification phase was reached for the tanks in 2021, with the structures expected to achieve this status in the first half of 2022. In the second half of 2021, MT Aerospace AG received remuneration for cost increases and turnaround extensions.

The planned production ramp-up for the Ariane 6 program was adjusted accordingly in consultation with the main contractor for MT Aerospace AG. The company was in close contact with ArianeGroup SAS, ESA and DLR with regard to the operational and financial consequences, the extended development phase and the increased costs of the reduced production volumes. In March 2021, the ESA Council made a decision concerning a minimum production batch for the years 2021 and 2022 for the individual production sites of the companies involved in the assembly of Ariane 6, as well as remuneration to cover the additional costs arising from the reduced output. A "minimum production rate" has been defined, comprising three ship sets for 2021 and four ship sets for 2022. The audits carried out by ESA in this connection were successfully completed and the reasons for the additional costs therefore acknowledged. The series production contract was signed between MT Aerospace AG and ArianeGroup SAS in April 2021. Flight models two to four were completed and largely delivered to the customer. The reduction in the launch cadences resulted in capacity utilization shortfalls, which were addressed by the introduction of short-time work. Ariane 6 production exhibits the typical characteristics of a production ramp-up with learning curves and technical start-up problems, which are addressed in remedial plans.

In 2021, a total of three Ariane 5 launchers successfully lifted off from the Kourou space station. Last year, MT Aerospace AG delivered the final ship sets under the Ariane 5 program and successfully completed additional deliveries.

In the year under review, it was able to additionally expand its business as a supplier to the US market for components for launchers, securing additional contracts. Maiden flight components were delivered for a large US launcher development program and production of flight models two to four was commenced.

Contracts for the development programs for MT Aerospace AG approved at the Space19+ Conference of Ministers were largely awarded in the second half of 2021. Accordingly, work was duly commenced or will be commencing at the beginning of 2022 on the projects for CFRP technology and product development, additive manufacturing (AM), digitization and Ariane 6 product improvements. With respect to CFRP, work on the PHOEBUS project for the development of an improved upper stage (black upper stage) for Ariane 6 continued successfully. The project entails the development of CFRP tanks and the construction of a technology demonstrator up to prototype status. Acceptance testing of the final assemblies for the Ariane 6 ground systems in Kourou was successfully completed.

The Spacecraft Tanks division increased its sales in 2021 compared to previous years. In addition to various new orders for diaphragm tanks, including for the Mars Sample Return and SARNext missions, further contract awards were secured. The highlights among the deliveries were the Elektra Xenon L-XTA tank and the first Korea-Sat diaphragm tank including the initial qualification of the diaphragm supply chain.

The Covid-19 pandemic left deep traces on the aviation industry in the year under review. In particular, there was a reduction in deliveries of tanks for the Airbus A320 series. The reduced capacity utilization was addressed by means of enterprise-wide short-time work.

The new Additive Manufacturing division generated significant sales for the first time in the year under review following the start of the ESA FLPP project. In addition, the first commercial orders were gained outside the space industry.

The Horizon25 restructuring program, which has been running since 2019, was continued in the year under review to improve operating performance. Measures such as a reduction in working hours and the use of short-time work were also implemented in the year under review in response to the capacity utilization shortfalls. Commenced in April 2021, negotiations with the works council on a reconciliation of interests were finalized in September 2021 with the aim of adapting the existing workforce to future capacity utilization.

III. DIGITAL segment

With DIGITAL, OHB has established a new business segment specializing in services, ground segments and digital products that are marketed to institutional and commercial customers. The order backlog in this segment amounted to EUR 127 million as of December 31, 2021. Project contracts awarded in the stable antenna and telescope market as well as services had a positive impact on these key figures.

New technologies, innovative satellite constellations and modern evaluation methods are creating numerous new possibilities in the downstream sector. New applications based on increasingly accurate satellite data are unlocking added value for institutions and companies in very different industries. At the same time, global challenges, such as climate change, are spurring demand for data and solutions. The goal is for the DIGITAL segment to tap these new markets and the potential they offer. OHB can rely on a strong brand and a great deal of expertise along the entire value chain to develop customer-oriented solutions for companies in a wide variety of different sectors.

In 2021, the new OHB SE segment was structured and aligned in terms of its activities. Expertise in the downstream activities of the various OHB Group companies was pooled to achieve a single face to the market and customer-centric product development. Sales activities in the DIGITAL segment are also being coordinated on a Group-wide basis. On the one hand, the aim is to market the existing product range in industries that have previously not been addressed. On the other, synergistic effects are to be harnessed by building on existing customer relationships and linking sales activities more closely. In addition to the classic OHB capabilities in the space and system engineering sectors, the DIGITAL segment particularly relies on the skills of experts from various industries such as aviation, railways, shipping and IT security. This allows us not only to additionally expand our customer network but also to strengthen our product development with industrial expertise. In addition, several sales partnerships were forged in the area of security and data services, allowing new customer groups to be reached efficiently.

The transfer of services and products from the aerospace industry to other industries is an important aspect of the segment's activities. OHB Teledata GmbH was able to significantly expand its energy automation business for Deutsche Bahn in 2021 following the award of an order for the secondary technical equipment for the Delitz converter plant. This is an important step against the backdrop of the further expansion of DB Energie GmbH's energy supply network. A milestone was also reached with the receipt for the first time of a contract for the construction of a decentralized energy supply system for DB Netz AG's signal box network. We have laid the foundations for the future with the development and approval of cryptOHBguard, which will be playing a crucial role in the future expansion of the digital signal boxes in connection with OT security. A first major order is expected to be forthcoming in 2022.

OHB sees core added value in the use of satellite data to support companies and organizations in digitizing their processes. In 2021, the DIGITAL segment concentrated on product development and on piloting value-added services with preliminary customers.

The digital transformation of business processes is one of the key challenges facing many logistics companies in particular. To address these challenges, we developed a digital twin based on satellite data in 2021 for the first time, implementing it for a preliminary customer. The external warehouse, which is spread over an extended area, is replicated and all relevant objects reproduced digitally.

In the year under review, the "Next Generation City Climate Services Using Advanced Weather Models and Emerging Data Sources" project was successfully launched under OHB's lead-management in the EU's Horizon 2020 program. The aim of the

project is to develop a cloud-based data platform providing various weather and climate services and simulations based on data from weather models, Earth observation and measurements on the ground, especially for cities. OHB is thus entering the market for digital twins for climate protection.

COSMOS International Launch Services GmbH was awarded a contract in mid-2020 for the delivery of communication signals from a near-Earth orbit. For this purpose, the company opted for a dedicated "fast-track" communications satellite "GMS-T", which is still in operation today. In just six months from the placement of the order to the launch, this satellite was executed on the basis of the InnoSat platform together with OHB Sweden AB. Successfully launched at the beginning of 2021 under the lead-management of OHB COSMOS International Launch Services GmbH, it is supplying the required signals from outer space.

OHB Digital Connect GmbH is concentrating on the manifold processing of data from space in ground systems and the operation of satellite systems. The contract with the German federal armed forces for the operation of the SAR-Lupe systems and partner segments was renewed until 2022 to ensure continued seamless operation. The long-standing and continuous operation of a French ground system for the German federal armed forces was also successfully continued with the operation of the CSO system.

In-orbit commissioning and regular operation of OHB's own telecommunications satellite GMS-T also testified to the successful accumulation of skills in flexible operations at OHB.

The experience gained from the operation of reconnaissance systems for public authorities also paid off in 2021 with the award of the LUXEOSys project for OHB Digital Connect GmbH. A consortium with OHB subsidiary LuxSpace Sàrl and the RHEA Group prevailed in an international request for tenders, gaining the Luxembourg-based customer. Launched in November 2021, the project entails the operation of the reconnaissance satellite system and the associated ground facilities for up to twelve years.

The first SARah ground facilities went into operation at the beginning of 2018 and continued to provide the basis for the operation of the SAR-Lupe satellites in 2021. Work on completing the ground systems for the SARah project and for the electro-optical reconnaissance system is making progress. Whereas the SARah system is approaching operational status, the focus with the electro-optical reconnaissance system was on implementing the design in the ground systems and supporting the overall system development. To ensure that further partners can be integrated in the SARah system, additional interfaces were developed for the German federal armed forces in 2021, resulting in preliminary extension contracts and further future interfaces.

In the field of telescopes, antennas and smart mechatronics, the ongoing Giant Magellan Telescope project was continued as planned. In particular, preparatory pre-assembly activities were performed. After delays as a result of the pandemic in 2020, work on the project for a 40-meter radio telescope for the customer National Astronomical Research Institute of Thailand (NARIT) continued as planned. The telescope is to be completed and handed over to the customer in the second quarter of 2022. Following the construction of a prototype for the "Square Kilometre Array" radio telescope in South Africa, OHB Digital Connect GmbH has also been working at its facility in Mainz on an order to expand the antenna array by up to 16 additional antennas since the end of 2021.

In 2021, the DIGITAL segment also forged promising partnerships with start-ups in the space sector. In some cases, investments were executed via OHB Venture Capital GmbH: The Freiburg-based start-up ConstellR Ltd. plans to send a constellation of microsatellites into space to scan and map the thermal infrared radiation of the Earth's surface. In addition to the purely financial investment, a partnership agreement was also signed to develop the optical payload and market-based processing of the data collected. The German-French start-up Searoutes SAS specializes in digital solutions for the maritime and logistics sector and has set itself the task of reducing the greenhouse gas emissions caused by freight transport by tracking the carbon footprint of various transport routes. LuxSpace Sàrl has signed a partnership agreement with Searoutes SAS to combine the two companies' strengths. The partnership and, in particular, the joint sales activities and product developments in the area of maritime data analysis are to make full use of the potential offered by vessel tracking information.

IV. Further developments

A crisis team is continuously monitoring current developments in connection with the Covid-19 pandemic and adopting appropriate measures (e.g. hygiene regime, mobile working, etc.) to ensure employees' safety, maintain productivity and continue business operations. OHB is regularly monitoring the situation and attempting to identify potential impacts on its supply chains and its own production activities at an early stage as a basis for taking appropriate countermeasures. The main effects in the supply chain in the year under review entailed delays in schedules and resultant cost overruns. The OHB companies are in negotiations with their customers regarding possible remuneration for such additional costs and to minimize the impact on cash flow. It was possible to keep productivity indicators very largely stable in 2021. Depending on the further course of the pandemic, no significant fluctuations in capacity utilization are expected for 2022.

The current war between Russia and Ukraine may have an impact on space programs involving international partnerships with Russian space agencies. However, this is not expected to have any financial implications for OHB companies.

[D] RESULTS OF OPERATIONS

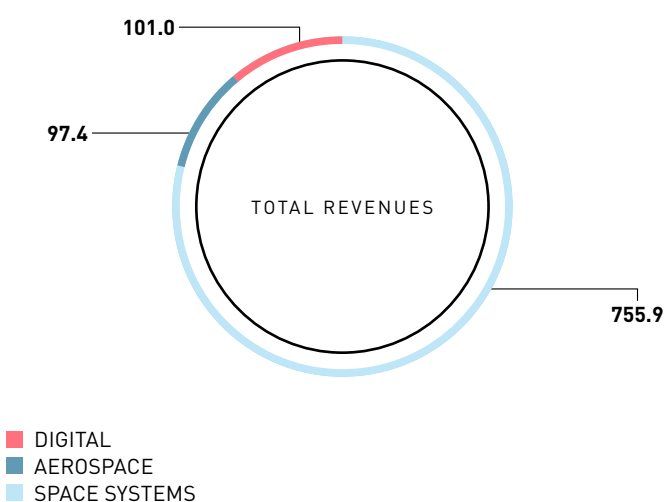
In 2021, the OHB Group's total revenues rose by EUR 15.1 million or 2% over the previous year to EUR 916.5 million, with sales reaching EUR 905.0 million (previous year: EUR 880.3 million). Non-consolidated total revenues [SEE CHART \[03\]](#) in the SPACE SYSTEMS segment increased to EUR 755.9 million in 2021 (previous year: EUR 745.3 million). At EUR 729.0 million, non-consolidated sales remained at the same level as in the previous year (EUR 731.3 million). Non-consolidated total revenues in the AEROSPACE segment dropped to EUR 97.4 million in 2021 (previous year: EUR 104.6 million). Non-consolidated sales rose from EUR 95.7 million in the previous year to EUR 107.6 million. Non-consolidated total revenues in the DIGITAL segment increased to EUR 101.0 million in 2021 (previous year: EUR 77.0 million) due to the planned expansion of business activities at OHB Digital Connect GmbH. Reflecting this, non-consolidated sales climbed from EUR 77.5 million in the previous year to EUR 102.9 million.

Despite the decrease of 67 to 2,962 employees in the Group, staff costs rose by 2% to EUR 249.9 million. Here, the reduced use of short-time work and the payment of full variable remuneration more than offset the effect of the lower number of employees on staff costs.

Depreciation and amortization rose by 3% over the previous year from EUR 35.4 million to EUR 36.6 million. Other operating expenses increased by 6% from the previous year's low figure of EUR 46.0 million to EUR 48.6 million as a result of pandemic-related effects.

[03] Total revenues

by segment in 2021
before consolidation and holding company in EUR million



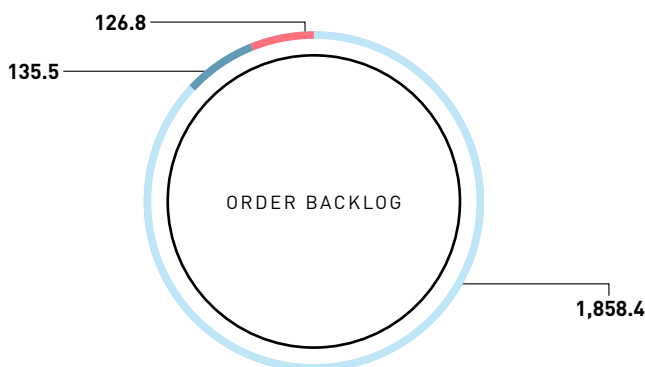
Valued at EUR 2,121 million as of the reporting date, the OHB Group's order backlog [SEE CHART \[04\]](#) fell short of the previous year's record high (previous year: EUR 2,632 million). Of this, SPACE SYSTEMS accounted for EUR 1,858.4 million (previous year: EUR 2,474.4 million) and AEROSPACE for EUR 135.5 million (previous year: EUR 86.2 million). The new DIGITAL segment contributed an order backlog of EUR 126.8 million (previous year: EUR 71.7 million). The expected reduction in the consolidated order backlog is attributable to the scheduling cycle of the ESA Conference of Ministers, which takes place every two to three years. The budget decisions made at this conference form the basis for future contract awards, which are usually finalized in the year following the conference.

In the period under review, the OHB Group was able to improve EBITDA to EUR 83.6 million compared with the previous year (EUR 77.0 million). [SEE CHART \[05\]](#) EBIT [SEE CHART \[06\]](#) came to EUR 47.0 million (previous year: EUR 41.6 million). The figures stated below for the individual segments for 2020 are pro forma figures that were determined as a result of the re-allocation of activities to the DIGITAL segment. EBIT before consolidation in the Space Systems segment [SEE CHART \[07\]](#) declined from EUR 38.8 million (proforma) in the previous year to EUR 33.3 million due to project-related non-recurring effects at smaller subsidiaries.

Development work on the EOS satellite platform for Earth observation satellites, which as a new product line is already being used as a basis for various projects, resulted in a high volume of capitalized internally generated assets in this segment, which amounted to EUR 16.3 million for the Group in the year under review (previous year: EUR 14.2 million). EBIT in the AEROSPACE segment improved from EUR -2.2 million to EUR 0.5 million due to the initial success of the restructuring measures initiated in the previous year. EBIT in the DIGITAL segment increased very sharply from EUR 4.5 million in 2020 to EUR 14.0 million due to the successful completion of preliminary commercial projects in the area of space services. The OHB Group recorded net finance expense of EUR -5.4 million in 2021 (previous year: EUR -11.8 million). This includes finance expense of EUR 6.4 million (previous year: EUR 8.7 million) chiefly comprising borrowing costs of EUR 4.0 million (previous year: EUR 6.0 million) and interest expense on retirement benefit provisions of EUR 1.1 million (previous year: EUR 1.4 million). In addition, expense of EUR 1.2 million was again incurred in 2021 from the recognition of an associate using the equity method of accounting (previous year: EUR 3.4 million). Net profit after tax and non-controlling interests stood at EUR 27.5 million in the year under review and was thus higher than in the previous year (EUR 20.9 million). Consequently, earnings

[04] Order backlog

by segment
as of December 31, 2021 in EUR million

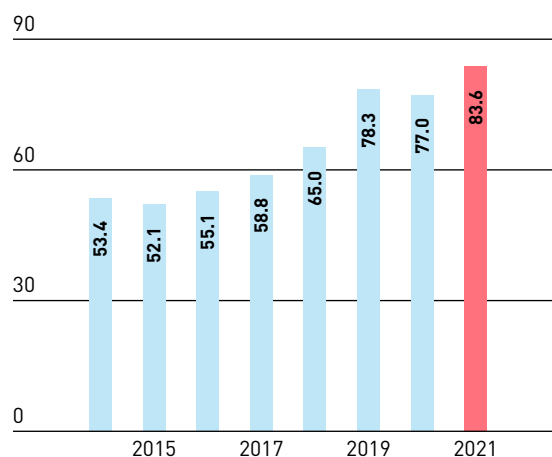


Total order backlog: 2,120.7

- DIGITAL
- AEROSPACE
- SPACE SYSTEMS

[05] Development of EBITDA

2014–2021 in EUR million



per share came to EUR 1.58 in the year under review (previous year: EUR 1.20). The Management Board considers the year under review to be generally successful.

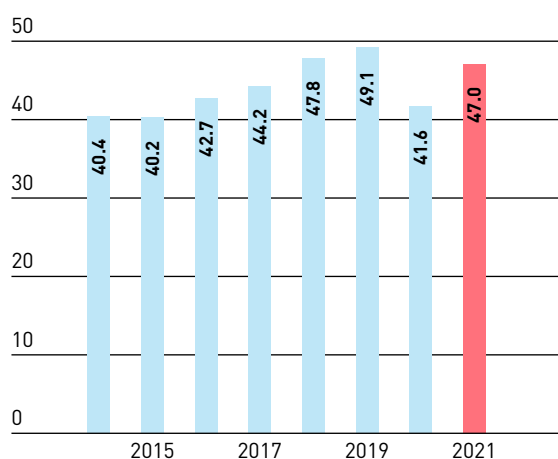
[E] FINANCIAL CONDITION AND NET ASSETS

In the year under review, the OHB Group's total assets widened from EUR 912.1 million to EUR 960.8 million. Total trade receivables and contract assets came to EUR 435.7 million as of the reporting date and were up on the previous year's low pandemic-induced level (EUR 366.2 million). Trade payables were valued at EUR 85.4 million on the reporting date, thus falling short of the previous year (EUR 19.1 million) due to the decline in total revenues. Current contract liabilities dropped substantially from EUR 143.1 million in the previous year to EUR 88.0 million in the year under review due to the progress made on completing projects. The higher total assets in combination with the increase in equity to EUR 252.6 million (previous year: EUR 223.3 million) caused the equity ratio to widen from 24.5% in the previous year to 26.3%. Group capital spending on property, plant and equipment and intangible assets (excluding right-of-use assets under IFRS 16) totaled EUR 37.3 million in 2021 (previous year: EUR 30.7 million). Of this, SPACE SYSTEMS accounted for EUR 21.6 million (previous year:

EUR 17.2 million), AEROSPACE for EUR 14.8 million (previous year: EUR 12.7 million) and DIGITAL for EUR 0.8 million (previous year: EUR 0.6 million). Inventories fell from EUR 62.1 million to EUR 32.0 million, mainly due to a reduction in connection with progress made on projects in connection with the Ariane 6 program. Cash and cash equivalents including securities were valued at EUR 96.6 million as of December 31, 2021, compared with EUR 92.0 million in the previous year. A detailed analysis of the cash flow can be found in the cash flow statement in the consolidated financial statements. Cash flow from operating activities was a negative EUR 17.3 million as of December 31, 2021 due to reporting date effects. The retirement benefit provisions of EUR 104.3 million at the end of 2021 continue to constitute a material item on the right-hand side of the balance sheet. Financial liabilities increased from EUR 110.2 million to EUR 156.3 million as of the reporting date. These liabilities mainly arise from draw-downs on part of a credit facility obtained by OHB SE, which was fully refinanced ahead of schedule in May 2020. A credit facility of EUR 300 million provided by a syndicate of six major banks assures the OHB Group of additional liquidity for financing projects against the backdrop of the uncertainty caused by the Covid-19 pandemic. The contract has a term of five years, plus two one-year renewal options.

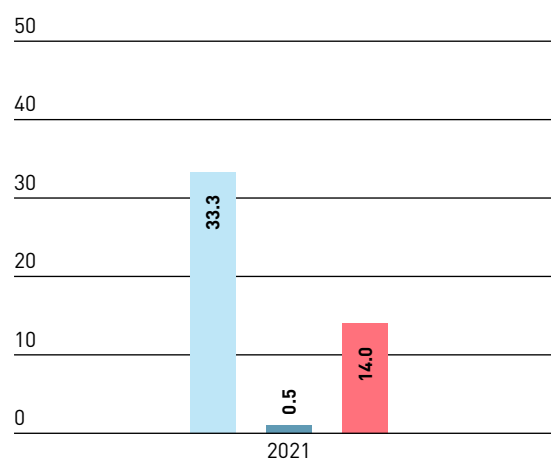
[06] Development of EBIT

2014–2021 in EUR million



[07] EBIT

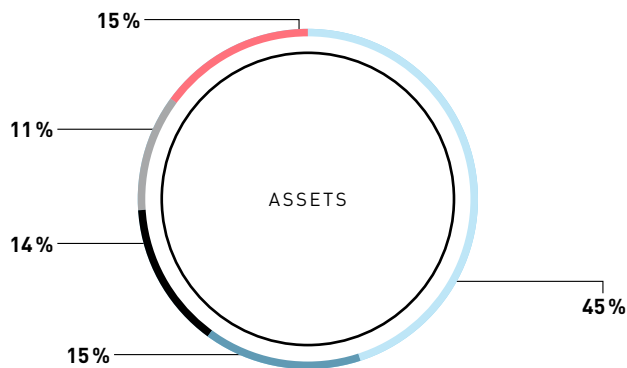
by segment in EUR million
before consolidation and holding company



■ DIGITAL
■ AEROSPACE
■ SPACE SYSTEMS

[08A] Balance sheet structure

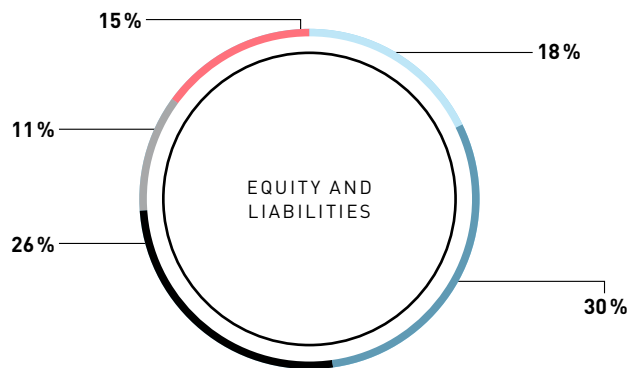
as of December 31, 2021



- Other non-current assets
- Property, plant and equipment
- Intangible assets
- Other current assets
- Trade receivables and contract assets

[08B] Balance sheet structure

as of December 31, 2021



- Other non-current liabilities and provisions
- Provisions for retirement benefits
- Equity
- Other current liabilities
- Trade payables and current contract liabilities

The cyclical nature of project business in the space industry calls for flexible funding structures. The Company pursues the goal of securing its irregular liquidity requirements to finance current assets by means of corresponding credit facilities on which it can draw at any time. In the light of this goal, the Management Board generally considers OH B SE's net assets and financial condition to be solid.

[F] EMPLOYEES

The number of employees in the OH B Group fell by 67 in the year under review. The drop of 116 in the workforce in the SPACE SYSTEMS segment is partly due to the transfer of employees to the DIGITAL segment, which recorded a total increase of 42 people. In the AEROSPACE segment, the reduction in the workforce as a result of the redundancy plan was more than made up for by the establishment of a non-consolidated associate, resulting in an increase of 7 for this segment. In total, the Group employed 2,962 people in the year under review, 2,444 of whom were based in Germany and 518 in other countries.

The proportion of employees in countries other than Germany contracted slightly by 31% compared to the previous year (previous year: 33%). The average age dropped again over the previous year's figure of 41.8 years to 41.5 years.

Both meetings with employee representatives on the Group works council were held online via Webex due to the pandemic.

BUSINESS PERFORMANCE OF GROUP PARENT OH B SE

As the parent company, OH B SE assumes the function of an active holding company for the OH B Group. OH B SE's main task is to provide administrative services, particularly in the areas of finance, controlling, legal, communications and Group strategy

for various subsidiaries. In addition, OH B SE grants or procures loans for individual Group companies to fund their operations.

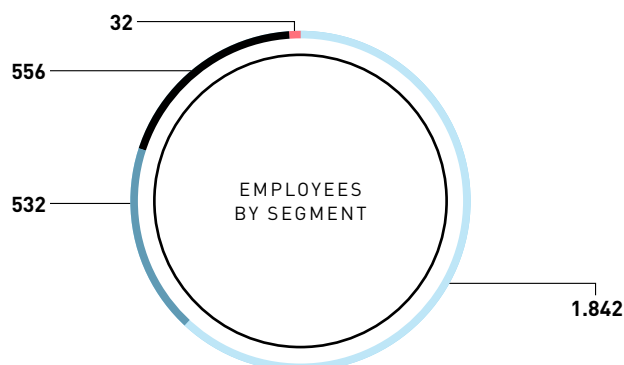
Results of operations

The Company's business performance in 2021 was materially determined by the earnings contributions of its subsidiaries, particularly OH B System AG, which is linked by a profit transfer agreement. Net profit for the year came to EUR 19.475 million in 2021 (previous year: EUR 11.430 million). Earnings are primarily due to the profit of EUR 9.633 million (previous year: EUR 20.063 million) transferred from the wholly owned subsidiary OH B System AG, with which a profit transfer agreement is in force, as well as the sale of shares in Orbcomm Inc. (United States). The net profit for the year matched expectations given the lower profit transfer and the non-recurring effect from the sale of an investment. Staff costs and other operating expenses are mostly recharged to the Group companies under transfer pricing arrangements. This generated revenues of EUR 11.134 million in the year under review (previous year: EUR 9.564 million). In addition, other income of EUR 16.292 million (previous year: EUR 1.191 million) was generated primarily from the sale of the shares in Orbcomm Inc. (United States) of EUR 14.644 million as well as from recharged Group-wide software licenses.

In 2021, OH B SE achieved net finance income including net income under profit transfer agreements and investment income of EUR 8.775 million (previous year: EUR 18.300 million). This decline was mainly due to the lower profit transfer from OH B System AG. Interest expense came to EUR 1.932 million (previous year: EUR 2.386 million). This decline is mainly due to non-recurring effects arising from the revised syndicated

[09] Number of employees by segment

as of December 31, 2021

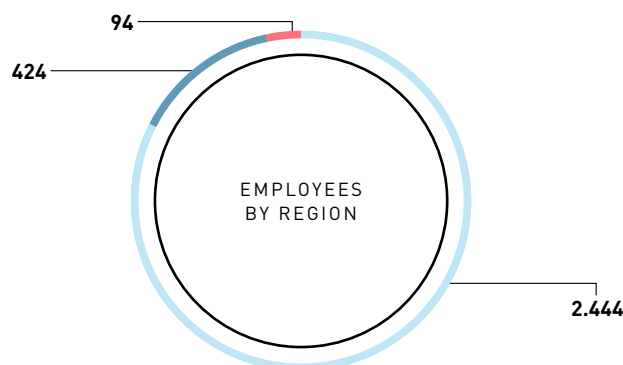


Total number of employees: 2,962

- Holding company
- DIGITAL
- AEROSPACE
- SPACE SYSTEMS

[10] Number of employees by region

as of December 31, 2021



Total number of employees: 2,962

- Rest of the world
- Europe excluding Germany
- Germany

loan agreement in the previous year. Income taxes came to EUR 2.858 million (previous year: EUR 5.963 million). OHB SE achieved an unappropriated surplus of EUR 47.810 million (previous year: EUR 35.833 million). The Management Board considers the year under review to be generally successful. A dividend of EUR 0.43 per share was paid to the shareholders in the year under review.

Financial condition and net assets

Total assets rose by EUR 5.177 million to EUR 155.173 million primarily as a result of the increase in cash and cash equivalents. In the year under review, the Company bought back 77,000 of its own shares via the stock market under a share buyback program. The purchase price of EUR 2.899 million was charged to retained earnings and the share premium. Investments in financial assets were executed in the year under review (OHB Italia S.p.A. GmbH EUR 5.640 million, OHB Venture Capital GmbH EUR 200 thousand, OHB Portugal Unipessoal LDA EUR 10 thousand and Orbital Ventures S.C.A. EUR 1.498 million). There was a receivable against Rocket Factory Augsburg AG, which was recognized as a financial asset under a convertible bond of EUR 4.842 million issued in the year under review. The equity of EUR 85.892 million is equivalent to 55% of total assets. As in the previous year, the financial assets of EUR 70.263 million (previous year: EUR 67.450 million) account for the greatest proportion of assets.

As of the reporting date, there were outstanding loan receivables against MT Aerospace AG of EUR 15 million (previous year: EUR 25 million) and OHB Italia S.p.A. of EUR 18.360 million (previous year: EUR 25.050 million). Cash and cash equivalents stood at EUR 23.512 million as of the reporting date (previous year: EUR 0.933 million). This increase is primarily due to a bank balance denominated in US dollars arising from the sale of shares in the United States.

OHB SE's credit facility contract, which had been in force since 2013 and was fully restructured in May 2020, has a term of

five years plus a two-year renewal option. The credit facility of EUR 300 million provided by a syndicate of six major banks gives the OHB Group appropriate liquidity for financing projects against the backdrop of the uncertainty caused by the Covid-19 pandemic. As of the end of the year, OHB SE had drawn EUR 30 million and subsidiaries a further EUR 98.914 million. In addition, there was another credit agreement for EUR 10 million with a fixed term of one year. The cyclical nature of project business in the space industry calls for flexible funding structures. The Company pursues the goal of securing its irregular liquidity requirements to finance current assets by means of corresponding credit facilities on which it can draw at any time. The Management Board generally considers OHB SE's net assets and financial condition to be solid.

RELATED PARTIES REPORT

The OHB Group is effectively controlled by the Fuchs family via its direct and indirect equity interests. For this reason, the Management Board has prepared a related parties report in accordance with Section 312 of the German Stock Corporations Act, which was audited and certified as part of the audit procedures for the annual financial statements. In this related parties report, the Management Board makes the following declaration: "The Management Board declares that with respect to the transactions described in the related parties report OHB SE received reasonable remuneration for each transaction in the light of the circumstances of which it was aware at the point in time at which the transactions described were executed with affiliated companies as defined in Section 312 of the Stock Corporation Act. In the period under review, no legal transactions with third parties or measures were either executed or omitted at the instigation of or in the interests of the above-mentioned persons or an affiliated company."

III. OUTLOOK, RISK AND OPPORTUNITY REPORT

[A] OUTLOOK

I. SPACE SYSTEMS segment

In 2022 and beyond, the Space Systems segment will be concentrating on the continuation of its successful work on the Galileo, SARah, Meteosat Third Generation, Electra, EnMAP, NAOS, Heinrich Hertz, electro-optical satellite system and PLATO projects. Earth observation missions such as the Copernicus CO₂M and CHIME missions at OHB System AG and CIMR missions at OHB Italia S.p.A. as well as the Arctic Weather Mission at OHB Sweden AB will remain relevant for years to come in terms of development and production. A further mission will be added in the first half of 2022 in the form of the optical payload for the ESA FORUM mission. Numerous feasibility studies are currently being offered for areas of research to be addressed by ESA's Earth observation missions. The Group companies expect to be able to additionally expand their Earth observation activities. In addition to FORUM, a special emphasis will be placed on the existing Sentinel Earth observation missions under the Copernicus program. Commercial Earth observation contracts are also expected. Further relevant activities and studies will entail space surveillance, asteroid defense and the continuation of the ISS and the Lunar Gateway follow-up program. In this connection, work will particularly continue on the HERA asteroid defense program and the ESPRIT Lunar Gateway module. Depending on the program, OHB companies are acting either as a principal contractor or a subcontractor. With respect to national Italian programs, OHB Italia S.p.A. intends to systematically broaden its role as second player in Italy for satellite missions, both for science and remote sensing. Budgetary decisions on the part of the European Commission, ESA and the national space programs in Germany and Italy as well as the other countries in which OHB companies are located indicate largely positive underlying conditions and provide a sufficiently firm basis for future planning. With its current and planned projects and programs, the Management Board believes that OHB SE's Space Systems segment is ideally positioned to sustain the broad-based project portfolio that it has amassed and to achieve further growth thanks to order intake in excess of revenues in 2022.

II. AEROSPACE segment

MT Aerospace AG will continue its program transition to Ariane 6 in 2022. The qualification of Ariane 6 will be completed in the first half of 2022. In 2022, the annual cadence of tanks and structures will be maintained at a level comparable to 2021. Furthermore, MT Aerospace AG has opportunities for obtaining further orders as a supplier of hardware components for North American launch vehicle producers. At the ESA Conference of Ministers held in November 2019, the Federal Republic of Germany committed around EUR 600 million for launcher engineering in the Ariane transition, Ariane 6 product improvement, FLPP technology programs and commercial space transportation segments. MT Aerospace AG also will continue to participate in the proposed programs in 2022 in close consultation with DLR and ESA. In addition, new agendas are currently being defined and prepared for decision-making at the Conference of Ministers scheduled for the end of 2022 in order to reinforce MT Aerospace AG's future viability in the institutionally funded sector.

A large number of deliveries are planned for the growing spacecraft tank sector in 2022, including the KoreaSAT, Copernicus CO₂M, PLATO, Mars Sample Return (MSR), SARNext and HERA projects. In the aviation areas, work is ongoing on optimizing production processes. Here, for example, a further improvement in the cost situation for water tanks is to be achieved by shortening turnaround times. MT Aerospace AG built up a position in the promising sectors of additive manufacturing and hydrogen in 2021 with the aim of additionally expanding its activities in these areas in the following year.

III. DIGITAL segment

In 2022, the DIGITAL segment will be concentrating on establishing an enterprise-wide, market-oriented product portfolio and harnessing the corresponding market potential, for which the necessary sales structures will also continue to be established. Further growth potential is being tapped in various market segments, such as cyber security for Deutsche Bahn's digital rail project, digital twins for logistics companies and for climate impact assessments, security applications for airports and ports and the development of satellite ground systems and satellite operation. The telescope and antenna market is also believed to hold additional market potential. In order to supplement its portfolio and to integrate existing customer structures and market access, DIGITAL will be examining the market closely in 2022 for potential acquisition candidates that can make a greater contribution to value as part of a group than on a stand-alone basis. The same thing applies to investments in start-ups, which as a rule will be combined with cooperation agreements.

IV. Outlook for OHB SE

Assuming stable economic conditions, the Company expects moderate growth in total revenues for 2022, with largely comparable earnings contributions from the subsidiaries and a sustained very good order situation. Adjusted for the non-recurring effects from the sale of shares in Orbcomm Inc., net profit for the year is expected to exceed the previous year's figure in 2022.

V. Outlook for the Group

The Management Board projects consolidated total revenues for the OHB Group of EUR 1.205 billion in 2022 largely on the strength of the order backlog held at the end of 2021. EBITDA should come to EUR 97 million and EBIT to EUR 60 million in 2022. One important non-financial performance indicator is the fluctuation rate, for which a target of less than 5% has been defined.

It should be expressly noted in connection with forward-looking statements that actual events may differ materially from expectations of future performance. This particularly applies in the light of the Covid-19 pandemic that has been identified by the World Health Organization, which – as explained in the risk report – will have a more or less adverse effect on OHB's earnings depending on the duration of the strain to which the European economy is exposed.

[B] RISK AND OPPORTUNITY REPORT

I. Risk and opportunity management system

OHB SE's Management Board permanently monitors the Group's operating, market and financial risks in order to safeguard the Group's sustained business success. Assisted by the central departments, the Management Board observes and analyzes trends in the sector, markets and economy as a whole on an ongoing basis. In this connection, OHB SE's risk management system addresses the uncertainties to which the Group companies are exposed by identifying and evaluating opportunities and risks systematically and regularly and, if necessary, defining and implementing suitable measures and precautions. This applies to operating risks as well project-related and technical risks. In this connection, product and quality assurance officers continuously monitor design, construction and integration activities as well as deliveries received from upstream suppliers.

In 2021, the management of business risks was fundamentally restructured. The new approach fully complies with the updated regulatory requirements, which became legally binding with the entry into force of the Act on the Strengthening of Financial Market Integrity (FISG) from 2021. At the same time, the new approach is based on generally accepted state-of-the-art methods and the proven best practices of modern enterprise risk management.

The orientation towards the Group's business risks liable to jeopardize its going-concerns status was implemented in line with the regulatory requirements. On the one hand, this is reflected in appropriate scoping, which takes into account the pronounced disparity of the subsidiaries with regard to their share in the OHB Group's business activities. On the other, risk-bearing capacity was defined as the overriding key parameter and fundamental performance indicator in order to facilitate a quantitative assessment of the OHB Group's risk situation in the future.

To determine risk-bearing capacity, total risk exposure is compared directly with existing risk coverage potential determined in accordance with the equity approach. Total risk exposure is determined using the value-at-risk method by means of stochastic aggregation of individually identified risks whose potential financial impact uniformly exceeds predefined thresholds. This ensures that risks that are directly detrimental to the Group's going-concern status are taken into account alongside those that individually are less severe but cumulatively could lead to potentially detrimental events or developments at the Group level.

The risks are regularly identified and evaluated in accordance with uniform and binding guidelines throughout the Group with regard to objectives, methodology and reporting. In order to determine overall financial risk exposure, the risk assessment is carried out quantitatively; a qualitative assessment is only performed in exceptional cases where this is justified. A particular focus is placed on the systematic follow-up of the implementation of risk management measures, for which a formal reporting process has been established between the regular reporting dates. Another focus is on the end-to-end documentation of all process-relevant parameters and activities, including full justification of the assumptions applied and estimates made.

As OHB SE is closely linked with the companies of the OHB Group through its holding or management function as well as its direct and indirect investments in the subsidiaries, its risk and opportunity profile is materially dependent on the OHB Group's risk and opportunity profile. Accordingly, the statements on the risk and opportunity profile made by the Management Board for the Group largely match the statements made on OHB SE's risk and opportunity profile.

In addition to the aforementioned systematic identification, evaluation and management of risks, a detailed monthly report for tracking orders and costs provides important input for overall risk management. Reporting also covers all business acquisition, research and development activities and allows potential opportunities and risks to be identified at an early stage. The subsidiaries submit standardized monthly or quarterly reports to OHB SE covering all processes, opportunities and risks of relevance for the Group. The individual subsidiaries deploy different software systems for generating reports, e.g. SAP or business intelligence solutions. We consider the following types of risk to be relevant for OHB SE's business activities:

II. Individual risks

Sector risks, risks in underlying conditions

The SPACE SYSTEMS segment primarily works for public-sector customers at a national and European level. Order intake is exposed to risks arising from the budgets of public-sector customers (chiefly the European Commission, the European Space Agency ESA, national ministries such as the German Federal Ministries of Economics and Climate Action, Defense and Transportation and Digital Infrastructure as well as the national space agencies of the other member countries). In general terms, i. e. not confined to the space industry, management expects public-sector debt in the wake of the Covid-19 pandemic to exert pressure on government budgets in future years. Previous crises, such as the financial crisis, show that space budgets have continued to rise despite increasing public-sector debt. We do not expect any significant impact on space budgets, although budget increases may no longer be as high as in previous years. However, in this context, the situation is becoming increasingly favorable for OHB SE in view of its special standing as a German and European systems provider for space technology with a particular focus on security. We also expect a positive impact from the Group's increased activities in the growth area of Earth observation.

In the AEROSPACE segment, the greatest risk continues to come from the heavy dependence on the space sector and, in particular, on the European Ariane program, contract awards for which will largely determine the utilization of production capacity in the coming years. The relevant demand for geostationary satellites has stabilized at a low level. US competitors are exerting additional price pressure on suppliers of launch vehicles. Against the backdrop of this difficult market situation, the aim is to strengthen European competitiveness in the launch vehicle sector.

In the DIGITAL segment, there are comparable market risks in classic institutional project business, for example for satellite ground systems or telescopes and antennas, similar to those already described for SPACE SYSTEMS. This new segment characterized by a wide variety of user applications that are based on space data is exposed to fundamental developments in the relevant markets. Although continuous growth can generally be expected, it is difficult to forecast the pace of this growth in the various areas.

Strategic risks

The SPACE SYSTEMS segment is exposed to risks related to the on-time and in-budget completion of the currently ongoing programs particularly in the principal contractor role with overall responsibility under the agreed schedule and budget. Advance outlays were again made in 2021 of roughly the same amount as in the previous year for the development of strategically important product segments, the costs of which must be recouped from the development of business in the corresponding applications. In order to safeguard the high order backlog, average incoming orders at least in line with total revenues are required in the medium term, although a slight short-term decline can also be tolerated without any adverse effect on the outlook.

The AEROSPACE segment is still heavily dependent on the Ariane program, with the successful market launch of Ariane 6 being of particular relevance. As the maiden flight of the newly developed launcher was postponed in the year under review until 2022, the existing development and production risks arising from the delivery of components for the first flight of the Ariane-6 launcher have declined. However, a risk still arises from the fact that it is currently not possible to seriously estimate the future annual launch cadence, which has a key bearing on segment revenues and earnings.

In the DIGITAL segment, as well, the project execution risks already described for SPACE SYSTEMS also apply particularly in connection with satellite ground systems and telescopes and antennas. This new business segment, which is characterized by a wide variety of user applications that are based on space data, is initially exposed to risks arising from the successful development of these applications as well as typical market entry barriers. These include the ability to identify the right market requirements, needs-based solution development and subsequent market penetration. The same thing applies to the new business area of cyber security, which is dominated by market incumbents to some extent.

Sourcing risks

Risks arise from the late delivery of components and subsystems, which could lead to project delays. The Company constantly optimizes its supply chain by monitoring the buy-side market continually, auditing local development and production activities and increasingly taking measures to safeguard the local availability of supplies. In addition, efforts are being stepped up to identify alternative procurement sources on a global basis. This must be done in the light of any restrictions which may be stipulated by customers for specific products, reducing the scope for the free

selection of suppliers. The SPACE SYSTEMS segment is exposed to sporadic supply-side risks in the sourcing of subsystems, including scheduling and development risks. These possible risks are already minimized by means of an intensive selection process for the corresponding suppliers.

The AEROSPACE segment is generally exposed to similar risks and takes appropriate measures to mitigate these. In particular, suppliers are subject to continuous observation and regular audits. The risks arising from development projects are generally higher, whereas more selective or disruptive disturbances may occur in the series production phase.

Compared to the other two segments, DIGITAL is exposed to fewer supply-side risks, especially in the software-dominated business segments. The risks for antenna and telescope business in particular, as well as satellite ground systems, are similar to those in SPACE SYSTEMS. DIGITAL largely uses the SPACE SYSTEMS supplier structure, thus benefiting from the latter's market position and supplier monitoring and development functions.

Project risks

The risk management system used for bid-costing and ongoing project management involves regular escalated reporting to the project managers, the management of the operating companies and OHB SE. All projects are integrated in a continuous controlling and monitoring process. Projects exceeding a certain size threshold are additionally subject to regular reviews by the responsible management to specifically monitor and manage technical performance as well as schedule, cost and budget compliance and project risks. In view of the systems underlying our business model, there are inherent risks in the observance of schedules as well as development risks liable to cause considerable project delays and costs. In individual cases, the OHB companies define project targets within existing contracts which are at the limits of what is technically possible and which are the first of their kind in the world to be realized in a specific way.

IT risks

The general threat posed by cyber risks continued to increase over earlier years in 2021. According to the annual report of the Germany Federal Office for Information Security (BSI), the scope of known malware, the number of successful cyberattacks on companies and the number of serious vulnerabilities identified in IT solutions increased significantly, reaching an unprecedented level. Threats are posed by cybercriminal actors seeking an unjustified financial advantage as well as by corporate or public-sector actors with the intention of industrial espionage.

Protecting corporate know-how forms an important basis for OHB's business. Against this backdrop, the Group's companies are stepping up organizational, procedural and technical measures in a continuous process to ensure the confidentiality, availability and integrity of information. The benchmark here is state-of-the-art practices as well as relevant security standards such as BSI Basic Protection or ISO 27001.

At the organizational level, information security structures were expanded in the year under review with the aim of standardizing procedures and harnessing Group-wide synergies by establishing a Group Information Security Officer. In terms of technology, IT is working continuously on enhancing comprehensive security solutions, addressing such aspects as firewalls, endpoint security, network segmentation and monitoring. The effectiveness of the measures is verified by ongoing vulnerability management and periodic penetration tests. Any measures identified to additionally increase security are initiated.

At the Group level, uniform IT governance requirements and close cooperation between IT organizations promote standardization and harmonization, thus increasing effectiveness and IT security.

Financial risks

Most goods and services procured are invoiced in euro. Foreign-currency transactions in the dollar region may result in translation gains or losses. Dollar-denominated orders and receivables are hedged in the AEROSPACE segment. The securities entail long-term investments with acceptable risks. Working capital requirements can be reduced substantially by means of progress billings. However, as this is not possible continuously in all project phases, liquidity may fluctuate sharply. The previous credit facility was restructured in 2020, with the maximum limit increased from EUR 225 million to EUR 300 million. The term is five years plus two one-year renewal options. This contract offers a high degree of funding certainty and forward planning visibility. In addition, a supplementary loan contract was entered into with the European Investment Bank EIB in Luxembourg in 2017 with a term expiring in 2024. With respect to retirement benefit provisions, we do not expect to see any further significant change in interest rates compared with 2021.

Personnel risks

In 2021, the risk of an unintended loss of qualified engineers ranked highest in terms of urgency. SPACE SYSTEMS and DIGITAL, which hold a large proportion of engineering positions, experienced unusually high staff fluctuation. The latter was particularly due to the pandemic and the travel restrictions imposed in this connection in the case of foreign-national employees employed in Germany but was also significantly higher with domestic employees than in previous years. Accordingly, employee retention and recruitment measures as initiative drivers have been assigned top priority in the Group's human resources policies.

The use of hybrid solutions (i.e. working from home and at the office) became an established practice for many employees, meaning that the ongoing pandemic did not have any adverse effect on business operations.

Management assessment of the risk situation

The OHB Group's risk-bearing capacity with regard to business risks potentially threatening its going-concern status was determined for the first time for 2021 on the basis of a new approach

that fully complies with the updated regulatory requirements of the Act on Strengthening Financial Market Integrity (FISG).

The OHB Group's total risk exposure determined on the basis of aggregated net valuations equals EUR 132 million. Its risk-bearing capacity, defined as the extent of the utilization of available, adjusted equity capital (as of September 30, 2021), thus stands at around 49% and is therefore clearly within the specified nominal range.

The OHB Group's current overall risk exposure to business risks liable to jeopardize its going-concern status (individual risks with a minimum risk of EUR 20 million) is dominated by project risks of the type common in the industry arising from the execution of large-scale satellite projects at different stages of development. These are primarily technological development risks and schedule-compliance risks, both at the Group companies and on the part of subcontractors. In addition, there are risks with regard to investments in the development of the SmallGEO geostationary satellite range as well as from a loan granted to an associated company.

In the light of current market trends in the areas of the greatest relevance for the Company and the outlook for its business, order backlog and financial situation, the Management Board considers future risks to the Group to be manageable. No risks to the Group's going-concern status are currently discernible. The OHB Group's exposure to global risk factors is very limited (particularly due to its very low dependence on global logistics chains and supplies outside Europe).

A pandemic of the type that has been identified by the World Health Organization in the form of the Covid-19 virus could have an adverse effect on the OHB Group's business, which is highly dependent on the dense network of European space technology suppliers. A further risk may arise from delays in the Group's own production due to illnesses or governmental lockdowns.

The changed security situation in Europe may also potentially affect supply chain stability. It is difficult to assess these risks at the level of an individual company. OHB is not exposed to any suppliers in countries that are currently facing the threat of sanctions, nor has the Group had any significant customer contracts or business development projects in such countries.

III. Material opportunities

The space market offers OHB companies in the SPACE SYSTEMS, AEROSPACE and DIGITAL segments a flourishing growth market. Secular trends such as the "Internet of Things", future mobility including autonomous mobility, process automation, e.g. through digital twins, global digitalization and broadband communications in remote areas, climate and environmental protection and the preservation of our planet are spurring demand for space-based solutions, which will continue to grow in the future.

Systematic observation of all institutional markets on a European as well as on a national level allows the OHB companies to take part in virtually all relevant institutional bidding processes in Europe. With its European-wide presence and strong national companies specializing in selected technologies and applications

in the space industry together with partnerships with companies active in complementary areas, OHB additionally has the opportunity of bidding for space contracts that are awarded to individual nations in accordance with the geographic return principle within ESA alongside EU-wide bids. In the individual member countries, the Group's national companies are additionally able to bid for contracts and projects awarded by the national space agencies. The high degree of specialization of the individual companies within the OHB Group together with the system leadership capabilities demonstrated in many contracts generally means that when the individual companies bid for a major ESA project they receive the status of lead-manager or a key direct subcontractor to the lead-manager.

With the growing establishment of satellite platforms and an increasingly broader range of payload solutions, the OHB Group is now also entering the market for commercial missions to a growing extent.

Significant growth for the Company is possible in Earth observation within the bounds of the markets, which are expected to continue expanding in the foreseeable future, even beyond market growth rates. Other opportunities beyond this are primarily to be found in the commercial and export markets. This segment has been closely observed and analyzed for a number of years and preliminary activities in this direction are in the acquisition phase. The focus is on projects in telecommunications satellites, radar satellites and electro-optical and multispectral Earth observation satellites. On the basis of its large order backlog from institutional projects as well as further growth potential in the European institutional market, the Company has now decided to increasingly step up efforts to enter the commercial market. One focus will be on telecommunications or Earth observation constellations composed of relatively few, but complex and high-quality satellites.

The Group companies' very successful participation in calls for tenders for Earth observation systems in 2020 and 2021 and the continued execution of corresponding projects in these areas will additionally strengthen the SPACE SYSTEM segment's profile and position in this growth market. The OHB SE subsidiaries possess an increasingly broader and market-leading portfolio of technologies and products for Earth and weather observation and reconnaissance ranging from radar satellites to optical observation systems (including multi- and hyperspectral applications) in many different size and performance categories. Further business opportunities are expected in the institutional as well as the commercial market, including start-ups.

The European Commission plans to establish its own sovereign telecommunications satellite constellation. A preliminary study involving numerous companies in the European space industry was commissioned in December 2020. OHB was able to secure leadership for the satellite systems segment,

among other things. The European Commission is expected to announce the commencement of this project in 2022, with specific calls for tenders to follow at the end of 2022 or in 2023.

OHB also sees good opportunities for entering the nascent "new space economy" market, with initial projects currently in the negotiation phase. For this purpose, the Group will also apply its own funds in close consultation with its customers.

The completion of development phase two of the Electra project also opens up further opportunities in the field of geostationary telecommunications satellites.

The AEROSPACE segment is tapping new business opportunities with the establishment of additive manufacturing for high-stress complex components. The segment is also engaging in the design and execution of hydrogen tank systems.

In its established business in launcher structures, opportunities are emerging from the current ramp-up of the Ariane 6 program as well as from the participation in other, primarily US, launches. Aircraft refueling systems business is benefiting from the resumption of the Airbus programs.

The DIGITAL segment will be substantially broadening the OHB Group's activities in space-related services such as satellite operations or launch services as well as software solutions based on space-generated data. This offers growth potential beyond institutional business with new customer groups in agriculture, fisheries, environmental monitoring, Internet of Things, autonomous mobility, etc. In particular, the SPACE SYSTEMS segment's positioning in key future Earth observation programs gives the DIGITAL segment a market advantage, as applications can already be programmed today on the basis of data that will not be available until a later stage in the future. In addition to public-sector contracts and development projects, all these aspects will additionally drive the commercialization of space worldwide. Telecommunications, navigation, cartography and the increasing exploration of the Earth by means of space technology are of key importance in this connection for the future development of the space industry.

The OHB companies' specific space expertise is based on the long-standing experience of the responsible persons within the Group as well as basic research and development performed in this area allowing promising future areas and developments in space flight to be identified and responses to them adopted. Recent studies expect more than two thirds of satellite orders in the period from 2019 to 2028 to be funded by civil or military public budgets, i.e. the area in which OHB is particularly strongly positioned. The largest single market will be Earth observation, which is another strong and expanding field for the OHB Group. Growth will also be spurred by widening budgets in Germany for civil and military space travel as well as larger ESA and European Commission budgets.

As is the case with business risks, project management may also generate opportunities from optimized project execution as well as systematic claims management based on the project review process.

The control and risk management system forms an integral part of the corporate, planning, accounting and control processes and constitutes a material element of the management system of OHB SE and the Group companies. OHB SE's risk management system addresses the uncertainties to which the Group companies are exposed by identifying and evaluating opportunities and risks systematically and regularly and, if necessary, defining and implementing suitable measures and precautions. This applies to operating risks as well project-related and technical risks. In this connection, product and quality assurance officers continuously monitor design, construction and integration activities as well as deliveries received from upstream suppliers.

Monthly and quarterly reporting forms an integral part of OHB Technology's risk management operations and has been additionally improved. Group-wide controlling instruments supported by business intelligence software are used for reporting purposes. This primarily entails comparisons of the actual/required figures and deviation analyses. Budgeting, regular forecasts and ongoing reporting discussions supplement standardized reporting.

OHB SE secures the process for preparing the consolidated financial statements in several different ways. In addition to an accounting manual which all subsidiaries must apply, this entails regular evaluations of the quarterly and monthly reports

and ad-hoc detailed analyses of matters and developments at the level of the individual subsidiaries as well as for the Group as a whole.

In addition, the consolidation process as well as the process for preparing the management report and the notes to the consolidated financial statements are reviewed by the finance department and the Management Board. Appropriate precautions are taken in the accounting process to ensure full implementation of the double-sign-off principle. Access restrictions in the information management system ensure a high degree of data security. These and other measures are subject to regular review by Group Internal Auditing. In addition, the accounting system used by subsidiaries complies with the requirements of public-sector contract awarding rules.

Customer payment practices are monitored on an ongoing basis to minimize financial risks. In addition to a multi-level reminder system, controlling methods include regular reports to the responsible management. The OHB Group's customer base comprises a large proportion of public-sector customers both directly and indirectly. For this reason, the risk of payment defaults is very small. Over the past few years, there have been virtually no payment defaults. Prepayments received comprise part payments remitted upon the completion of specific project milestones. In this way, it is possible to minimize liquidity risks and working capital requirements.

V. DISCLOSURES IN ACCORDANCE WITH SECTIONS 289A (1) AND 315A (1) OF THE GERMAN COMMERCIAL CODE

[A] BREAKDOWN OF SUBSCRIBED CAPITAL (NO. 1)

Issued capital stood at EUR 17,468,096.00 on the balance sheet date and was divided into 17,468,096 no-par-value bearer shares.

[B] RESTRICTIONS TO VOTING RIGHTS OR THE TRANSFER OF SHARES (NO. 2)

Prof. Dott. Ing. h.c. Manfred Fuchs, Christa Fuchs and Marco Fuchs, who are also shareholders of VOLPAIA Beteiligungs-GmbH, and VOLPAIA Beteiligungsgesellschaft mbH in their capacity as shareholders of OHB Teledata AG (as the Company was then known), entered into a pooling contract on December 20, 2001 providing for the coordinated exercise of voting rights with respect to present and future share holdings.

On February 4, 2009, the parties signed an addendum to this pooling contract imposing on them restrictions with respect to the sale of the shares held in the pooling contract. On July 10, 2009, the parties signed a revised version of the pooling contract. Romana Fuchs Mayrhofer joined this pool in January 2010. A total

of 69.72% of the Company's issued capital is held in this pooling contract. There were no changes in the total number of pooled voting rights as a result of Prof. Manfred Fuchs' death in April 2014. The pooling contract between Marco Fuchs, Romana Fuchs Mayrhofer, Christa Fuchs and VOLPAIA Beteiligungsgesellschaft mbH was revised on February 21, 2017, although there were no material changes in the main elements outlined above.

I. Shares exceeding 10% of the voting capital (No. 3)

As of the reporting date, Marco R. Fuchs held 34.62% of OHB SE's subscribed capital (6,046,610 shares). VOLPAIA Beteiligungsgesellschaft mbH holds a further 21.35% of the Company's shares. Together with the shares held by Christa Fuchs (8.03%, 1,401,940 shares) and Romana Fuchs Mayrhofer (5.72%, 1,000,000 shares), 69.72% (12,178,720) of the Company's shares are subject to a pooling contract providing for the coordinated exercise of voting rights as of the balance sheet date. Romana Fuchs Mayrhofer holds an additional 378,626 shares in OHB SE (2.17%) outside the scope of the pooling contract.

II. Statutory provisions and provisions contained in the Company's Articles of Incorporation with respect to the appointment and dismissal of members of the Management Board and amendments to the Articles of Incorporation (No. 6)

With respect to the appointment and dismissal of members of the Management Board, reference is made to the provisions contained in Article 39 and Article 9 (1) c) ii) of the Statute for a European Company (SE) in connection with Sections 84 and 85 of the German Stock Corporation Act. Under Article 8 (2), the Supervisory Board is empowered to appoint a member of the Management Board as Chairman and further members of the Management Board as Deputy Chairman. The procedure for amending the bylaws is governed by Sections 133, 179 of the German Stock Corporation Act. Article 21 of OHB SE's bylaws also authorizes the Supervisory Board to make amendments to the bylaws affecting only their wording.

III. Powers of the Management Board to issue or buy back shares (No. 7)

At the annual general meeting held on May 26, 2020, the shareholders passed a resolution authorizing the Management Board to buy back up to 10% of the Company's share capital in existence as of the date of the resolution on or before May 25, 2025. Authorization was granted to use the Company's shares for all purposes permitted by law including but not limited to:

- placing the Company's shares in foreign stock exchanges,
- acquiring all or parts of other companies or shares therein,
- offering and transferring shares to the employees of the Company or other companies related with it in accordance with Sections 15 et seq. of the German Stock Corporation Act,
- issuing them to members of the Management Board in fulfilment of existing or future contractual remuneration agreements,
- redeeming treasury stock without any need for a resolution of the shareholders.

On June 17, 2021, the Management Board of OHB SE decided to make use of the aforementioned authorization to initiate a share buyback program. The repurchase has been executed via the stock exchange since June 25, 2021 and will be completed on

March 31. To date, 77,000 shares have been acquired under this program at an average price of EUR 38.6469 and a total volume of EUR 2,975,814.20, which also corresponds to the amount on the reporting date. As of December 31, 2021, OHB SE's treasury stock comprised a total of 107,496 shares, equivalent to a value of EUR 107,496.00 or 0.62% of its issued capital.

At the annual general meeting held on May 26, 2020, the shareholders authorized the Management Board to increase with the Supervisory Board's approval the Company's share capital by up to EUR 8,734,048.00 on a cash or non-cash basis by issuing new shares once or several times on or before May 25, 2025. The new shares may be issued to the Company's employees and members of the Management Board to fulfill contractual remuneration obligations. In addition, the Company's Management Board was authorized – subject to the Supervisory Board's approval – to exclude the shareholders' subscription rights

- for fractional amounts;
- for part of the authorized capital up to a maximum of EUR 1,746,809.00 provided that the new shares are issued in return for cash capital contributions at a price not materially less than the stock-market price;
- for a part of the authorized capital up to a maximum of EUR 8,734,048.00 provided the new shares
 - are issued as consideration for the acquisition of all or part of other companies or entities or other assets and such acquisition is in the interests of the Company; or
 - or are issued as consideration for cash capital contributions to have the Company's stock listed in a foreign market in which it has previously not been admitted to trading.

The Management Board is additionally authorized subject to the Supervisory Board's approval to determine the extent and nature of the option rights and the other conditions of issue. Please refer to the corresponding parts of the notes on the consolidated financial statements for further information.

VI. CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration was officially published on OHB.

The Internet address is:
<https://www.ohb.de/en/corporate-governance/corporate-governance-declaration>

Consolidated financial statements

2021

A satellite with two large solar panel arrays is shown in orbit above the Earth. The satellite has a gold-colored body and a circular antenna-like structure on top. The Earth's blue oceans and white clouds are visible in the background.

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I. CONSOLIDATED INCOME STATEMENT

in EUR 000	Notes	2021	2020
Revenues	1	905,001	880,319
Reduction in inventories of finished goods and work in progress	2	- 16,514	- 59
Other own work capitalized		16,305	14,239
Other operating income	3	11,755	6,932
Total revenues		916,547	901,431
Cost of materials	4	534,453	533,622
Personnel costs	5	249,884	244,787
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	12, 13, 14	36,597	35,390
Impairment expense/income	32	10	- 25
Other operating expenses	6	48,582	46,023
Earnings before interest and tax (EBIT)*		47,021	41,634
Interest and similar income	7	1,283	1,292
Interest and other borrowing costs	7	6,359	8,739
Currency translation losses/gains		1,015	- 817
Share of profit of associates	8, 15	- 1,217	- 3,372
Net income from investments		- 149	- 181
Net finance expense		- 5,427	- 11,817
Earnings before tax (EBT)**		41,594	29,817
Income taxes	9	13,845	10,080
Consolidated net profit for the year		27,749	19,737
Share of OH B SE shareholders in net profit for the year		27,498	20,869
Minority interests	10	251	- 1,132
Average number of shares (in units)		17,408,113	17,413,503
Earnings per share (basic, EUR)	11	1.58	1.20
Earnings per share (diluted, EUR)	11	1.58	1.20

* EBIT = Earnings before interest and taxes

** EBT = Earnings before taxes

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



in EUR 000	Notes	2021	2020
Consolidated net profit for the year		27,749	19,737
Remeasurement of defined benefit pension plans	25, 27	3,053	-2,772
Remeasurement of defined benefit pension plans of associates	25	238	-179
Net gains/losses from the measurement of financial assets through other comprehensive income (equity instruments)	16, 25	8,056	5,020
Items that will not be recycled to profit and loss		11,347	2,069
Foreign currency translation differences	25	465	52
Cash flow hedges	25	-111	227
Cash flow hedges of associates	25	-19	-30
Items that may be subsequently recycled to profit and loss		335	249
Other comprehensive income after tax		11,682	2,318
Comprehensive income		39,431	22,055
Attributable to:			
Equity holders of OHB SE		38,497	23,918
Non-controlling interests		934	-1,863

III. CONSOLIDATED BALANCE SHEET

in EUR 000	Notes	Dec. 31, 2021	Dec. 31, 2020
ASSETS			
Goodwill	12	7,366	7,366
Other intangible assets	12	125,160	121,174
Right-of-use assets under leases	13	52,433	57,214
Property, plant and equipment	14	104,679	97,210
Shares in associates	15	0	0
Other financial assets	16	22,838	34,850
Other non-current receivables and financial assets	19	40,782	35,220
Deferred tax assets	9	24,769	23,383
Non-current assets		378,027	376,417
Inventories	17	32,001	62,100
Trade receivables	18	53,514	55,746
Contract assets	1	382,168	310,438
Income tax receivables		3,551	2,746
Other financial and non-financial assets	19	14,960	12,169
Securities	20	8	494
Cash and cash equivalents	21	96,618	91,968
Current assets		582,820	535,661
Total assets		960,847	912,078

in EUR 000	Notes	Dec. 31, 2021	Dec. 31, 2020
EQUITY AND LIABILITIES			
Subscribed capital	22	17,468	17,468
Share premium	23	15,968	15,969
Retained earnings	24	521	521
Unrealized gains and losses recognized in equity	25	-21,591	-18,632
Treasury stock	26	-3,265	-453
Consolidated net profit		225,441	191,258
Equity net of minority interests		234,542	206,131
Non-controlling interests	10	18,079	17,195
Equity		252,621	223,326
Provisions for retirement benefits and similar obligations	27	104,255	110,964
Non-current other provisions	28	3,031	2,651
Non-current financial liabilities	29	10,481	17,111
Non-current lease liabilities		42,677	46,125
Non-current contract liabilities	1	37,677	31,072
Deferred tax liabilities	9	52,254	44,492
Non-current liabilities		250,375	252,415
Current provisions	28	32,560	28,309
Current financial liabilities	30	145,867	93,120
Current lease liabilities		11,161	12,197
Trade payables		85,426	104,525
Current contract liabilities	1	87,961	143,114
Income tax liabilities		9,657	7,526
Financial and non-financial other liabilities	31	85,219	47,546
Current liabilities		457,851	436,337
Total equity and liabilities		960,847	912,078

IV. CONSOLIDATED CASH FLOW STATEMENT

in EUR 000	Notes	2021	2020
EBIT		47,021	41,634
Income taxes paid		-7,448	-8,206
Other non-cash expenses (+) /income (-)		163	448
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	12, 13, 14	36,597	35,390
Changes in retirement benefit provisions	27	-3,611	-3,237
Profit (-)/loss (+) from the disposal of assets		473	90
Gross cash flow		73,195	66,119
Increase (-)/decrease (+) in own work capitalized		-16,305	-14,239
Increase (-)/decrease (+) in inventories		61,885	-34,630
Increase (-)/decrease (+) in receivables and other assets		-108,701	84,929
Increase (+) /decrease (-) in liabilities and provisions		21,803	-59,333
Increase (+) /decrease (-) in contract liabilities		-49,223	1,275
Cash inflow/outflow from operating activities		-17,346	44,121
Payments made for investments in intangible assets, property, plant and equipment and other financial assets	12, 14	-22,594	-21,155
Payments received from the disposal of assets		893	11
Payments received from the disposal of equity instruments		21,749	0
Consolidation-related changes to cash and cash equivalents		467	3,571
Interest received	7	1,353	1,292
Cash inflow/outflow from investing activities		1,868	-16,281
Dividends distributed		-7,498	0
Payment made for the settlement of financial liabilities	29, 30, 33	-26,677	-31,790
Payment made for the settlement of lease liabilities	29, 30, 33	-11,582	-10,876
Payments received from new loans	29, 30, 33	72,794	30,018
Acquisition of treasury stock		-2,976	0
Dividend distributed to non-controlling interests		-50	-75
Interest paid	7	-5,205	-7,474
Cash generated by / used in financing activities		18,806	-20,197
Changes to cash and cash equivalents recognized in the cash flow statement		3,328	7,643
Exchange-rate-induced change in cash and cash equivalents		1,322	-765
Cash and cash equivalents at the beginning of the period		91,968	85,090
Cash and cash equivalents at the end of the period	21	96,618	91,968

V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



in EUR 000	Sub- scribed capital	Share premium	Retained earnings	Unrealized gains and losses recognized in equity	Con- solidated net profit	Treasury stock	Equity net of minority interests	Non- controlling interests	Total equity
See Notes	22	23	24	25		26		10	
Balance on Jan. 1, 2020	17,468	15,778	521	-21,681	170,321	-710	181,697	19,133	200,830
Consolidated other comprehensive income	0	0	0	3,049	20,869	0	23,918	-1,863	22,055
Change in companies consolidated	0	0	0	0	68	0	68	0	68
Dividend distributed to non-controlling interests	0	0	0	0	0	0	0	-75	-75
Share-based payments	0	191	0	0	0	257	448	0	448
Balance on Dec. 31, 2020	17,468	15,969	521	-18,632	191,258	-453	206,131	17,195	223,326
Dividend payment	0	0	0	0	-7,498	0	-7,498	0	-7,498
Consolidated other comprehensive income	0	0	0	10,999	27,498	0	38,497	934	39,431
Change in companies consolidated	0	0	0	-4	229	0	225	0	225
Dividend distributed to non-controlling interests	0	0	0	0	0	0	0	-50	-50
Reclassification	0	0	0	-13,954	13,954	0	0	0	0
Acquisition of treasury stock	0	0	0	0	0	-2,975	-2,975	0	-2,975
Share-based payments	0	-1	0	0	0	163	162	0	162
Balance on Dec. 31, 2021	17,468	15,968	521	-21,591	225,441	-3,265	234,542	18,079	252,621

VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

The Company has its head office at Manfred-Fuchs-Platz 2–4 in 28359 Bremen, Germany. It is entered in the commercial register of the Local Court of Bremen under the number HRB 30268. OHB SE exercises the function of an active holding company which manages the subsidiaries within the OHB Group. At the same time, it is the ultimate parent company. The Group is primarily engaged in the production and distribution of products and projects as well as the provision of high-technology services particularly in the areas of space and aeronautic technology, telematics and satellite services. OHB SE is made up of the SPACE SYSTEMS, AEROSPACE and DIGITAL segments.

The SPACE SYSTEMS segment concentrates on developing and executing space projects. In particular, it is responsible for developing and fabricating low-orbiting and geostationary small satellites for navigation, research, communications, Earth and weather observation and reconnaissance including scientific payloads. Reconnaissance satellites and the broadband secure wireless transmission of image data constitute core technologies for security and reconnaissance. Exploration works on studies and models for exploring our solar system, primarily the moon, asteroids and Mars. Its human space flight activities chiefly entail projects for the assembly and outfitting of the International Space Station ISS.

The AEROSPACE segment is responsible for assembling and developing aviation and space products as well as for other industries. In this area, OHB has established itself as a significant supplier of aerospace structures; among other things, it is the largest German supplier of components for the Ariane program and an established producer of structural elements for satellites and aircraft.

In the DIGITAL segment, OHB offers a wide range of service activities, including satellite operations, IT applications based on satellite data (downstream applications), e.g. for maritime and rail logistics or autonomous mobility, as well as the procurement of rocket launches and the provision of IT services. In addition, OHB in Mainz is an experienced vendor of mechatronic systems for antennas and telescopes and is involved in major radio telescope projects.

Accounting principles and methods

In accordance with Regulation (EC) 1606/2002 issued by the European Parliament and the Council on July 19, 2002, OHB SE is required to prepare consolidated financial statements in accordance with international accounting standards (IFRS/IAS). The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS/IAS) applicable in the EU in the light of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC) as well as the supplementary provisions contained in Section 315 e of the German Commercial Code.

The consolidated financial statements have been prepared on the basis of the going-concern assumption and the historical cost principle with the exception of derivative financial instruments used for hedging purposes and available-for-sale financial instruments, which are measured at fair value. In addition to the consolidated balance sheet, consolidated income statement and the consolidated statement of comprehensive income, the consolidated annual financial statements include a consolidated cash flow statement and a statement of changes in consolidated equity. The notes contain the declaration required by Section 285 No. 16 of the German Commercial Code confirming that the disclosures stipulated by Section 161 of the German Stock Corporation Act have been duly made. The income statement has been compiled using the total-cost method. The reporting currency is the euro. Unless otherwise stated, all amounts are reported in millions of euros (EUR million). It should be noted that the use of rounded figures and percentages may result in differences due to commercial rounding.

Consolidation methods and equity accounting

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. All material subsidiaries under the legal or constructive control of OHB SE have been consolidated.

Any remaining positive difference between the cost of acquiring the shareholdings and the net assets calculated at their fair values is recognized as goodwill under IAS 3.32. The full goodwill method is applied.

Revenues, expenses, income as well as receivables and liabilities between consolidated companies are netted and any inter-Group profits eliminated. The accounting methods and the reporting period applied by the subsidiaries are the same as those used by OHB SE.

Associates and the equity method of accounting

Associates are defined as all entities over which the Group has significant influence. This is generally the case if the Group holds between 20% and 50% of the voting rights.

Shares in associates are reported at historical cost with due allowance made for the share in its profit/loss for the year (profit/loss, other comprehensive income). Dividends received are recognized as a reduction of the carrying amount. In an impairment test, the carrying amount of the associate is compared with the recoverable amount and, if it is lower than the carrying amount, an impairment equaling the difference recognized.

When the Group's share of losses in an investment accounted for using the equity method equals or exceeds its interest in the investee (including any other long-term interests that are attributable to the substance of the net investment in the investee), the Group does not recognize any further share of losses unless it has incurred legal or constructive obligations or made payments on behalf of the investee.

The OHB Group has non-current receivables from/loans to an associate settlement of which is neither planned nor likely in the foreseeable future. Current losses are offset against these receivables.

Unrealized gains from transactions between the Group and its associates are eliminated in an amount equaling the Group's share in such companies. The accounting methods applied by associates have been modified where this is necessary to ensure consistency with the methods applied by the Group.

Acquired businesses

No acquisitions were executed during this period.

Changes in shareholdings

The Group treats transactions with non-controlling interests that do not result in any loss of control as straight equity transactions. They are included in the line item entitled "Transactions with non-controlling interests" in the statement of changes in equity. A change in shareholdings results in an adjustment to the carrying amount of the non-controlling interests to reflect the size of the share in the subsidiary in question. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is reported within equity in a separate reserve attributable to the owner.

Basis of consolidation

OH B SE's consolidated financial statements include in fully consolidated form OH B SE, eleven domestic and eight non-domestic subsidiaries as well as a further domestic associate accounted for using the equity method. The table entitled "Basis of consolidation" sets out the subsidiaries and associates together with the relative size of the share held.

In addition, shares were held in other companies (see table entitled "Further equity interests and financial assets" in this section).

OH B Czechspace s.r.o., Klatovy and OH B Infosys GmbH, Bremen, were consolidated for the first time with effect from January 1, 2021 following a revised materiality assessment. The two companies are wholly owned subsidiaries of OH B SE. Initial consolidation did not give rise to any goodwill. The companies were consolidated retrospectively and their net profit of EUR 156 thousand (OH B Infosys GmbH) and EUR 74 thousand (OH B Czechspace s.r.o.) included in consolidated net profit from the date of initial consolidation.

OH B SE's consolidated financial statements include the following companies: see table.

Basis of consolidation

Name of company	Share held in %	Consolidation
OH B System AG, Bremen (D)	100.0	Fully consolidated
ORBCOMM Deutschland Satellitenkommunikation AG, Bremen (D) ¹	100.0	Fully consolidated
OH B Italia S.p.A., Milan, Italy	100.0	Fully consolidated
OH B Sweden AB, Stockholm, Sweden	100.0	Fully consolidated
Antwerp Space N.V., Antwerpen, Belgium	100.0	Fully consolidated
LuxSpace Sàrl, Betzdorf, Luxembourg	100.0	Fully consolidated
MT Aerospace Holding GmbH, Bremen, Germany	70.0	Fully consolidated
MT Aerospace AG, Augsburg, Germany ²	100.0	Fully consolidated
MT Aerospace Grundstücks GmbH & Co. KG, Augsburg, Germany ³	100.0	Fully consolidated
MT Aerospace Guyane S.A.S., Kourou, French Guiana ³	100.0	Fully consolidated
MT Management Service GmbH, Augsburg, Germany ²	100.0	Fully consolidated
Aerotech Peissenberg GmbH & Co. KG, Peissenberg, Germany ²	49.5	At equity
OH B Teledata GmbH, Bremen, Germany	100.0	Fully consolidated
OH B Digital Solutions GmbH, Graz, Austria	100.0	Fully consolidated
OH B Digital Services GmbH, Bremen, Germany	74.9	Fully consolidated
OH B Digital Connect GmbH, Bremen, Germany	100.0	Fully consolidated
OH B Chile SpA, Vina del Mar, Chile ⁴	100.0	Fully consolidated
OH B COSMOS International Launch Services GmbH, Bremen, Germany	100.0	Fully consolidated
OH B Czechspace s.r.o., Klatovy, Czech Republic	100.0	Fully consolidated
OH B Infosys GmbH, Bremen, Germany	100.0	Fully consolidated

1 Held by OH B System AG

2 Held by MT Aerospace Holding GmbH

3 Held by MT Aerospace AG

4 Held by OH B Digital Connect GmbH

In accordance with the principle of materiality pursuant to the IFRS/IAS framework, the companies stated in the table, which are fundamentally subject to compulsory consolidation (OH B share of greater than 20%), are not consolidated. These companies' cumulative current sales and EBIT are not considered to make any material contributions to consolidated earnings. Subsidiaries with discontinued or minimal business activities which

are of only minor importance for obtaining a true and fair view of the OH B Group's net assets, financial condition and results of operations as well as its cash flow are not consolidated. The shareholdings shown in the tables entitled "Consolidation perimeter" and "Further investments and financial assets" correspond to the voting rights held.

Further investments and financial assets

Name of company	Share held in %**
OH B France S.A.S., Paris, France *	100.0
OH B Venture Capital GmbH, Bremen, Germany *	100.0
MT Mecatronica s.r.l., Cagliari, Italy *	100.0
Blue Horizon s.à r.l., Betzdorf, Luxembourg *	100.0
OH B Hellas mon.E.P.E., Athens, Greece *	100.0
OH B Uzay Teknolojileri Limited Sirketi, Ankara, Turkey *	100.0
OH B Portugal Unipessoal LDA, Lisbon, Portugal *	100.0
MT Dezentrale Energiesysteme GmbH, Augsburg, Germany *	70.0
MT Satellite Products Ltd., Wolverhampton, UK *	70.0
MILET Grundstücks-Verwaltungsgesellschaft mbH, Augsburg, Germany *	70.0
MT Management Service Cz s.r.o., Klatovy, Czech Republic *	70.0
COSMOS Space Systems AG, Bremen, Germany *	66.7
Rocket Factory Augsburg AG, Augsburg, Germany *	55.6
RFA Azores Unipessoal LDA, Azores, Portugal *	55.6
RFA Portugal Unipessoal LDA, Matosinhos, Portugal *	55.6
visiboxx Logistic Solutions GmbH, Bremen, Germany *	55.0
Orbcomm Europe LLC, Delaware, United States *	50.0
German Offshore Spaceport Alliance GmbH, Bremen, Germany *	37.5
Aerotech Beteiligungs GmbH, Peißenberg, Germany *	30.1
Antares S.c.a.r.l., San Giorgio Del Sannio, Italy *	24.0
Arianespace Participation, Evry, France	5.8
Institut für angewandte Systemtechnik Bremen GmbH, Bremen, Germany	5.0
Searoutes SAS, Marseille, France	2.4

* Not consolidated in the year under review or accounted for using the equity method for materiality reasons

** Notional OH B SE share

Currency translation

Most outgoing invoices are denominated in euro. Incoming and outgoing invoices denominated in a foreign currency are converted and recognized on the reporting date. Any hedges in existence are translated at the hedge rate. Foreign-currency bank balances were translated at the end-of-year exchange rate. The annual financial statements of the independent non-domestic subsidiary OH B Sweden AB were prepared in its domestic currency (SEK) and translated using the functional currency principle in accordance with IAS 21. The annual financial statements of the

independent non-domestic subsidiary OH B Chile SpA were prepared in its domestic currency (CLP) and translated using the functional currency principle in accordance with IAS 21. The annual financial statements of the independent non-domestic subsidiary OH B Czechspace s.r.o. were prepared in its domestic currency (CZK) and translated using the functional currency principle in accordance with IAS 21. The foreign-currency difference arising from translation of equity is recorded in "Currency translation differences" within other comprehensive income.

Accounting and valuation methods

Newly issued standards and interpretations

The Group applied all the accounting standards which were mandatory for accounting periods commencing on or after January 1, 2021. This did not give rise to any changes to the consolidated financial statements.

The International Accounting Standards Board (IASB) and IFRIC issued an amendment to IFRS 16 – “COVID 19 Pandemic-Related Lease Concessions” effective June 1, 2020. Its purpose is to facilitate accounting for lease concessions as a result of the global Covid-19 pandemic. The OHB Group has opted not to apply this accounting convenience.

Newly issued standards and interpretations that have not yet been applied

The IASB has issued standards, interpretations and revisions to existing standards which are not yet compulsory and do not become so until future reporting periods and which OHB SE has not adopted on a voluntary early basis.

The OHB Group does not expect any material effects as a result of the aforementioned amendments.

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 17 and IFRS 16 published by the IASB and already endorsed by the EU must be applied from accounting periods commencing on or after January 1, 2021.

IFRSs endorsed by the EU	Date of application (EU)
Amendments to IFRS 16 – Extension of Covid-19 Guidance	April 1, 2021
Amendments to IFRS 17 – Insurance Contracts	January 1, 2023
Amendments to IFRS 3 – Business Combinations	January 1, 2023
Amendments to IAS 16 – Property, Plant and Equipment	January 1, 2022
Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
Amendments to IAS 1 – Presentation of Financial Statements	January 1, 2023
Amendments to IAS 8 – Accounting Policies	January 1, 2023

IFRSs not yet endorsed by the EU	Date of application (EU)
Amendments to IAS 1 – Presentation of Financial Statements	January 1, 2023
Amendments to IAS 12 – Income Taxes	January 1, 2023

Changes in accounting policies

There were no changes in accounting policies in 2021.

Recognition of revenues

Revenue is recognized according to the principle that revenue equaling the consideration is not recognized until control of the goods or services is transferred to the customer. The contractual provisions and all relevant facts and circumstances must be taken into account in this connection. As a general rule, individual contracts with a customer are accounted for unless the conditions for combining contracts are satisfied. The guidance provided by the standard is applied uniformly to similarly structured contracts and under similar circumstances.

Development contracts

Development contracts usually involve a longer period of time and many individual development phases. These are so closely interrelated and interdependent that often only a single performance obligation can be identified when the individual contract is assessed. In this case, the transaction price is assigned to only a single performance obligation. When the transaction price is determined, variable consideration in the form of performance bonuses or contractual penalties may have to be taken into account in individual cases. The amount of the variable consideration is regularly estimated by applying a suitable method, or constraints on the estimate are taken into account.

The transaction price reflects the present value of money if the contract contains a significant financing component, regardless of whether this is explicitly or implicitly stated in the contract. If there is a financing component, the transaction price is calculated on the basis of the nominal value of the consideration, adjusted for the financing effect. The Group does not identify a significant financing component if, at the inception of the contract, the period between transfer of the goods or services to the customer and payment by the customer is not expected to exceed one year.

Long-term development contracts generally satisfy the prerequisites for revenue recognition over time. Input-based "cost-to-cost" methods are used to determine the progress towards complete satisfaction of the performance obligation. For this purpose, the degree of completion is determined on the basis of the contract costs which have arisen as of the balance sheet date relative to the expected total contract costs. Revenues from contracts are calculated by multiplying the percentage of completion with the contractually agreed proceeds including any subsequently agreed additions. Long-term projects in progress on the reporting date (remaining durations of between one and seven years) are recognized as revenue on the basis of production costs plus refundable administrative overhead costs if a partial profit cannot be estimated with a reasonable degree of reliability on account of the early stage of the project. The corresponding contract costs are included in the cost of materials and other costs in the year under review.

Any receivables resulting from the application of the "cost-to-cost" method generally entail a conditional payment claim, which is shown separately on the face of the balance sheet as a contract asset. The Group has fulfilled its contractual obligations by transferring goods and services to the customer before payment is made or become due. The simplified model of expected credit losses in accordance with IFRS 9 is applied to contract assets (see section on financial investments and other financial assets). An unconditional claim arises from a final invoice or a partial settlement with the result that a trade receivable is recognized.

Depending on the earlier payment or due date, a contract liability must be reported separately on the face of the balance sheet if a customer has paid consideration (e. g. prepayment) or if the OHB Group company has an unconditional right to consideration (i. e. a receivable or right to receive prepayment) and before a good or service has been transferred to the customer.

Contract assets and contract liabilities arising from one and the same contract must be shown net and broken down into settlement periods (non-current and current).

Where contract performance costs do not fall within the scope of another standard, they are capitalized provided that the conditions for capitalization are met and amortized over the expected period of performance of the obligation.

Provisions are recognized for individual obligations of the Group to repair or replace defective products under statutory or standard warranty conditions (see "Other provisions"). IFRS 15 does not provide any guidance on the recognition of provisions for impending losses from orders, but instead references IAS 37. Reference is made to the contract itself and not to the individual performance obligations.

Sale of goods and services

In addition, revenue, mainly from the sale of goods and the provision of services, is recognized on a point-in-time basis if the performance obligation is not fulfilled over time in accordance with IFRS 15.35-37. In this connection, the guidance for determining the date of transfer of control including a wide variety of indicators for this are taken into account.

As a rule, payment of the transaction price falls due in 30 days. Receivables due for settlement in more than one year are classified as non-current.

Customer-specific contract production

A large proportion of the revenues from customer-specific contract production in the AEROSPACE segment are recognized over time in accordance with the corresponding contracts. In this connection, each part delivery of a ship set is normally classified as a performance obligation which is almost exclusively customer-specific and for which entitlement to payment arises in the event of cancellation. Revenue is recognized using the input-oriented cost-to-cost method. Contract assets and contract liabilities are presented in the same way as development contracts.

Own work capitalized

Development expenditure is recognized as an asset pursuant to IAS 38.57 if a newly developed product or process can be clearly delineated, is technically feasible and is intended either for the Company's own use or for sale. A further condition is that it must be sufficiently likely for the development expenditure to be recouped from future cash flows. Such expenditure is recognized on the basis of the production costs incurred, primarily development hours multiplied by the applicable hourly rate. In the year under review, research and development costs of EUR 4.0 million (previous year: EUR 5.4 million) were recorded as expense as the criteria provided for in IAS 38.57 were not satisfied. Of the total development costs of EUR 19.3 million (previous year: EUR 19.5 million), an amount of EUR 14.2 million (previous year: EUR 12.8 million) was capitalized. An amount of EUR 1.1 million (previous year: EUR 1.3 million) was received in the form of non-repayable grants to support development projects, e.g. for the development of new propulsion systems and improvements to launchers. The grants were primarily provided by ESA, DLR and national institutions. The income from development grants is recognized upon the occurrence of the related costs. Income from grants is reported gross, i. e. it is not netted with expenses. At the moment, there is no evident indicating that the conditions imposed by the providers of grants cannot be satisfied.

Net finance expense

Net financial income/expense includes the share of profits of associates accounted for using the equity method as well as other investments including gains from the sale of investments in associates (provided that these are measured at fair value through profit and loss), other finance expense on liabilities, interest expenses under IFRS 16, dividends, interest income on receivables and currency gains and losses. Interest income is taken to the income statement in accordance with the effective interest method. Dividends are reported in the income statement upon a resolution to distribute a dividend being passed. Interest expenditure on pension provisions is also reported as other interest expenditure.

Intangible assets

Intangible assets acquired from third parties primarily comprise software programs and licenses. These are recognized at historical cost and amortized on a straight-line basis over a useful life of between one and 15 years.

As of each reporting date, OHB reviews the carrying amounts of its intangible assets to identify any evidence of impairment. In this case, the recoverable amount of the asset in question is calculated to determine the amount of any impairment. The recoverable amount is defined as the fair value less possible costs of sale or the value in use, whichever is the greater. Internally generated assets, which are capitalized with the directly attributable costs, are written down on a straight-line basis over the expected useful life of four to 15 years. For the purpose of identifying any impairment, goodwill must be allocated to each cash-generating unit within the Group expected to derive any benefit from the synergistic effects of the business combination. Cash-generating units to which part of the goodwill is allocated are tested for impairment at least annually. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is initially assigned to the carrying amount of all goodwill allocated to the unit and then on a proportionate basis to the other assets on the basis of the carrying amount of each asset within the unit.

Leases (right-of-use assets and lease liabilities)

OHB applies IFRS 16, which provides guidance on the recognition, measurement, presentation and disclosure of individual leases. Under this guidance, OHB Group companies must recognize the main leases as right-of-use assets on their balance sheets in their capacity as lessees. The OHB Group does not apply IFRS 16 to intangible assets. If a lease has a term of less than 12 months or has a value that is considered to be minor (under EUR 5 thousand), no right-of-use asset is recognized. Instead, the lease payments are recognized as expense through profit and loss on a straight-line basis.

The duration of the lease includes the non-cancellable basic term as well as any periods covered by an option to extend the lease provided that it is reasonably certain that the option will be exercised. An assessment as to whether an option to extend or terminate a lease is reasonably certain, takes account of factors relating to the contract, asset, company and market. The exercise of options to extend leases is assessed once a year. In the event of any change in the assessment over the previous year, the right-of-use asset and the corresponding lease liability are duly adjusted.

Right-of-use assets are recognized at historical cost and lease liabilities at their present value upon initial recognition. A right-of-use asset is recognized at historical cost together with a lease liability. The cost of the right-of-use asset chiefly comprises the amount derived from the initial measurement of the lease liability, all lease payments made prior to the provision of the leased asset and all initial costs incurred by the OHB Group company. Lease payments are all payments made for the right to use the leased asset during the term of the lease. Generally speaking, there are no purchase options or residual value guarantees. Any variable lease payments agreed are recognized through profit and loss upon being paid. Lease payments are discounted using the interest rate underlying the lease as far as this can be determined without difficulty. The OHB Group assumes that this interest rate cannot be determined without difficulty unless it is disclosed separately by the lessor or is stated in the lease contract. Accordingly, the incremental borrowing rate is applied upon the commencement of the lease. Lease payments are split into payments of principal and payment of interest. The interest component is recognized through profit and loss for the duration of the lease.

Any changes in lease payments that arise, for example, from a change in an index are not included in the lease liability until they take effect. As soon as these changes take effect, the lease liability for the right-of-use asset in question is adapted using the interest rate applied on the date on which the lease was initially recognized.

If the duration of the lease is reassessed, the adjusted lease liability is discounted using the interest rate applicable on the date of the adjustment.

The OHB Group reports right-of-use assets separately on the face of its balance sheet. Lease liabilities are reported separately on the face of the balance sheet. For this purpose, the current/non-current distinction is applied.

The depreciation of right-of-use assets is calculated on a straight-line basis over the useful life of the asset or the duration of the underlying lease, whichever is the shorter. Right-of-use assets are also subject to the impairment provisions of IAS 36 and are tested for impairment if there are any indications of impairment. For this purpose, the right-of-use assets are generally assigned to the corresponding cash-generating units.

Property, plant and equipment

Assets classed as property, plant and equipment are carried at historical cost less scheduled straight-line depreciation over their expected useful lives. Subsequent expenditure on assets which does not increase their value or materially extend their useful lives is expensed. Material additions and improvements are recognized as assets. Disposals are reflected in historical acquisition costs as well as accumulative depreciation. Gains and losses from the disposal of assets are recorded within operating income/expenses. The following depreciation periods are applied to property, plant and equipment: between ten and 33 years for buildings, five to ten years for machinery and technical equipment and three to ten years for other equipment as well as operating and business equipment.

As of each reporting date, OHB reviews the carrying amounts of its property, plant and equipment to identify any evidence of impairment. In this case, the recoverable amount of the asset in question is calculated to determine the amount of any impairment. The recoverable amount is defined as the fair value less possible costs of sale or the value in use, whichever is the greater.

Inventories

Inventories are recognized at historical cost or the lower net recoverable value prevailing on the reporting date. Production costs comprise the individual costs of material and production, overhead costs of material and production as well as depreciation and amortization expense in connection the production equipment. They also include overhead administration costs. Part of the inventories are measured using the moving average method.

Financial investments and other financial assets

Financial assets are assigned to the following categories depending on the business model:

- those subsequently measured at fair value (either through other comprehensive income – FVOCI – or through profit or loss – FVPL –), and
- those measured at amortized cost (AmC).

In the case of assets measured at fair value, gains and losses are recognized either in profit and loss or in other comprehensive income. With respect to investments in equity instruments that are not held for trading, this depends on whether the Group irrevocably decides upon initial recognition to measure the equity instruments at fair value through other comprehensive income.

A customary purchase or sale of financial assets is recognized on the trading day, i.e. the day on which the Group undertakes to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire or have been transferred together with substantially all risks and opportunities arising from ownership.

Financial assets are initially measured at their fair value plus – in the case of financial assets that are not subsequently measured at fair value through profit and loss – the transaction costs directly attributable to the purchase of this asset. The transaction costs of financial assets measured at fair value through profit and loss are recognized as expense in profit and loss.

The Group assigns its debt instruments to the following three categories: AmC, FVOCI or FVPL.

AmC: Assets that are held to collect the contractual cash flows and for which these cash flows constitute solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is reported within finance income using the effective interest method. Gains and losses from the derecognition of the asset are reported directly in profit and loss and – together with currency-translation gains and losses – included in other operating expenses and income. Trade receivables, cash and cash equivalents, loans and other financial assets are allocated to this category.

FVPL: Assets that do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at their fair value through profit and loss. Gains and losses from a debt instrument that is subsequently measured at fair value through profit and loss are netted within profit and loss and reported in other operating expenses and income for the period in which they arise. Derivatives that are not part of a hedging relationship and securities that are classified as debt instruments are allocated to this category.

The Group subsequently measures all equity instrument that it holds at their fair value. If management has decided to include the effects of any change in the fair value of equity instruments in other comprehensive income, these gains and losses are not subsequently recycled to profit and loss when the instrument is derecognized. Accumulated balances in the FVOCI reserve are recycled to consolidated net profit. The dividends from such instruments are still reported through profit and loss and included in other income provided that the Group's claim to receive payments has been established. The decision on allocation to this category is made for each equity instrument upon initial recognition. Contrary to the previous year, no material equity instruments are reported as FVOCI at the end of the year under review.

Any changes in the fair value of financial assets measured at fair value through profit and loss are reported through profit and loss and included in other income/(expenses). Impairments (and reversals of impairments) of equity instruments at fair value through other comprehensive income are not presented separately from other changes in fair value.

Impairments of financial assets and contract assets

The Group has four types of financial assets that are subject to the credit loss model defined by IFRS 9:

- Trade receivables
- Contract assets
- Debt instruments, loans measured at amortized cost, and
- Debt instruments measured at fair value through other comprehensive income (FVOCI)

Cash and cash equivalents are also subject to loss allowances under IFRS 9. However, the loss allowances identified were immaterial and therefore not recognized. Lease receivables are also subject to the impairment provisions of IFRS 9. However, there were no lease receivables at the year under review.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The loss allowance method depends on whether there is a significant increase in credit risk (general model). The expected credit losses approach uses a three-step process for allocating loss allowances. All instruments are assigned to level 1 on receipt. In this case, the present value of the expected credit losses resulting from possible default events within the next 12 months after the reporting date must be recognized as expenses. Interest is recognized on the basis of the gross carrying amount, i.e. the effective interest method is applied on the basis of the carrying amount before risk provisions are taken into account. Level 2 includes all instruments that exhibit a significant increase in credit risk at the reporting date compared with the date of acquisition. In level 3, there is additionally objective evidence of a credit loss. No instruments were allocated to level 2 or level 3 at the reporting date. As debt instruments measured at amortized cost and at fair value through other comprehensive income are considered to have a low risk of default, the loss allowance was calculated on the basis of expected 12-month credit loss. With respect to trade receivables, the Group applies the simplified approach permitted under IFRS 9, under which the life-time expected credit losses are recorded upon initial recognition of the receivables. Contract assets are subject to the guidance on loss allowances contained in IFRS 9 in accordance with IFRS 15, as are lease receivables in accordance with IFRS 16. The simplified model is applied in the calculation of loss allowances.

Trade receivables and contract assets were combined on the basis of common credit risk characteristics and days past due to measure the expected credit losses. Contract assets relate to work in progress that has not yet been invoiced and have essentially the same risk characteristics as trade receivables for the same contract types. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The regularly reviewed expected loss rates are based on historical default rates adjusted for future-oriented components relating to the creditworthiness of customers. In the light of the Group's customer structure, historical default rates are minimal. Loss allowances are reported in the income statement under net operating profit.

Deferred taxes

Under IAS 12, temporary differences between the carrying amount of assets or liabilities on the balance sheet and their tax base in accordance with IFRS/IAS give rise to deferred taxes. The OHB Group applies a uniform domestic tax rate of 32 % (previous year: 32 %) for calculating deferred taxes. Income taxes in 2021 were calculated in detail using different tax rates. Deferred tax assets are recognized in accordance with IAS 12.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. This also applies to deferred tax assets on unused tax losses. If the deferred income tax assets are unlikely to be realized, they are impaired by the appropriate amount.

Deferred income tax assets and liabilities are only offset if they relate to income taxes levied by the same taxation authority and the actual income tax assets can be offset against the actual income tax liabilities.

Equity

IAS 32 (Financial Instruments: Disclosure and Presentation) stipulates that equity must not include any contractual obligation to deliver cash or any other financial asset to another entity. Equity is composed of subscribed capital, the share premium, unrealized gains and losses recognized within other comprehensive income, retained earnings and accrued profit brought forward. Treasury shares acquired are recognized separately in an amount equaling all consideration paid and deducted from equity until the shares are cancelled or reissued. If such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable transaction costs, is included in the equity attributable to the owners.

Provisions for retirement benefits and similar obligations

Obligations under defined-benefit plans are calculated using the projected unit credit method in accordance with IAS 19 (Employee Benefits). The expected benefits are deferred over the entire period of service of the employees.

Remeasurement gains and losses from adjustments to assumptions based on historical data or actuarial data are recognized within other comprehensive income and reported on a cumulative basis in equity under the reserve for retirement benefit provisions. The net interest expense is recorded as interest expense within net finance income/finance expense in the income statement.

In the case of defined contribution plans, the Group makes contributions to public pension insurance institutions on the basis of statutory requirements. The Group has no further payment obligations once the employer contributions have been paid. The contributions are recognized as employee benefit expense upon falling due for payment.

Other provisions

Other provisions have been reliably assessed for matters resulting in an outflow of enterprise resources to settle present obligations in accordance with IAS 37. Estimates are primarily based on detailed calculations. Provisions for which a cash outflow is not expected before 12 months are classified as non-current and recognized at the present value of the future cash outflows.

Financial liabilities

Liabilities comprise financial liabilities, trade payables and other liabilities and are classified as financial liabilities at amortized cost ("FLAC"). Financial liabilities are recognized at amortized cost using the effective interest method. They are initially recognized at their fair value including transaction costs. Financial liabilities are derecognized when the contractual obligations are settled or suspended or expire. If the financial liabilities are not due for settlement within 12 months of the end of the reporting period, they are classified as non-current, otherwise as current.

Assumptions and estimates

Proper and full preparation of the consolidated financial statements requires to some degree the use of estimates and assumptions, which affect the assets and liabilities reported, the disclosure of contingent liabilities and receivables on the balance sheet and the income and expenses recognized. The actual amounts may vary from these estimates and assumptions in individual cases. Any adjustments are taken to the income statement upon further knowledge becoming available.

Internally funded development expenses are assessed on the basis of estimated future cash flows. The value of goodwill is determined in an annual impairment test. This test involves estimates of future cash inflows. Future changes in the general economic environment and the conditions within the sector or the Company may result in a reduction in net cash inflows

and, hence, impair the value of the goodwill. Technical progress, deterioration in the market situation or damage may impair the fair value of property, plant and equipment. A sensitivity analysis can be found in the disclosures on impairment testing (Note 11).

In identifying the performance obligations in a contract with a customer, the Group makes judgments as to the extent to which the contractual obligations are significantly interrelated, highly interdependent and interconnected. The input-based cost-to-cost method is applied to long-term construction contracts provided that the applicable conditions are satisfied. For this purpose, the costs incurred are divided by the total costs to calculate the percentage of completion. Direct changes may arise from changed estimates with respect to hours or costs or as a result of contract addenda. The estimate of the amount of variable consideration over the period in which services are provided or constraints on the estimate are also estimating uncertainties.

Provisions for retirement benefits are calculated on the basis of a number of premises and assumed trends, the application of biometric probabilities as well as generally accepted approximation methods to determine pension obligations. Actual payment obligations arising over time may vary from these (see note on retirement benefits for possible changes).

Tax provisions and impairment testing of deferred tax assets are also based on estimates. In determining the value of deferred tax assets, uncertainty may arise with respect to the interpretation of complex tax legislation as well as the amount and timing of future taxable income.

Other provisions are recognized in the light of available knowledge and using the customary scope for discretion.

In view of the current conditions in the economy and the financial markets, it is not possible at this stage to make any reliable assumptions on the range of possible adjustments which may need to be made to the estimates in 2022.

Impairments of financial assets are based on assumptions about default risk and expected loss rates. The Group uses its discretionary judgement in making these assumptions and selecting input factors for calculating impairments based on the Group's historical experience, existing market conditions and forward-looking estimates at the end of each reporting period.

In connection with IFRS 16, the assessment of leases to determine whether there is sufficient certainty that options to extend or terminate leases will be exercised involves a certain degree of uncertainty. The same thing applies to the determination of the interest rate to be applied.

Following a cyber-attack in 2020, contingent assets consist of possible insurance compensation of at least a six-digit amount.

VII. NOTES ON THE CONSOLIDATED INCOME STATEMENT

(1) Revenues

2021 in EUR 000	Space technology			Aviation		
	Germany	EU	Other	Germany	EU	Other
Revenues	325,861	571,760	30,252	9,512	4,788	0
Less intercompany revenues	-44,476	-10,625	0	0	0	0
Revenues with external customers	281,385	561,135	30,252	9,512	4,788	0
Timing of revenue recognition						
Point in time	1,276	27,564	20,142	8,276	3,375	0
Over time	280,109	533,571	10,110	1,236	1,413	0
	281,385	561,135	30,252	9,512	4,788	0
2020						
Revenues	336,583	511,456	32,936	9,838	4,787	0
Less intercompany revenues	-23,366	-11,453	0	-591	-28	0
Revenues with external customers	313,217	500,003	32,936	9,247	4,759	0
Timing of revenue recognition						
Point in time	726	50,867	26,632	9,300	1,685	0
Over time	312,491	449,136	6,304	-53	3,074	0
	313,217	500,003	32,936	9,247	4,759	0

Contract assets and contract liabilities

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Contract assets	382,509	310,691
Less loss allowances*	-341	-253
Contract assets	382,168	310,438
Current contract liabilities	87,961	143,114
Non-current contract liabilities	37,677	31,072
Contract liabilities	125,638	174,186

* See Note 32.

The total outstanding transaction prices for the performance obligations not met in full or met only partially at the end of the reporting period amount to EUR 2,121 million (previous year: EUR 2,632 million). OH B SE expects to recognize around 39% of these amounts in 2022 and around 26% in 2023. Of the net contract liabilities at the beginning of the year under review, an amount of EUR 141 million (previous year: EUR 0.156 million) was included in the revenues for major projects.

(2) Reduction in inventories of finished goods and work in progress

The reduction in inventories of finished goods and work in progress primarily relates to the decline of EUR 13.474 million (previous year: increase of EUR 1.455 million) in the AEROSPACE segment. The newly created DIGITAL segment accounted for EUR 3.194 million (previous year: EUR 1.620 million) of the decrease. The remaining amount corresponds to an increase of EUR 154 thousand from the SPACE SYSTEMS segment. All told, inventories dropped by EUR 16.514 million (previous year: decline of EUR 59 thousand).

Antennas			Other			Total
Germany	EU	Other	Germany	EU	Other	
7,959	2,136	7,949	4,545	310	0	965,072
-3,102	0	0	-1,812	-56	0	-60,071
4,857	2,136	7,949	2,733	254	0	905,001
4,857	2,136	7,833	0	0	0	75,459
0	0	116	2,733	254	0	829,542
4,857	2,136	7,949	2,733	254	0	905,001
10,399	117	5,606	3,376	659	0	915,757
0	0	0	0	0	0	-35,438
10,399	117	5,606	3,376	659	0	880,319
10,399	0	5,606	0	0	0	105,215
0	117	0	3,376	659	0	775,104
10,399	117	5,606	3,376	659	0	880,319

(3) Other operating income

The other operating income of EUR 11.755 million (previous year: EUR 6.932 million) comprises income from grants of EUR 1.063 million (previous year: EUR 1.263 million), insurance compensation of EUR 0.967 million (previous year: EUR 0.579 million) and income from the reversal of provisions of EUR 1.181 million (previous year: EUR 0.571 million).

(4) Cost of materials

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Cost of raw materials and supplies	80,064	84,495
Cost of services bought	454,389	449,127
Total	534,453	533,622

(5) Staff costs

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Wages and salaries	209,335	204,397
Social security charges and expenditure on old age pensions and support	40,549	40,390
Total	249,884	244,787

Retirement benefits came to EUR 6.073 million (previous year: EUR 4.931 million). In 2021, the Group paid contributions of EUR 14.718 million (previous year: EUR 13.502 million) to the German statutory pension scheme. These are classified as a defined contribution plan.

(6) Other operating expenses

Other operating expenses primarily comprise consulting services of EUR 10.717 million (previous year: EUR 5.591 million), building expenses of EUR 6.611 million (previous year: EUR 6.689 million), other external services of EUR 2.230 million (previous year: EUR 4.461 million), IT infrastructure costs of EUR 4.953 million (previous year: EUR 7.729 million) and travel expenses of EUR 3.658 million (previous year: EUR 2.046 million).

(7) Net interest income/expenses and other net finance income/expenses

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Finance		
Other interest income from financial assets AmC	1,142	1,112
Return on plan assets	130	135
Other financial income	11	45
	1,283	1,292
Financial expenses		
Interest expense from liabilities at amortized cost	4,048	4,666
Interest expense on retirement benefit provisions and similar obligations	1,076	1,390
Interest expense on lease liabilities (IFRS 16)	1,235	1,320
Other borrowing costs	0	1,363
	6,359	8,739

(8) Share of profit of associates

The share in the profit or loss of Aerotech Peissenberg GmbH & Co. KG, which is accounted for using the equity method, stands at EUR -1.217 million in 2021 (previous year: EUR -3.372 million). This associate contributed EUR 0.219 million (previous year: EUR -0.209 million) to other comprehensive income.

(9) Income taxes**Reconciliation of tax expense**

in EUR 000	2021	2020
Expected taxes at a tax rate of 32.00 % (previous year: 32.00 %)	13,310	9,541
Reductions in tax expenses as a result of partially tax-exempt income	-169	-34
Transfer of tax result of associates	389	0
Unused losses and tax losses	947	435
Non-deductible operating expenses	606	589
Other tax effects	-175	-265
Changes in the recognition of deferred taxes due to changes in tax rates etc.	-1,440	55
Off-period tax expense	146	-108
Difference in domestic and non-domestic tax rate	231	-133
	13,845	10,080

Tax expense breaks down as follows:

in EUR 000	2021		2020	
	Current taxes	Deferred taxes	Current taxes	Deferred taxes
Domestic	8,425	5,548	6,569	2,769
Non-domestic	53	-181	451	291
	8,478	5,367	7,020	3,060

No deferred tax assets were recognized in the case of deductible temporary differences, unused tax losses and interest expenses carried forward of EUR 27.695 million (previous year: EUR 24.159 million). The unused tax losses do not expire.

The change in deferred taxes recognized through other comprehensive income stands at EUR -1.220 million (previous year: EUR 1.241 million).

Analysis of deferred tax assets and liabilities

in EUR 000	Dec. 31, 2021		Dec. 31, 2020		2021
	Assets Deferred Taxes	Equity capital and liabilities Deferred	Assets Deferred Taxes	Equity capital and liabilities Deferred	Cast change
Intangible assets	378	31,852	411	29,903	-1,982
Right-of-use assets under leases	0	12,230	0	13,596	1,366
Property, plant and equipment	0	427	0	103	-324
Other financial assets	0	346	0	464	39
Inventories	5,623	0	4,505	0	1,118
Trade receivables	789	0	379	0	410
Contract assets	20,699	27,950	5,023	22,690	10,415
Receivables from cash flow hedges	0	0	0	70	0
Other financial and non-financial assets (current and non-current)	1	271	0	413	144
Liabilities under defined benefit plans (provisions for retirement benefits)	17,530	0	18,603	0	85
Other provisions (current and non-current)	1,502	160	1,183	3	162
Financial liabilities	4	0	4	0	0
Lease liabilities (current and non-current)	12,558	0	13,882	0	-1,324
Contract liabilities (current and non-current)	0	45,236	0	25,910	-19,326
Other financial and non-financial liabilities (current and non-current)	11,611	0	10,432	0	1,180
Unused tax losses and tax credits (e.g. interest expense carryforwards)	20,292	0	17,621	0	2,670
Total	90,987	118,472	72,043	93,152	-5,367
Offsetting	-66,218	-66,218	-48,660	-48,660	
Total	24,769	52,254	23,383	44,492	-5,367

(10) Non-controlling interests

The minority interests in the net profit of EUR 0.251 million (previous year: EUR -1.132 million) primarily relate to MT Aerospace Holding GmbH.

The minority interests of EUR 18.079 million (previous year: EUR 17.195 million) mainly comprise the co-shareholders in the MT Aerospace subgroup. The non-controlling interests received dividends of EUR 50 thousand in the year under review (previous year: EUR 75 thousand).

	2021	2020	2021	2020
in EUR 000	OH B Digital Services GmbH	OH B Digital Services GmbH	MT Aerospace Holding GmbH (subgroup)	MT Aerospace Holding GmbH (subgroup)
Assets				
Non-current assets	609	797	154,031	137,402
Current assets	2,516	1,945	137,611	138,361
Total	3,125	2,742	291,642	275,763
Equity and liabilities				
Equity	2,111	1,968	41,252	38,057
Non-current liabilities	348	436	140,264	137,941
Current liabilities	666	338	110,126	99,765
Total	3,125	2,742	291,642	275,763
EBIT	511	248	1,328	-820

(11) Earnings per share under IFRS/IAS

Basic earnings per share are calculated by dividing the post-tax earnings attributable to the shares in question by the total number of shares with dividend entitlement. This indicator may be diluted by so-called potential shares – particularly options and subscription rights. There were no comparable rights as of the balance sheet date. Accordingly, there is no difference between basic and diluted earnings per share. The Company's share capital stands at EUR 17,468,096.00. The calculations were based on 17,408,113 shares (previous year: 17,413,503 shares) as the Company held an annual average of 59,983 treasury shares (previous year: 54,593 treasury shares). Including the 12,500 shares issued and the 77,000 shares acquired in the year under review, this equals the weighted average of the outstanding shares. The consolidated net profit of EUR 27.498 million (previous year: EUR 20.869 million) after non-controlling interests was applied for calculation purposes.

Earnings per share for 2021 came to EUR 1.58 (previous year: EUR 1.20).

VIII. NOTES ON THE CONSOLIDATED BALANCE SHEET

(12) Goodwill and other intangible assets

Goodwill

in EUR 000	2021	2020
Goodwill from consolidation of:		
included in the Space Systems segment:		
OH B System AG	5,684	5,684
OH B Italia S.p.A.	801	801
included in the Digital segment:		
OH B Digital Services GmbH	646	646
OH B Digital Solutions GmbH	235	235
Total	7,366	7,366

Changes in intangible assets – historical cost

in EUR 000	Goodwill	Concessions and industrial property rights	Intangible assets acquired	Internally generated intangible assets	Total
Balance on Jan. 1, 2020	9,192	2,192	18,552	164,233	194,169
Changes to consolidated companies	0	0	117	0	117
Additions	0	1	5,242	13,163	18,406
Disposals	0	0	104	145	249
Balance on Dec. 31, 2020/Jan. 1, 2021	9,192	2,193	23,807	177,251	212,443
Changes to consolidated companies	0	0	19	0	19
Additions	0	0	2,397	15,028	17,425
Disposals	0	0	0	5,051	5,051
Balance on Dec. 31, 2021	9,192	2,193	26,223	187,228	224,836

Changes in intangible assets – cumulative amortization

in EUR 000	Goodwill	Concessions and industrial property rights	Intangible assets acquired	Internally generated intangible assets	Total
Balance on Jan. 1, 2020	1,826	2,014	13,971	52,683	70,494
Changes to consolidated companies	0	0	114	0	114
Additions	0	3	3,229	10,294	13,526
Disposals	0	0	100	131	231
Balance on Dec. 31, 2020/ Jan. 1, 2021	1,826	2,017	17,214	62,846	83,903
Currency translation differences	0	0	-81	0	-81
Additions	0	2	2,771	10,528	13,301
Disposals	0	0	0	4,813	4,813
Balance on Dec. 31, 2021	1,826	2,019	19,904	68,561	92,310
Net carrying amount on Dec. 31, 2021	7,366	174	6,319	118,667	132,526
Net carrying amount on Dec. 31, 2020	7,366	176	6,593	114,405	128,540

Goodwill was tested for impairment at the level of the cash generating units as designated in the above table. Goodwill underwent impairment testing as of December 31, 2021. In addition, stable business performance with due allowance made for expected inflation effects on earnings and expenses was assumed during the forecast period. The recoverable amount was calculated on the basis of the value in use, which in turn was determined by using a discounted cash flow method. This was based on the forecasts covering a period of five years approved by management for the companies concerned. A growth rate of 1.00% (previous year: 1.00%) based on historical data and including a risk discount was assumed for the period after the forecast horizon. A pre-tax weighted average cost of capital (WACC) of 7.79% (previous year: 7.52%) was applied to domestic goodwill and of 10.11% (previous year: 9.84%) to non-domestic goodwill. An increase of 1 percentage point in the WACC and for possible changes in the other assumptions would not result in any further impairment.

The largest item within intangible assets is capitalized expense for the development of a range of geostationary communications satellites (carrying amount: EUR 66.247 million, previous year: EUR 71.914 million).

(13) Right-of-use assets under leases

The Group's leases are predominantly for office and production facilities and mostly have an initial fixed duration of between 5 and 15 years, although they may also include options to extend or terminate the leases. A decision must be made to exercise the options to extend or terminate the leases a certain time before the date of exercise or if it is reasonably certain that the Group will exercise the option.

Most of the existing options to extend leases can only be exercised unilaterally by the Group. Most of the options to extend the leases have currently not been included in the determination of the duration of the respective lease. As a rule, there are no residual value guarantees or variable lease payments. The rental properties were partially equipped with infrastructure for the use of climate-friendly vehicles.

If contracts include a lease and a non-lease component, these are duly separated. A significant portion of the leases for office buildings has been entered into with related parties. However, these are subject to arms-length terms. More information can be found in Section XI "Management Board and Supervisory Board".

Leases of operating and business equipment are mostly for vehicles and office equipment with fixed terms of between 3 and 5 years and include options to extend or terminate the lease. As a rule, new vehicle leases are entered into for hybrid or electrically powered vehicles.

Short-term leases of EUR 2 thousand (previous year: EUR 8 thousand) and leases for minor-value assets of EUR 201 thousand (previous year: EUR 55 thousand) were included in other operating expenses in 2021. More information on the interest expenses for leases can be found in Note 7.

Total lease payments equaled EUR 12.920 million in 2021 (previous year: EUR 11.820 million).

As of December 31, 2021, possible cash outflows of EUR 3.1 million (previous year: EUR 7.5 million) (undiscounted) are not included in lease liabilities as it is not reasonably certain that the leases will be extended (not terminated).

Changes in right-of-use assets – historical cost

in EUR 000	Operating and business equipment	Technical equipment and machinery	Land and buildings	Total
Balance on Jan. 1, 2020	8,454	49	56,656	65,159
Additions	4,124	0	9,787	13,911
Disposals	283	0	611	894
Balance on Dec. 31, 2020/Jan. 1, 2021	12,295	49	65,832	78,176
Changes to consolidated companies	15	0	0	15
Additions	1,420	424	5,258	7,102
Disposals	283	0	161	444
Balance on Dec. 31, 2021	13,447	473	70,929	84,849

Changes in right-of-use assets – cumulative depreciation

in EUR 000	Operating and business equipment	Technical equipment and machinery	Land and buildings	Total
Balance on Jan. 1, 2020	2,277	2	8,002	10,281
Additions	2,629	10	8,769	11,408
Disposals	283	0	444	727
Balance on Dec. 31, 2020/Jan. 1, 2021	4,623	12	16,327	20,962
Additions	2,106	21	9,717	11,844
Disposals	265	0	125	390
Balance on Dec. 31, 2021	6,464	33	25,919	32,416
Net carrying amount on Dec. 31, 2021	6,983	440	45,010	52,433
Net carrying amount on Dec. 31, 2020	7,672	37	49,505	57,214

(14) Property, plant and equipment

Changes in property, plant and equipment – historical cost

in EUR 000	Operating and business equipment	Technical equipment and machinery	Land and buildings	Total
Balance on Jan. 1, 2020	76,283	70,440	55,930	202,653
Changes to consolidated companies	40	0	0	40
Additions	6,470	4,542	1,283	12,295
Disposals	1,698	212	160	2,070
Balance on Dec. 31, 2020/Jan. 1, 2021	81,095	74,770	57,053	212,918
Changes to consolidated companies	177	0	0	177
Additions	7,542	5,581	6,738	19,861
Disposals	1,717	3,020	0	4,737
Balance on Dec. 31, 2021	87,097	77,331	63,791	228,219

Changes in property, plant and equipment – cumulative depreciation

in EUR 000	Operating and business equipment	Technical equipment and machinery	Land and buildings	Total
Balance on Jan. 1, 2020	43,310	34,951	28,952	107,213
Currency-translation changes	0	0	0	0
Additions	6,817	2,230	1,409	10,456
Disposals	1,640	209	112	1,961
Balance on Dec. 31, 2020/Jan. 1, 2021	48,487	36,972	30,249	115,708
Currency-translation changes	0	0	-77	-77
Additions	6,852	3,182	1,418	11,452
Disposals	886	2,657	0	3,543
Balance on Dec. 31, 2021	54,453	37,497	31,590	123,540
Net carrying amount on Dec. 31, 2021	32,644	39,834	32,201	104,679
Net carrying amount on Dec. 31, 2020	32,608	37,798	26,804	97,210

Additions in the year under review relate primarily to production machinery for technical equipment. These primarily entail technical/electronic laboratory equipment, hardware, other operating and business equipment and minor-value assets. There are unrestricted ownership rights to the remaining assets classed as property, plant and equipment with the exception of land charges which currently have no value.

(15) Associates

This item comprises the share in the equity of associated company Aerotech Peissenberg GmbH & Co. KG, Peissenberg, which is recognized at amortized cost. The majority shareholder exercises a controlling influence on this entity's business model. It is recognized using the equity method of accounting. In 2021, ATP recorded total revenues of EUR 78.403 million (previous year: EUR 71.426 million), EBIT of EUR 1.793 million (previous year: EUR -5.439 million) and EBITDA of EUR 4.781 million (previous year: EUR -1.795 million). As of December 31, 2021, it had non-current assets of EUR 54.399 million (previous year: EUR 52.791 million) and current assets of EUR 51.132 million (previous year: EUR 42.757 million). Non-current and current liabilities stood at EUR 119.731 million (previous year: EUR 107.820 million).

The Group's share in the total loss posted by the associate Aerotech Peissenberg GmbH & Co. KG came to EUR 0.998 million in the year under review (previous year: EUR 3.581 million). Of this, EUR -1.217 million (previous year: EUR -3.372 million) was recognized through profit and loss and EUR -0.219 million (previous year: EUR -0.209 million) through other comprehensive income. The total loss of EUR 0.998 million (previous year: EUR 3.581 million) exceeding the carrying amount of the investment was deducted from non-current financial receivables from

associates. A cumulative total of EUR 5.740 million (previous year: EUR 4.742 million) was deducted from non-current financial assets.

(16) Other financial assets

The shares in ORBCOMM Inc., which in the past accounted for a significant portion of the financial assets, were disposed of in the year under review. In the year under review, its fair value through equity contributed EUR 8.056 million (previous year: EUR 5.020 million) to other comprehensive income up to the date of the sale on September 2, 2021.

(17) Inventories

Inventories declined over the previous year to EUR 32.001 million (previous year: EUR 62.100 million).

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Raw materials, supplies and consumables	16,111	27,407
Work in progress	6,296	22,144
Finished goods	641	1,154
Prepayments	8,953	11,395
Total	32,001	62,100

Prepayments made were allocated to inventories due to their close relationship.

Impairments of inventories were valued at EUR 2.230 million at the end of the year (previous year: EUR 2.059 million). Impairments of EUR 0.359 million (previous year: EUR 0.307 million) are reported as expense.

(18) Trade receivables

Receivables were predominantly denominated in euros as of the reporting date. The maximum credit risk equals the carrying amount of the receivables reported on the face of the balance sheet.

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Trade receivables	53,573	55,861
Less impairments	-59	-115
	53,514	55,746

(19) Financial and non-financial other assets (current and non-current)

in EUR 000	Dec. 31, 2021		Dec. 31, 2020	
	Current	Non-current	Current	Non-current
Non-financial assets				
VAT refund claims	24	0	600	0
Deferrals	6,934	0	5,602	0
Other	5,984	0	4,211	0
Financial assets				
Loans to associates*	0	31,576	0	31,302
Loans to associates	0	7,242	0	1,995
Derivatives in hedge relationships	0	0	228	0
Other financial assets*	2,018	191	1,528	135
Security deposits*	0	1,773	0	1,788
Total	14,960	40,782	12,169	35,220

* See Note 32 on impairments

The maximum credit risk equals the carrying amount of the financial assets reported on the face of the balance sheet.

(20) Securities

As of the reporting date, the securities portfolio was valued at EUR 8 thousand (previous year: EUR 0.494 million). As in the previous year, all the securities are measured at fair value through profit and loss. The maximum default risk equals the carrying amount reported on the face of the balance sheet.

(21) Cash and cash equivalents

Cash and cash equivalents were valued at EUR 96.618 million on the reporting date (previous year: EUR 91.968 million) and primarily comprise cash in hand and cash at banks. The cash at banks is due within three months and is exposed to only a minimal risk of any change in value. Cash and cash equivalents are the same as the cash and cash equivalents included in the cash flow statement.

(22) Subscribed capital

Since September 30, 2009, the Company's issued capital has equaled EUR 17,468,096.00 and is divided into 17,468,096 no-par-value ordinary bearer shares equivalent to a notional share of EUR 1.00 each in the Company's issued capital. Of the total of 17,468,096 shares, OHB SE holds treasury stock comprising 107,496 shares (previous year: 42,996 shares), meaning that 17,360,600 shares (previous year: 17,425,100) have been issued and are fully paid up (see Note 24). Of these shares, 5,181,880 shares (previous year: 5,246,380 shares) are free float. There is one vote for each share held.

(a) Contingent capital

At their annual general meeting held on January 23, 2001, the Company's shareholders increased the Company's share capital by approving the issue of a total of EUR 516,404.00 in the form of up to 516,404 bearer shares on a contingent basis. The contingent capital increase is to be used for granting options to entitled persons under a staff remuneration system. No such staff remuneration systems are currently in operation. The contingent capital increase may only be implemented if the holders of such options exercise these. The new shares are dividend-entitled for the first time in the fiscal year in the course of which they are issued. The Management Board is authorized subject to the Supervisory Board's approval to determine the specific conditions for such contingent capital increase. In the event that options are granted to members of the Company's Management Board, the Supervisory Board is authorized to determine the specific conditions for such contingent capital increase.

(b) Authorized capital

At their annual general meeting held on May 26, 2020, the shareholders passed a resolution authorizing the Company's Management Board – with the Supervisory Board's approval – to raise the share capital once or repeatedly by a total of up to EUR 8,734,048.00 on a cash or non-cash basis on or before May 25, 2025 (authorized capital 2020). The new shares may also be issued to employees of the Company and to members of the Management Board in fulfillment of contractual remuneration agreements; if they are issued to members of the Management Board, a holding period of at least two years from the date of issue must be stipulated for the shares awarded in this way.

The Company's Management Board was authorized – subject to the Supervisory Board's approval – to exclude the shareholders' subscription rights in the following cases:

- (1) for fractional amounts;
- (2) for part of authorized capital 2020 up to a maximum of EUR 1,746,809.00 provided that the new shares are issued in return for cash capital contributions at a price not materially less than the stock-market price (Section 186 (3) Sentence 4 of the German Stock Corporation Act);
- (3) for a part of the 2020 authorized capital up to a maximum of EUR 8,734,048.00 provided the new shares
 - are issued as consideration for the acquisition of all or part of other companies or entities or other assets and provided that such acquisition is in the interests of the Company; or
 - or are issued as consideration for cash capital contributions to have the Company's stock listed in a foreign market in which it has previously not been admitted to trading.

The Management Board is additionally authorized subject to the Supervisory Board's approval to determine the extent and nature of the option rights and the other conditions of issue.

(c) Authorization to acquire and sell treasury stock

At the annual general meeting held on May 26, 2020, the shareholders authorized the Company to buy back treasury stock of up to a total of 10% of its share capital on or before May 25, 2025. Upon this authorization taking effect, the authorization granted on May 21, 2015 for the acquisition and utilization of treasury stock was revoked.

- a) The Company is authorized to buy back a total of up to 10% of its own share capital in the amount existing as of the date on which the resolution was passed – or if lower – as of the date on which the authorization is exercised. At no time may the shares acquired by the Company together with other treasury stock already acquired or still held by it or attributable to it in accordance with Sections 71d, 71e of the German Stock Corporation Act exceed more than ten percent (10%) of its share capital.

The authorization may be exercised by the Company in full or in part, once or repeatedly or for different purposes and may also be exercised by dependent companies or companies in which OHB Technology AG holds a majority stake for their account or for third-party account.

The authorization expires on May 25, 2025.

As the authorization granted by the shareholders in their resolution passed on May 21, 2015 for the acquisition of treasury stock expired on May 20, 2020, formal cancellation of this previous authorization is not necessary.

- b) The acquisition of shares must comply with the equal treatment principle (Section 53a of the Stock Corporation Act) and is executed at the Management Board's discretion either via the stock market (1) or in a public offering addressed to all shareholders (2). In the second case, the provisions of the Securities Acquisition and Transfer Act must be observed where applicable.

(1) If the Company buys back its own shares via the stock market, the purchase price paid per share (net of transaction costs) may not be any more than 10% above or 20% below the average closing price of the stock in XETRA trading (or an equivalent replacement system) on the Frankfurt stock exchange on the last three trading days prior to acquisition of the shares.

(2) If the Company buys back its own shares in a public offering addressed to all shareholders, the purchase price paid per share (net of transaction costs) may not be any more than 10% above or below the average closing price of the stock in XETRA trading (or an equivalent replacement system) on the Frankfurt stock exchange on the fifth, fourth and third trading days prior to the publication of the offer. If such a public offering is oversubscribed, the shares must be bought back on a quota system. Provision may be made for the preferred acceptance of a lower volume of up to 100 shares offered per shareholder and rounding in accordance with commercial provisions.

- c) The Management Board is authorized to utilize the treasury stock acquired through the exercise of the authorization mentioned above or any earlier authorization for all purposes permitted by law, including but not limited to the following:
- (1)** Acting with the approval of the Supervisory Board it may use the treasury stock to have the Company's stock traded on foreign stock exchanges to which it has hitherto not been admitted.
 - (2)** Subject to the approval of the Supervisory Board, it may offer or transfer the treasury stock to third parties for the purpose of acquiring companies, parts of companies or equity interests including but not limited to additions to existing equity interests.
 - (3)** It may offer the treasury stock to the employees of the Company or other entities related to it in accordance with the definition in Sections 15 et seq. of the German Stock Corporation Act as employee shares.
 - (4)** The Company may issue the treasury stock to members of the Management Board in fulfillment of present or future contractual remuneration agreements provided that a holding period of at least two years from the date of issue is stipulated for the shares awarded in this way.
Subject to the approval of the Supervisory Board, the Management Board may also redeem the treasury stock without any need for a resolution of the shareholders approving such redemption or related activities.
- d) The Management Board is authorized – subject to the approval of the Supervisory Board and without any obligation for a further resolution to be passed by the shareholders – to sell the treasury stock acquired in accordance with the above authorization or in any other manner either publicly or in the form of an offer to the shareholders provided that the sale is for cash and the price offered is not materially less than the price at which equivalent stock issued by the Company is trading on the stock market on the date of the sale. For the purposes of the above rule, the stock market price is defined as the arithmetic mean of the price fixed for the Company's stock in the closing auctions in XETRA trading (or an equivalent replacement system) on the Frankfurt/Main stock exchange on the last five trading days before the date of the sale. This authorization is limited to a total of 10% of the Company's share capital. The maximum of 10% is reduced by the prorated share in the share capital accounted for by shares which are issued during the term of this authorization

as part of an equity issue in which pre-emptive shareholder rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act. The volume covered by the authorization is also reduced by an amount equaling the prorated share in the share capital accounted for by conversion and/or option rights under bonds issued on or after the date on which this authorization takes effect in connection with which pre-emptive shareholder rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act.

- e)** The aforementioned authorizations may be utilized once or repeatedly, in part or in full, individually or jointly.
- f)** The shareholders' pre-emptive subscription rights with respect to the Company's treasury stock are excluded in cases in which it is used in accordance with the authorizations described in c) (1) - (4) and d) above.

(23) Share premium

The share premium primarily comprises the cash proceeds from the stock-market flotation. The change results from share-based payment commitments for one member of the Management Board.

(24) Retained earnings

Retained earnings include the negative goodwill arising from the consolidation of newly acquired companies up until 2002.

(25) Unrealized gains and losses recognized in equity

This equity item mainly relates to a reserve for actuarial gains and losses from the measurement of retirement benefit obligations, which will not be recycled to profit and loss at a later date. The reserve for equity instruments measured at fair value through other comprehensive income mainly included the cumulative gains and losses from the fair value measurement of the shares in ORBCOMM Inc. Following the sale of the Orbcomm shares in the year under review, the reserve was recycled to consolidated profit and loss in an amount equaling the corresponding cumulative amount for the equity instrument concerned. The reserves (with and without recycling to profit or loss) for associates include the associates' pro rata cumulative other comprehensive income. The hedge reserve contained the cumulative amounts of the effective fair value changes of the designated components.

Changes in equity not recognized in profit and loss

in EUR 000	Currency translation differences	Financial assets at FVOCI	Cash flow hedges	Actuarial gains and losses	from associates			Total
					Currency translation differences	Cash flow hedges	Actuarial gains and losses	
Jan. 1, 2020	-488	878	-90	-21,533	0	34	-482	-21,681
Other changes	52	0	0	0	0	0	0	52
Gains/losses from effective hedges	0	0	334	0	0	-30	0	304
Present value adjustments	0	5,101	0	0	0	0	0	5,101
Adjustments of actuarial assumptions	0	0	0	-4,201	0	0	-179	-4,380
Deferred taxes	0	-81	-107	1,429	0	0	0	1,241
Non-controlling interests	0	0	-59	727	0	9	54	731
Dec. 31, 2020	-436	5,898	78	-23,578	0	13	-607	-18,632
Other changes	465	0	0	0	0	0	0	465
Gains/losses from effective hedges	0	0	-164	0	0	-19	0	-183
Reclassifications	0	-13,954	0	0	0	0	0	-13,954
Present value adjustments	0	8,186	0	0	0	0	0	8,186
Adjustments of actuarial assumptions	0	0	0	4,196	0	0	238	4,434
Deferred taxes	0	-130	53	-1,143	0	0	0	-1,220
Non-controlling interests	0	0	33	-651	0	6	-71	-683
Changes to consolidated companies	0	0	0	-3	0	0	0	-3
Dec. 31, 2021	29	0	0	-21,179	0	0	-440	-21,590

(26) Treasury stock

OH SE's Management Board had previously decided to implement a share buyback program in accordance with a resolution adopted by the shareholders at the annual general meeting. The purpose of the treasury stock was to place the Company's shares in foreign stock markets, to pay for the acquisition of other companies, parts of companies or shares in such companies and to issue shares to the Company's employees. The currently applicable authorization was granted by the shareholders at the annual general meeting of May 26, 2020 and permits the Company to acquire treasury stock equaling up to 10% of its issued capital. In 2021, OH SE acquired 77,000 shares under a buyback program adopted by the Management Board on June 17, 2021 at an average price of EUR 38.65. The program, which has a maximum volume of 170,000 shares and a maximum total purchase price

(excluding acquisition costs) of EUR 6 million, expires on March 31, 2022 at the latest. As of December 31, 2021, OH SE's treasury stock comprised a total of 107,496 shares (previous year: 42,996), equivalent to 0.62% (previous year: 0.25%) of its issued capital.

in EUR 000	2021	2020
Balance on Jan. 1	17,425,100	17,400,100
Acquisition of treasury stock	-77,000	0
Transfer of treasury stock	12,500	25,000
Balance on December 31	17,360,600	17,425,100

(27) Provisions for retirement benefits and similar obligations

The provisions for retirement benefits break down as follows:

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Retirement	94,407	101,093
Similar obligations	9,848	9,871
Provisions for pensions and similar obligations	104,255	110,964

The similar obligations primarily comprise lifetime work accounts and the support fund at OHB System AG.

OHB Group has made arrangements for retirement benefits for entitled employees in all three business units. The amount of the future benefits is generally based on the length of service, amount of remuneration and position held within the Company. The retirement age stipulated in the contracts is 65 years. The direct and indirect obligations encompass those under existing pensions and entitlement to future pensions and post-retirement benefits. Reinsurance has been taken out to cover retirement benefit obligations. Not all of these reinsurance policies satisfy the conditions for classification as plan assets. The latter are reported within other non-current assets. The reinsurance policies which satisfy the conditions for classification as plan assets are netted with the retirement benefit obligations. In addition, there are plan assets of EUR 6.119 million (previous year: EUR 5.398 million) to cover the lifetime working accounts in the form of bank balances which are netted against the quasi-pension obligations. There were no extraordinary expenses or income as a result of the termination of any plans or on account of the curtailment or transfer of benefits in the year under review. The calculation of post-retirement benefit obligations takes account of market interest rates as well as trends in wages and salaries, pensions and fluctuations on the basis of the following actuarial assumptions:

- Discount rate: 1.10 % (previous year: 0.90 %)
- Wage/salary trend: 2.75 % (previous year 2.75 %)
- Wage drift: 0.00 % (previous year: 0.00 %)
- Pension trend: 1.50 % (previous year: 1.50 %)

In some cases, differing assumptions were made for small volumes in foreign subsidiaries. These parameters are also applied in the following year to the calculation of the cost of the entitlement

acquired. The total cost of defined benefit pension commitments breaks down as follows:

in EUR 000	2021	2020
Current service cost	1,880	2,213
Interest expense	1,076	1,390
Expected rate of return (-) on plan assets	-130	-134
Total	2,826	3,469

The present values of the defined benefit obligations changed as follows:

in EUR 000	2021	2020
Present value of the defined benefit obligations on January 1	116,698	113,940
Changes to consolidated companies	77	0
Present value of the entitlement acquired in the year	1,880	2,213
Interest expenditure on entitlement already acquired:	1,076	1,390
Payments from provisions	-6,073	-4,931
Actuarial gains (-)/losses (+)	-3,917	4,086
Present value of the defined benefit obligations on December 31	109,741	116,698

The plan assets break down as follows:

in EUR 000	2021	2020
Value of plan assets on Jan. 1	5,734	5,688
Payments received	150	158
Payments made	-807	-131
Expected income	130	134
Actuarial gains (+)/losses (-)	279	-115
Value of plan assets on Dec. 31	5,486	5,734

The remeasurements of EUR –2.981 million (previous year: EUR 4.459 million) are based on changes to the financial assumptions, EUR –0.936 million (previous year: EUR –0.373 million) on changes due to historical data and EUR 0.279 million (previous year: EUR 0.115 million) on the remeasurement of income from plan assets.

The plan assets (EUR 3.390 million, previous year: EUR 3.795 million) chiefly comprise savings plans with insurance companies that are classified by the Belgian Financial Services and Markets Authority (FSMA) as Class 21 and Class 23 insurance policies and a support fund (EUR 2.094 million, previous year EUR 1.933 million).

Actual income from plan assets came to EUR 0.408 million (previous year: EUR 19 thousand). The present value is reconciled with the defined benefit (defined benefit liability (+)/defined benefit asset (-)) as follows:

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Actual present value of the defined benefit obligation	109,741	116,698
Fair value of plan assets	-5,486	-5,734
Retirement benefit obligations recorded on the balance sheet	104,255	110,964

The retirement benefit obligation breaks down into a defined benefit liability and defined benefit asset as follows:

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Defined benefit asset	0	0
Defined benefit liability	104,255	110,964

Contributions of EUR 0.585 million (previous year: EUR 0.715 million) are expected to be paid in 2022. The following cash outflows are expected in the following periods:

in EUR 000	Jan. 1, 2021	Utilized	Reversals	Additions	Additions due to first-time consolidation	Dec. 31, 2021	Of which non-current
Pending losses and risks	1,333	364	131	1,765	0	2,603	0
Remaining work on fully invoiced projects	1,625	1,446	179	324		324	0
Other provisions	4,945	3,599	66	3,857	1,354	6,491	1,523
Personnel-related provisions	23,057	22,737	805	26,387	271	26,173	1,508
	30,960	28,146	1,181	32,333	1,625	35,591	3,031

Year(s)	in EUR 000
2022	5,047
2023	5,610
2024	5,646
2025	6,173
2026	5,710
2027 – 2031	29,807

The present value of the defined benefit obligations of EUR 0.167 million (previous year: EUR 0.175 million) was calculated in accordance with the entry age normal method. The fractional values are computed using actuarial principles on the basis of the 2018 G biometric tables compiled by Prof. Dr. Klaus Heubeck and an interest rate of 2.30%. With respect to these provisions, it is assumed that the application of the projected unit credit method provided for in IAS 19 does not result in any major differences in this item. If the discount rate were 0.25% lower, the present value of the retirement benefit obligations would increase by EUR 3.829 million. If the discount rate were 0.25% higher, the present value of the retirement benefit obligations would decrease by EUR 3.627 million. If the rate by which retirement benefits rise were 0.25% higher, the present value of the retirement benefit obligations would increase by EUR 2.787 million. If the rate by which retirement benefits rise were 0.25% lower, the present value of the retirement benefit obligations would decrease by EUR 2.681 million.

(28) Other provisions (current and non-current)

Non-current personnel provisions primarily comprise provisions for phased retirement commitments in the AEROSPACE segment. The phased retirement agreements expire in 2023. Plan assets in the form of funds (EUR 2.658 million, previous year: EUR 2.531 million) were netted with the provisions for phased retirement obligations (EUR 1.150 million, previous year: EUR 0.996 million), resulting in a netted figure of EUR 1.508 million (previous year: EUR 1.535 million). Other personnel-related provisions primarily relate to obligations towards employees of EUR 24.665 million (previous year: EUR 21.522 million) under recurring wage and salary obligations. An outflow in the current personnel-related provisions is expected in the first quarter of 2022.

(29) Non-current financial liabilities

This mostly entails non-current liabilities towards banks owed by the subsidiary OHB System AG in an amount of EUR 10.000 million (previous year: EUR 16.667 million). In addition, OHB Italia S.p.A has bank borrowings of EUR 0.481 million (previous year: EUR 0.444 million). These liabilities are due for settlement in more than twelve months after the reporting date.

The loan contract for OHB System AG provides for three covenants, which were duly observed in the year under review.

(30) Current financial liabilities

This entails current liabilities towards banks held by OHB SE (EUR 40 million, previous year: EUR 60 million), OHB System AG (EUR 104.351 million, previous year: EUR 31.684 million), OHB Digital Solutions GmbH (EUR 0, previous year: EUR 0.289 million), OHB Sweden AG (EUR 1.230 million, previous year: EUR 1.141 million) and OHB Digital Connect GmbH (EUR 0, previous year: EUR 6 thousand).

The syndicated loan, which had a value of EUR 128.914 million as of the reporting date (previous year: EUR 86.158 million), provides for two covenants, which were duly observed in the year under review.

(31) Current financial and non-financial other liabilities

The other non-financial liabilities primarily comprise outstanding invoices of EUR 71.809 million (previous year: EUR 32.988 million).

in EUR 000	Dec. 31, 2021	Dec. 31, 2020
Non-financial liabilities		
Value added	2,983	54
Social security and payroll tax liabilities	1,791	1,738
Other	76,799	37,667
Financial liabilities		
Derivatives in hedge relationship	0	3
Derivatives with no hedge	21	0
Other financial liabilities	3,625	8,084
Total	85,219	47,546

(32) Additional disclosures on financial instruments and hedging relationships

The financial instruments were allocated to the following categories:

in TEUR	Dec. 31, 2021		Dec. 31, 2020	
	Current	Non-current	Current	Non-current
Amortized cost (AmC)				
Other financial assets	2,018	40,782	1,756	35,220
Cash and cash equivalents	96,618	0	91,968	0
Trade receivables	53,514	0	55,746	0
	152,150	40,782	149,470	35,220
Measured at fair value through other comprehensive income (FVOCI)				
Equity instruments traded on an active market	0	0	0	13,465
Other equity instruments	0	22,838	0	21,385
	0	22,838	0	34,850
Measured at fair value through profit and loss (FVPL)				
	8	0	494	0
	8	0	494	0
	152,158	63,620	149,964	70,070
Measured at fair value through profit and loss (FVPL)				
Derivatives financial instrument (liabilities)	21	0	0	0
	21	0	0	0
Amortized cost (AmC)				
Trade payables	85,426	0	104,525	0
Financial liabilities	145,867	10,481	93,120	17,111
Lease liabilities	11,161	42,677	12,197	46,125
Other financial liabilities	3,625	0	8,084	0
	246,079	53,158	217,926	63,236
	246,100	53,158	217,926	63,236

It is assumed that the carrying amount of other financial assets, trade receivables and cash and cash equivalents equals their fair value due to their short-term status.

The carrying amount of the non-current financial assets measured at amortized cost (EUR 40.782 million, previous year: EUR 35.220 million) approximates their fair value. These comprise a loan of EUR 31.576 million (previous year: EUR 31.302 million) to an associate, loans of EUR 7.242 million (previous year: EUR 0) to an investee and non-interest-bearing deposits of EUR 1.773 million (previous year: EUR 1.788 million). However, in view of the current low interest rates, there is virtually no difference.

There is no active market for determining the fair value of the shares in Rocket Factory Augsburg AG (EUR 7.808 million), Arianespace Participation (EUR 7.874 million), MT Dezentrale Energiesysteme GmbH (EUR 1.022 million), MT Mecatronica srl (EUR 10 thousand) and other minor shareholdings. As in the previous year, they were recognized at historical cost unless there was any evidence of impairment as it was not possible to reliably calculate a fair value.

The securities measured at fair value through profit and loss were recognized at their fair value, meaning that the carrying amount equals the fair value. The fair value was derived from the listed stock exchange price on the reporting date.

The carrying amount of current financial liabilities measured at amortized cost as well as financial liabilities and trade payables equals their fair value due to their short-term nature.

Other financial liabilities include a loan of EUR 2.094 million (previous year: EUR 1.933 million) received from the support fund which is subject to interest of 5%. As the loan can be terminated at any time, the carrying amount is close to its fair value. The loan must be repaid in a single sum upon termination at the latest.

Non-current financial liabilities measured at amortized cost (FLAC) have a carrying amount of EUR 10.481 million (previous year: EUR 17.111 million), which is close to their fair value. It would currently be possible to raise a loan on the same terms.

It is not necessary to calculate the fair value of lease liabilities.

Net profit/loss does not include any interest income or interest expense. These are described in the section on net finance income/finance expense. Similarly, impairments are excluded from net profit/loss.

Net gains/losses by measurement category

in EUR 000			Other income and expense items	
			2021	2020
Financial assets	FVPL	Measured at fair value through profit and loss	11	46
	AmC	Measured at amortized cost	0	0
	FVOCI	Measured at fair value through other comprehensive income	8,186	5,101

The OHB Group has two types of financial assets to which the expected credit loss model is applied: trade receivables and contract assets.

Cash and cash equivalents are generally also subject to the measurement requirements of IFRS 9 but are not included due to the expected insignificant effects.

OHB applies the simplified IFRS 9 approach for determining expected credit losses, which entails a loss allowance for all trade receivables and contract assets depending on their remaining term.

in EUR 000		Past due less than 1 year	Past due more than 1 year	Impaired	Total
Dec. 31, 2021	Not yet due for				
Expected loss rate	0.15 %	0.10 %	0.11 %		
Carrying amount of trade receivables	11,694	32,373	9,506	0	53,573
Impairments	17	32	10	0	59
					53,514
Expected loss rate	0.09 %				
Carrying amount of contract assets	382,509				382,509
Impairments	341				341
					382,168
Dec. 31, 2020					
Expected loss rate	0.18 %	0.14 %	0.43 %		
Carrying amount of trade receivables	38,348	9,578	7,935	0	55,861
Impairments	68	13	34	0	115
					55,746
Expected loss rate	0.08 %				
Carrying amount of contract assets	310,691				310,691
Impairments	253				253
					310,438

in EUR 000	Contract assets	Trade receivables
Jan. 1, 2020	273	149
Added	0	0
Reversed	-20	-34
Dec. 31, 2020	253	115
Added	88	2
Reversed	0	-58
Dec. 31, 2021	341	59

All other current debt instruments measured at amortized cost are also considered to exhibit a low credit risk because the risk of non-fulfilment is low, and it is assumed that the debtors will be able to meet their contractual payment obligations. No loss allowance has been recognized for 12-month credit losses (level 1).

With respect to non-current financial assets, no security deposits are overdue. These are predominantly based on the terms and conditions of the loan agreements and the entire amount of EUR 1.964 million (previous year: EUR 1.923 million, including security deposits of EUR 1.773 million, previous year: EUR 1.788 million) has been allocated to level 1 of the credit risk model. As there was no significant increase in the credit risk, no loss allowances were recognized.

As in the previous year, the loan to associates of EUR 31.576 million (previous year: EUR 31.302 million) was assigned to level 2 of the credit risk model. An agreement was entered into to capitalize the interest until June 2023. Interest payments in a customary amount may be made provided that the total amount of the loan including interest rises to over EUR 30 million. The value of the loan was reduced by EUR 0.998 million (previous year: EUR 3.581 million) in 2021 and cumulatively by EUR 5.740 million (previous year: EUR 4.742 million) in accordance with the equity method of accounting (Note 15). There were no further impairments.

Measurement hierarchy for financial assets at fair value through profit and loss

Level 1: Financial instruments traded in active markets, the listed prices of which are applied for measurement purposes.

Level 2: Financial instruments are measured using methods with parameters which are derived directly or indirectly from observable market data.

Level 3: Financial instruments are measured using methods with parameters which are not based solely on observable market data.

in EUR 000	Dec. 31, 2021		
	Level 1	Level 2	Level 3
Financial assets:			
Financial assets at fair value through profit and loss (FVPL)			
Securities	8	0	0
Financial Assets at fair value through other comprehensive income			
Hedging derivatives – foreign currency forwards	0	0	0
Total	8	0	0
Financial liabilities			
Derivatives with no hedge relationships (FVPL)	0	21	0
Total	0	21	0

in EUR 000	Dec. 31, 2020		
	Level 1	Level 2	Level 3
Financial assets:			
Financial assets at fair value through profit and loss (FVPL)			
Securities	494	0	0
Financial Assets at fair value through other comprehensive income			
Equity interest in ORBCOMM	13,465	0	0
Hedging derivatives – foreign currency forwards	0	228	0
Total	13,959	228	0
Financial liabilities			
Hedging derivatives – foreign currency forwards (FVOCI)	0	3	0
Total	0	3	0

The fair value of the securities is derived from their listed market price. There were no transfers between the individual hierarchical levels in the year under review.

Derivatives and hedging relationships

The OHB Group engages in buying and selling operations in foreign currencies, which expose it to a currency translation risk with a direct impact on profit and loss. The Group decided not to enter into any further foreign currency forwards for hedging purposes in the course of the financial year. The Group Policy prohibits the use of derivatives for speculative purposes. OHB mainly used forward exchange contracts, which must generally be designated as hedges. In the year under review, no hedges were formally designated as such at the time the derivatives were entered into by preparing the necessary hedge documentation. There were no longer any hedges at the end of the financial year.

The following table presents the time profile for the nominal amount and the average price of the derivatives.

in EUR 000	Remaining period			Nominal volume Total	Nominal volume Total	Average hedging rate
	Less than 1 year	1–5 years	More than 5 years	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021
Currency hedges						
Currency forwards USD	0	0	0	0	6,993	0.0000
Currency forwards GBP	0	0	0	0	0	0.0000
Total	0	0	0	0	6,993	

Cash flow hedges are formed for anticipated future transactions.

Disclosures on cash flow hedges and fair value hedges

in EUR 000	Dec. 31, 2021				Dec. 31, 2020			
	Carrying amount	Balance sheet items	Change in fair value to calculate ineffectiveness	Nominal volume	Carrying amount	Balance sheet items	Change in fair value to calculate ineffectiveness	Nominal volume
	Cashflow Hedges und Fair Value Hedges				Cashflow Hedges und Fair Value Hedges			
Currency hedges – currency forwards								
Derivatives – assets	0	n/a	0	0	228	Financial assets	228	5,231
Derivatives – liabilities	0	n/a	0	0	-3	Financial assets	-3	1,762

A prerequisite for applying hedge accounting under IFRS 9 is the prospective effectiveness of the hedge relationship, which OHB demonstrates on a periodic basis using the critical terms match method. As a rule, a derivative is entered into on identical contractual terms to the underlying transaction, so that it can be assumed that the hedging relationship is effective. The only source of ineffectiveness is the counterparty credit risk, which is not expected to play a dominant role in existing hedge relationships. In the case of cash flow hedges, the forward-to-forward designation applies, under which the spot and forward components of the FX forwards are designated in hedge accounting. In addition, OHB uses the dollar method and the hypothetical derivative method to retrospectively determine the effective portion of the designated components in the current period. The effective change in fair value of

the designated components is recognized in the hedge reserve in other comprehensive income and the ineffective portion of the designated components and the change in fair value of the undesignated components are recognized directly through profit and loss.

The fair value of foreign-currency trade receivables was hedged using foreign-currency derivatives to a minor extent. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss.

Derivatives can turn into standalone derivatives, to which hedge accounting no longer applies, due to a postponement or even default of the underlying transactions. No such reasons for terminating hedge relationships occurred in previous periods for OHB.

Disclosures on hedged transactions in cash flow hedges

in EUR 000	Dec. 31, 2021		
	Changes in the hedged transaction during the period to identify ineffectiveness	Balance of the hedge reserve and foreign currency reserve for active cash flow hedges	Balance of the hedge reserve and foreign currency reserve for terminated cash flow hedges
Currency hedges			
Designated components	0	0	0
Non-designated components	0	0	0

Dec. 31, 2020			
Currency hedges – currency forwards			
Designated components	226	225	0
Non-designated components	0	0	0

Gains and losses from cash flow hedges

in EUR 000	Gains or losses recognized in other comprehensive income from cash flow hedge	Ineffectiveness recognized through profit and loss	Items in the statement of comprehensive income which include the ineffectiveness recognized	Cash flow hedge reserve recycled to profit and loss		Items in the statement of comprehensive income which include the recycled amount
				due to premature termination of the cash flow hedge	due to recognition of the hedged item through profit and loss	
				Dec. 31, 2021		
Currency hedges	0	0	Other operating income/expenses	0	6	Revenues
31.12.2020						
Currency hedges	221	-5	Other operating earnings	0	85	Revenues

Disclosures on hedged transactions in fair value hedges

in EUR 000	Dec. 31, 2021				
	Carrying amount	Cumulative hedge Adjustments	Balance sheet items	Change in fair value to calculate ineffectiveness	Cumulative hedge adjustments from terminated hedges
Currency hedges					
Assets	0	0	n/a	0	0
Liabilities	0	0	n/a	0	0

Gains and losses from fair value hedges

in EUR 000	2021		2020	
	Ineffectiveness of hedging relationships recognized through profit and loss	Items in the statement of comprehensive income which include the ineffectiveness recognized	Ineffectiveness of hedging relationships recognized through profit and loss	Items in the statement of comprehensive income which include the ineffectiveness recognized
Currency hedges				
Net gains/losses from hedge	0	Other operating earnings	0	Other operating earnings

(33) Cash flow statement

Reconciliation of financial liabilities

in EUR 000	Non-current financial liabilities	Current financial liabilities	Lease liabilities	Total liabilities from financing activities
Jan. 1, 2021	17,111	93,120	58,322	168,553
Interest	148	3,900	1,235	5,283
Cash flows				
Payments received from new loans	0	72,794	0	72,794
Repayments (including interest)	-6,778	-23,947	-11,582	-42,307
Not recognized in the cash flow statement	0	0	5,863	5,863
Dec. 31, 2021	10,481	145,867	53,838	210,186
Jan. 1, 2020	23,749	88,254	55,452	167,455
Interest	221	3,125	1,320	4,666
Cash flows				
Payments received from new loans	29	29,989	0	30,018
Repayments (including interest)	-6,888	-28,248	-12,196	-47,332
Not recognized in the cash flow statement	0	0	13,746	13,746
Dec. 31, 2020	17,111	93,120	58,322	168,553

IX. FINANCIAL RISK MANAGEMENT

Liquidity risks

Prudent liquidity risk management means maintaining sufficient cash and cash equivalents as well as having an appropriate amount of committed credit facilities available to meet due obligations. Management uses rolling forecasts to monitor the Group's liquidity reserves (consisting of the following unused credit facilities)

and cash and cash equivalents on the basis of expected cash flows. This is generally done locally at the level of the Group's operating companies in accordance with the Group's policies. Under the syndicated loan (Note 30), an open credit facility of EUR 162.534 million (previous year: EUR 213.842 million) was available at the end of the year. The agreement runs until May 2025. There are currently no indications of any liquidity shortfalls.

Settlement period analysis financial liabilities including interest

in EUR 000	Dec. 31, 2021					Dec. 31, 2020				
	Less than one year	In one to two years	In three to five years	In more than five years	Total	Less than one year	In one to two years	In three to five years	In more than five years	Total
Non-current financial liabilities*	0	7,239	3,352	0	10,591	0	7,277	10,111	0	17,388
Current financial liabilities	145,867	0	0	0	145,867	93,120	0	0	0	93,120
Non-current lease liabilities	0	9,489	19,499	13,689	42,677	0	13,367	14,343	18,415	46,125
Current lease liabilities	11,161	0	0	0	11,161	12,197	0	0	0	12,197
Trade payables	85,426	0	0	0	85,426	104,525	0	0	0	104,525
Current other financial liabilities	3,646	0	0	0	3,646	8,084	0	0	0	8,084
Total	246,100	16,728	22,851	13,689	299,368	217,926	20,644	24,454	18,415	281,439

* Including borrowing costs

Credit risks

Credit risks are generally considered to be small. However, general risks of default may always occur as a result of specific economic conditions. Receivables comprise a large proportion of amounts owed by public-sector customers free of any credit risk, while there is no risk clustering with respect to the other amounts owed. For this reason, the Group as a whole does not take out any credit insurance for receivables. The loss rates applied for the simplified loss allowance model are therefore based on historical loss rates to only an insignificant extent. The inclusion of current and forward-looking information is based on the Group's estimates with regard to its exposure to credit risk within its customer structure, in particular with regard to public-sector customers.

Currency risk

The Group operates predominantly within the Eurozone and is therefore exposed to low foreign currency risks from its operating activities. Sales in foreign currencies (USD) are conducted to a limited extent. In contrast to the previous year, it was decided during the year not to designate expected future space and aerospace transactions as hedges. As of the reporting date, foreign-currency receivables mainly comprised receivables denominated in USD equaling EUR 2.234 million (previous year: EUR 2.027 million). Purchases in a foreign currency (USD, GPD) are of a negligible amount. The USD/EUR exchange rate influences income and expenses in aviation business. All orders and receivables less planned procurements denominated in US dollars have been hedged by means of currency forwards for 2022. All orders and receivables in the space area have been fully hedged by means of currency forwards without a hedge being designated in accordance with IFRS.

Interest risks

Generally speaking, investments with low interest rates are preferred so as to avert interest risks and are subject to normal market fluctuation. Short-term loans are raised to cover requirements of current assets arising from project payment cycles. For this purpose, funds under a loan facility agreement with a market-based floating interest rate component depend on the observance of covenants are used. A 1 % change in the interest rate on such drawings would result in additional expense of around EUR 1.563 million (previous year: EUR 1.102 million). There is unlikely to be any further decline in interest rates. The non-current financial liabilities expire in 2024 are subject to fixed interest rates. The interest rate risk is currently considered to be low. This also applies to borrowing costs as defined in IFRS 16. The accrued interest expense of EUR 1.235 million (previous year: EUR 1.320 million) is based on an interest rate of 2 % in 2021.

Capital risk management

One of the OHB Group's most important financial targets is to achieve sustained growth in enterprise value and to ensure solvency at all times in the interests of protecting its going-concern status and to achieve an optimum capital structure. In this connection, the creation of adequate liquidity reserves, while preserving the Company's ability to pay out a dividend, is of crucial importance. These goals are achieved by means of an integrated controlling system in connection with which management receives various data on individual items of the balance sheet as part of a monthly analysis. This provides information on trends in the Company's equity and also serves as a basis for necessary business decisions. As of December 31, 2021, the equity ratio rose to 26.29 % (previous year: 24.51 %) chiefly as a result of the net profit for the year. The equity ratio was calculated relative to the Group's total assets. The Company is seeking an equity ratio of over 25 %. The overall strategy pursued by the Group was unchanged over 2020.

X. ADDITIONAL INFORMATION**Segment report**

IFRS 8 stipulates that operating segments are to be defined on the basis of internal segment reporting which is regularly reviewed by the Company's chief operating decision maker with respect to the allocation of resources to these segments and the assessment of their profitability. The main management indicators used within the OHB Group are total revenues, EBIT and EBITDA. Information reported to the Management Board as the chief operating decision maker for the purposes of allocating resources to the Company's segments as well as the assessment of their profitability mostly covers the types of goods and services which are produced or provided. The Group comprises the following reportable (operating) segments as defined in IFRS 8:

- SPACE SYSTEMS
- AEROSPACE
- DIGITAL

The SPACE SYSTEMS segment chiefly develops and executes space projects. The AEROSPACE segment is primarily responsible for assembling aviation and space products as well as other industrial activities. The DIGITAL segment includes the operation of satellites, downstream applications, rocket launch services and mechatronic systems for antennas and telescopes. The products and services of the reportable segments are described in detail in the section entitled "VI. Notes to the consolidated financial statements". Segment income, expenses and earnings also entail business relations between the segments. These transfers were

netted in full. The measurement principles applied in segment reporting are identical to those applied in the preparation of the consolidated financial statements. The holding company is shown separately as most of the equity interests are held on this level. OHB SE exercises the function of an active holding company. Sales break down by product group as follows:

Sales by product group

in EUR 000	2021	2020
Space	872,772	846,156
Aviation	14,300	14,006
Antennas	14,942	16,122
Other	2,987	4,035
Total	905,001	880,319

Sales by geographic region

in TEUR	2021	2020
Germany	298,487	336,211
Rest of Europe	568,313	505,566
Rest of the world	38,201	38,542
Total	905,001	880,319

With sales of EUR 309.615 million (in two operating segments), EUR 111.069 million (SPACE SYSTEMS segment) and EUR 11.006 million (DIGITAL segment), three customers each account for more than 10% of the total sales of the respective segment.

Total non-current assets (excluding financial instruments and deferred tax assets) amount to EUR 241.500 million (previous year: EUR 266.800 million) in Germany and EUR 48.138 million (previous year: EUR 49.389 million) in other countries. This includes non-current assets of EUR 37.843 million (previous year: EUR 39.673 million) attributable to the subsidiary in Italy. Post-employment benefits stand at EUR 102.985 million (previous year: EUR 109.021 million) in Germany and EUR 1.270 million (previous year: EUR 1.943 million) in other countries.

Non-current right-of-use assets (IFRS 16), which are included in the above figures, were valued at EUR 52.433 million as of December 31, 2021 (previous year: EUR 57.214 million (Germany: EUR 38.271 million (previous year: EUR 42.583 million); other countries: EUR 14.162 million (previous year: EUR 14.631 million))).

Segment report

in EUR 000	SPACE SYSTEMS		AEROSPACE		DIGITAL	
	2021	2020	2021	2020	2021	2020
Revenues	728,965	731,277	107,565	95,718	102,867	77,464
of which internal sales	4,118	1,304	1,602	618	28,676	22,218
Total revenues	755,936	745,288	97,361	104,646	101,018	77,011
Cost of materials and services purchased	489,427	477,360	40,402	47,942	32,653	32,760
EBITDA	60,820	65,766	7,459	4,992	16,051	5,742
Depreciation and amortization	27,532	26,944	6,953	7,155	2,026	1,215
EBIT	33,288	38,822	506	-2,163	14,025	4,527
Non-current assets	203,924	206,486	153,919	137,828	9,549	9,231
Current assets	436,880	407,609	131,478	131,689	76,250	54,835
Total assets	640,804	614,095	285,397	269,517	85,799	64,066
Equity	141,348	124,987	41,736	38,907	27,940	15,882
Liabilities	499,456	489,108	243,661	230,610	57,859	48,184
Total assets	640,804	614,095	285,397	269,517	85,799	64,066
Investments (net of financial assets, excluding IFRS 16)	21,630	17,238	14,768	12,735	848	638

Contingent liabilities

As of the reporting date, there were obligations under guarantees of EUR 28.816 million (previous year: EUR 65.069 million). The participating companies have assumed joint and several liability for obligations under the credit facility.

Employees

The average head count stood at 2,968 in the year under review (previous year: 2,964). There was an average of 1,889 employees in the SPACE SYSTEMS segment (previous year: 1,962), 510 in the AEROSPACE segment (previous year: 513), 537 (previous year: 461) in the newly created DIGITAL segment and 32 employees (previous year: 28) in the holding company.

Reconciliation				Total	
Holding company		Consolidation			
2021	2020	2021	2020	2021	2020
0	0	-34,396	-24,140	905,001	880,319
0	0	-34,396	-24,140	0	0
12,783	10,599	-50,551	-36,113	916,547	901,431
0	0	-28,029	-24,440	534,453	533,622
-712	524	0	0	83,618	77,024
86	76	0	0	36,597	35,390
-798	448	0	0	47,021	41,634
70,177	73,023	-59,542	-50,151	378,027	376,417
81,444	82,431	-143,232	-140,903	582,820	535,661
151,621	155,454	-202,774	-191,054	960,847	912,078
85,561	81,749	-43,964	-38,199	252,621	223,326
66,060	73,705	-158,810	-152,855	708,226	688,752
151,621	155,454	-202,774	-191,054	960,847	912,078
40	90	0	0	37,286	30,701

XI. MANAGEMENT BOARD AND SUPERVISORY BOARD

The Company's Management Board comprises:

- **Mr. Marco Fuchs**, Lilienthal; Chief Executive Officer
- **Mr. Klaus Hofmann**, Bremen; Chief Human Resources Officer
- **Dr. Lutz Bertling**, Berlin; corporate and business development, digitization and services
- **Mr. Kurt Melching**, Bremen; finance
- **Ms. Daniela Schmidt**, Bremen; sustainability, integrity, legal and corporate security (from January 1, 2022)

The Company's Supervisory Board comprises:

- **Mr. Robert Wethmar**, partner at law firm Taylor Wessing, Chairman
- **Ms. Christa Fuchs**, Bremen, managing shareholder of VOLPAIA Beteiligungs-GmbH, Bremen
- **Prof. Heinz Stoewer**, Munich, Professor em. Space Systems Engineering, Technical University of Delft, Netherlands, managing director of Space Associates Beratungs GmbH, Munich
- **Mr. Ingo Kramer**, businessman, Bremerhaven

Offices held by members of the Company's Management Board and Supervisory Board in other supervisory boards and management bodies in 2021:

• Mr. Marco Fuchs

Group mandates:

- MT Aerospace AG, Augsburg, Chairman of the supervisory board
- ORBCOMM Inc., Rochelle Park, NJ, United States, member of the board of directors (until September 2, 2021)
- OHB Italia S.p.A, Milan, Italy Chairman of the board of directors
- OHB Sweden AB, Kista, Sweden Chairman of the board of directors
- Antwerp Space N.V., Antwerp, Belgium Chairman of the board of directors
- LuxSpace Sàrl, Betzdorf, Luxembourg, Chairman of the board of directors

Non-group mandates:

- SV Werder GmbH & Co. KGaA., Bremen, chairman of the supervisory board
- ZARM Technik AG, Bremen, Chairman of the supervisory board

• Dr. Lutz Bertling

- OHB Italia S.p.A, Milan, Italy Member of the board of directors (Group mandate)
- OHB Sweden AB, Kista, Sweden Member of the board of directors (Group mandate)

• Mrs. Christa Fuchs

- ORBCOMM Deutschland AG, Bremen, Chairwoman of the Supervisory Board (Group mandate)
- Cosmos Space Systems AG, Bremen, chairwoman of the supervisory board (Group mandate)
- OHB System AG, Bremen, chairwoman of the supervisory board (Group mandate)

• Mr. Ingo Kramer

- Lenze SE, Aerzen, member of the supervisory board
- PSVaG Pensions-Sicherungs-Verein Versicherungsverein auf Gegenseitigkeit, chairman of the supervisory board

Securities held by members of the Company's Management Board and Supervisory Board

as of Dec. 31, 2021	Shares	Changes 2020/2021
Christa Fuchs, Member of the Supervisory Board	1,401,940	-
Professor Heinz Stoewer, Member of the Supervisory Board	1,000	-
Marco Fuchs, Chief Executive Officer	6,046,610	-
Dr. Lutz Bertling, Member of the Management Board	50,000	11,640

Disclosure and exemption from the duty to disclose the financial statements of the Group companies

The consolidated financial statements have been submitted to Bundesanzeiger for publication.

At their meeting of June 17, 2021, the shareholders of OHB System AG passed a resolution to adopt the exemption provisions in Section 264 (3) of the German Commercial Code with respect to disclosure of the annual financial statements.

Related parties disclosures

Related parties as defined in IAS 24 comprise Christa Fuchs, Romana Fuchs Mayrhofer, Marco R. Fuchs, Ulrich Schulz, Dr. Fritz Merkle, Kurt Melching, Dr. Lutz Bertling, Klaus Hofmann, Prof. Heinz Stoewer, Ingo Kramer and Robert Wethmar. The following companies are related parties:

- OHB Grundstücksgesellschaft, Achterstraße GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Kitzbühler Straße GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Universitätsallee GmbH & Co. KG, Bremen
- OHB Grundstücksgesellschaft, Karl-Ferdinand-Braun-Straße GmbH & Co. KG, Bremen
- VOLPAIA Beteiligungs-GmbH, Bremen
- Apollo Capital Partners GmbH, Munich
- Immobiliare Gallarate S.r.l., Milan
- KT Grundstücksverwaltungs GmbH & Co. KG, Munich
- Schloß Annaberg GmbH, Latsch, Italy
- Aerotech Peissenberg GmbH & Co. KG, Peissenberg
- ORBCOMM Inc., Rochelle Park, NJ, USA (bis 02.09.2021)
- SV Werder Bremen GmbH & Co. KGaA., Bremen
- ZARM Technik AG, Bremen
- Gut Landruhe GmbH & Co. KG, Bremen

Business transactions with related parties are conducted on arm's length terms. In the year under review, sales and other income of EUR 592 thousand (previous year: EUR 141 thousand) arose from transactions with related parties, while expenditure on goods and services purchased (primarily rentals) came to around EUR 8.571 million (previous year: EUR 8.042 million) at subsidiaries. As of the reporting date, there were no receivables (previous year: EUR 2.026 million) due from other related parties.

Real estate leases are in force with other related companies, for which right-of-use assets with respect to land and buildings and lease liabilities have been recognized as a result of the application of IFRS 16. Lease liabilities were valued at EUR 40.483 million (previous year: EUR 35.609 million) as of December 31, 2021.

Under these leases, the Group made payments of principal of EUR 7.317 million (previous year: EUR 7.175 million) and payments of interest of EUR 0.944 million (previous year: EUR 0.794 million).

Under a contract with the law firm Taylor Wessing, of which Robert Wethmar is a partner, fees of a total of EUR 566 thousand (previous year: EUR 228 thousand) were paid in consideration of advisory services provided for the benefit of Group companies. Liabilities outstanding as of December 31, 2021 are valued at EUR 26 thousand (previous year: EUR 0).

There were pension obligations towards related parties of EUR 167 thousand (previous year: EUR 175 thousand) as of the reporting date. No contributions were made to the plan. Benefits for surviving dependants of EUR 22 thousand (previous year: EUR 22 thousand) were paid.

Sales of EUR 4.271 million (previous year: EUR 5.805 million) were generated with associates in the year under review. The resultant receivables outstanding as of the reporting date stood at EUR 0.801 million (previous year: EUR 3.452 million). Prepayments of EUR 7.876 million (previous year: EUR 9.366 million) were made for construction contracts. There were outstanding liabilities of EUR 286 thousand (previous year: EUR 106 thousand) and services worth EUR 671 thousand (previous year: EUR 3.305 million) were procured.

There are non-current loans to associates with a carrying amount of EUR 31.576 million (previous year: EUR 31.302 million) subject to a subordination agreement with banks. The loans are subject to a fixed interest rate of 3–5% and are automatically renewed unless terminated before the expiry date. Interest of EUR 0.810 million (previous year: EUR 0.810 million) was collected and capitalized in full. All loans expire within one year. As the Group does not expect any short-term repayment, the total amount has been classified as non-current. The outstanding loan amount is payable in a single amount upon termination. No collateral has been provided for the loans.

Declaration of conformity with the Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act

The Management Board and the Supervisory Board have published the declaration required pursuant to Section 161 of the German Stock Corporation Act confirming that save for a few small exceptions the Group already conforms to the German Corporate Governance Code and will continue to do so in the future. The declaration of conformity can be inspected at:

<https://www.ohb.de/en/corporate-governance/declaration-of-conformity>

Allocation of earnings

OHB SE exercises the function of an active holding company. Its main assets comprise investments which were carried at a value of EUR 63.221 million on the reporting date. OHB SE's equity stood at EUR 85.892 million on December 31, 2021. The Company's single-entity financial statements carry cash and cash equivalents of EUR 23.512 million. Income of EUR 13.674 million from the sale of the shares in Orbcomm Inc. and of EUR 9.633 million under profit transfer agreements particularly made a contribution to the net profit of EUR 19.475 million for 2021. The single-entity financial statements prepared by OHB SE pursuant to German GAAP (HGB) for the year ending December 31, 2021 carry an unappropriated surplus of EUR 47.810 million. The Management Board will be asking the shareholders to pass a resolution providing for the allocation of the Company's unappropriated surplus of EUR 47.810 million for 2021 (as specified in the table entitled "Allocation of unappropriated surplus"). The figures stated for the total dividend and the amount to be carried forward are based on the number of dividend-entitled shares as of the date of the Management Board's allocation proposal. In accordance with Section 71b of the German Stock Corporation Act, the Company's treasury stock (107,496 shares) as of the reporting date is not dividend-entitled. If the number of shares held as treasury stock on the date on which the shareholders pass a resolution adopting the proposal for the allocation of the Company's unappropriated surplus is greater or smaller than on the balance sheet date, the amount payable to the shareholders will be increased or, as the case may be, decreased by the amount attributable to the difference in the number of shares. The amount to be carried forward will be adjusted accordingly. However, there will be no change in the distributable dividend per dividend-entitled share. If necessary, the shareholders will be presented with a correspondingly modified proposal for the allocation of the Company's unappropriated surplus. The dividend distributed for 2020 came to EUR 0.43 per dividend-entitled share (17,437,600 shares) or a total of EUR 7,498,168.00. In addition, an amount of EUR 28,334,839.75 was carried forward. The unappropriated surplus came to EUR 35,833,007.75 in 2020.

Allocation of earnings

in EUR 000	2021
Unappropriated surplus	47,810,029.82
Distribution of a dividend of EUR 0.48 for each dividend-entitled share (17,360,600 shares)	8,333,088.00
Amount to be carried forward:	39,476,941.82

Remuneration

The remuneration paid to the members of the Management Board comprises fixed and variable components. Share-based remuneration components or remuneration components with a long-term incentive have been granted to Dr. Lutz Bertling. In

the event of the death of a Management Board member, his surviving dependents are entitled to receive continued payment of that member's fixed remuneration for a further period of six months. The principles of the remuneration system as well as the individualized remuneration paid to the Management Board are described in detail in the remuneration report. The total remuneration excluding share-based payments paid to the members of the Management Board for 2021 came to EUR 2.764 million (previous year: EUR 2.340 million). This is composed of variable remuneration components of EUR 1.510 million (previous year: EUR 1.061 million) and fixed remuneration components of EUR 1.254 million (previous year: EUR 1.279 million) including benefits such as advances towards health and pension insurance.

Christa Fuchs received surviving-dependents benefits of EUR 22 thousand from OHB System AG for the Management Board member Prof. Manfred Fuchs, who had passed away in 2014.

The total remuneration paid to members of the Supervisory Board for 2021 came to EUR 162 thousand (previous year: EUR 95 thousand). Of this, the Chairman of the Supervisory Board received EUR 70 thousand (previous year: EUR 30 thousand) and the other members of the Supervisory Board a total of EUR 92 thousand (previous year: EUR 65 thousand). Variable remuneration components were dispensed with. Under a contract with the law firm Taylor Wessing, of which Robert Wethmar is a partner, fees of a total of EUR 566 thousand (previous year: EUR 228 thousand) were paid in consideration of advisory services provided for the benefit of Group companies.

Share-based payments

In 2018, 12,500 OHB SE shares were granted to a member of the Management Board for the years 2018 to 2021 as of April 1 of each year as part of his remuneration. These shares were not tied to a specific price. If the Management Board member concerned resigns before the respective due date, he forfeits the right to receive the shares. The shares have a minimum holding period of 2 years after allocation. In the year under review, 12,500 shares (previous year: 25,000 shares) were withdrawn from treasury stock. Based on the share price on the date of this award, this corresponds to a fair value of EUR 434 thousand (previous year: EUR 995 thousand).

A sum of EUR 162 thousand (previous year: EUR 448 thousand) was recognized within staff costs in the year under review for the shares awarded.

Auditor fees and services

In the period under review, the OHB Group recorded the following fees paid to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, the auditors of its financial statements:

- Audit of the consolidated and annual financial statements: EUR 345 thousand (previous year: EUR 292 thousand)
- Other services: EUR 10 thousand (previous year: EUR 10 thousand)
- Other validating services: EUR 25 thousand (previous year: EUR 0 thousand)
- Tax consulting services: EUR 4 thousand (previous year: EUR 36 thousand)

The other validating services relate to a review and confirmations of key financial figures.

The other services concern an audit-related consultancy in connection with the non-financial report.

Events after the reporting period

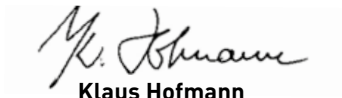
On January 1, 2022, an arson attack was carried out on a building at the Bremen site by currently unknown perpetrators. This resulted in financial losses that are not yet quantifiable precisely and are expected to be mostly covered by existing insurance policies. The OHB Group currently assumes that this event will not have any significant impact on its financial performance indicators for 2022.

The consolidated financial statements were approved by the Management Board for publication following the Supervisory Board's meeting of March 22, 2022.

The Management Board
Bremen, March 22, 2022



Marco Fuchs



Klaus Hofmann



Kurt Melching



Dr. Lutz Bertling



Daniela Schmidt

RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the annual financial statements and the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the combined management report includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and the Group."

Bremen, March 22, 2022

The Management Board

The auditor's opinion reproduced below also includes a "Report on the audit of the electronic reproductions of the financial statements and the management report prepared for purpose of disclosure pursuant to Section 317 (3b) of the German Commercial Code" ("ESEF Report"). The subject matter of the audit to which the ESEF Report refers (ESEF documents to be audited) is not attached. The audited ESEF documents can be inspected at or retrieved from "Bundesanzeiger".

INDEPENDENT AUDITOR'S REPORT

To OHB SE, Bremen

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of OHB SE, Bremen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OHB SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2021.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317

HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- (1) Accounting of sales for construction contracts
- (2) Recoverability of goodwill and internally generated intangible assets with a definite useful life

Our presentation of these key audit matters has been structured in each case as follows:

- (1) Matter and issue
- (2) Audit approach and findings
- (3) Reference to further information

Hereinafter we present the key audit matters:

- (1) Accounting of sales for construction contracts

- (1) The revenues reported in OHB SE's consolidated financial statements as of December 31, 2021 are attributable in an amount of EUR 832.7 million to construction contracts for satellites and other development contracts, which are recognised over time in accordance with IFRS 15.

They are measured according to the percentage of completion on the reporting date. For this purpose, the percentage of completion is estimated by comparing the production costs that have arisen as of the reporting date with the total budgeted production costs. The underlying cost estimates and allocation of the costs incurred in orders to the revenues reported in the consolidated financial statements are based in discretionary judgements and assumptions made by the executive directors of the parent company. Against this backdrop and in view of the underlying scope for discretionary judgements and estimates by the executive directors and the complexity involved in accounting for construction and development contracts this matter was of particular importance in our audit.

- (2) In our audit, we assessed the processes and checks implemented by the Group for recording revenues from construction contracts for satellites and other development contracts in the light of the percentage of completion, taking due account of the fact that the complexity and the scope for discretionary judgments and assessments result in a heightened risk of accounting misstatements. We have also reviewed customer contracts, tracked the identification of independent service obligations, and assessed whether those services should be recognized over time or at a point in time.

Moreover, we examined the methods for calculating budgeted and actual costs. We also traced the consistency and continuity of the methods applied to calculate the costs incurred.

As well as this, we issued appropriate instructions to the auditors of subsidiaries of the Group to ensure sufficient, appropriate and consistent auditing activities in order to reasonably address the inherent risk in the audit of these matters.

We were duly satisfied that the executive directors' discretionary judgments and estimates underlying the recognition and measurement of revenues on the basis of the percentage of completion were documented adequately and justified in order to ensure proper recognition of sales revenues in accordance with IFRS 15.

- (3) The Company's disclosures pertaining to the revenues from construction contracts for satellites and other development contracts can be found in Note 1 "Sales" of the consolidated financial statements.

- (2) Recoverability of goodwill and internally generated intangible assets with a definite useful life

- (1) In the consolidated financial statements of the company a total amount of EUR 126.0 million (13.1 % of consolidated total assets or 49.9 % of equity) in goodwill and internally generated assets is reported under the balance sheet line item "Goodwill" and "Other intangible assets".

Goodwill is tested for impairment by the company on an annual basis or if there are indications that goodwill may be impaired, and internally generated intangible assets with a definite useful life if there are indications that they may be impaired in order to determine a potential impairment loss.

The impairment test is performed on the level of those groups of cash-generating units, represented by the subsidiaries, to which the respective goodwill or the internally generated intangible assets is allocated.

As part of the impairment test, the carrying amount of the respective cash-generating units including goodwill or the internally generated intangible assets is compared against the corresponding recoverable amount.

In general, the recoverable amount is calculated on the basis of the value in use.

The basis for this calculation is usually the present value of future cash flows of the respective group of cash-generating units.

The present values are calculated using discounted cash flow models. Thereby, the approved medium-term planning of the Group serves as a starting point which is extrapolated on the basis of assumption about longterm growth rates. In doing so, expectations of future market development and assumptions regarding the development of macroeconomic factors are considered. The discount rate used is the weighted average costs of capital for the respective group of cash-generating units. Impairments were not necessary in 2021.

The result of this measurement depends to a large extent on management's assessment of future cash inflows of the respective group of cash-generating units, the discount rate and growth rate applied as well as further management assumptions. Therefore it is subject to considerable uncertainty. Against this background and due to the complexity of the measurement, this matter was of particular importance during our audit.

(2) In the course of our audit, we, among other things, assessed the method used for performing the impairment test. After comparing the future cash inflows used in the calculation with the approved medium-term planning of the Group, we evaluated the appropriateness of the calculation especially through reconciliation with general and industry-specific market expectations. Supplementary adjustments to the medium-term planning for the purpose of the impairment test were assessed and discussed by us with the responsible employees of the company. Furthermore, we also evaluated that the costs for Group functions were considered properly.

With the knowledge that even relatively small changes in the discount rate applied can have material effects on the corporate value calculated in this way, we also focused our testing on the parameters used to determine the discount rate applied, and evaluated the measurement model.

In order to take into account the forecast uncertainties, we assessed the sensitivity analyses performed by the company.

Taking into consideration the information available, we found that the respective carrying amount of the cash-generating units including goodwill was sufficiently covered by discounted future cash flows.

We consider the measurement parameters and assumptions used by management to be in line with our expectations and to lie also within a range that we consider reasonable.

(3) The Company's disclosures pertaining to the impairment test as well as goodwill and internally generated intangible assets are contained in Note 12 "Goodwill and other intangible assets" of the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB, which we obtained prior to the date of our auditor's report
- the separate non-financial group report pursuant to § 315b Abs. 3 HGB, which is expected to be made available to us after the date of the auditor's report

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible, which we obtained prior to the date of our auditor's report
- all remaining parts of the annual report, which we obtained prior to the date of our auditor's report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of 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 controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file OHB_SE_KA+LB_ESEF-2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i. e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 26 May 2021. We were engaged by the supervisory board on 3 February 2022. We have been the group auditor of the OHB SE, Bremen, without interruption since the financial year 2016.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Thomas Ull.

Bremen, March 22, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull	ppa. Holger Schreiber
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

S e r v i c e



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GLOSSARY

AMC

Amortized cost

ARCTIC-WEATHER-MISSION (AWS)

Potential microsatellite constellation designed to improve weather forecasting for polar regions. A prototype for the ESA mission is currently being built at OHB Sweden AB on the basis of the InnoSat platform.

ARIANE

A series of European launchers developed on behalf of the European Space Agency ESA; Ariane 5 is currently still in use but is to be replaced by the newly developed Ariane 6 from 2022.

ARTES

Advanced Research in Telecommunications Systems; ESA technology program to support research and development in the field of telecommunications

ASI

Agenzia Spaziale Italiana, Italian Space Agency

COPERNICUS

An Earth observation program jointly established by the European Commission and the European Space Agency ESA in 1998 to provide an effective infrastructure for Earth observation and geoinformation services

COVENANT

Undertaking that a borrower makes to the lending bank

CYBERSECURITY

Protection of networks or computer systems from the risk of hardware and software theft or damage including the data processed and from interruption or misuse of the services and functions offered

DAX

German stock index, the main German index tracking the performance of the 30 largest stock corporations listed on the Frankfurt stock exchange

DIGITAL TWIN

Representation of a real-world object in the digital world. Digital twins consist of models and can contain simulations, algorithms and services that describe or influence the properties or behavior of the object represented

DLR

Deutsches Zentrum für Luft- und Raumfahrt e. V. [German Space Agency]

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortization

EBT

Earnings before taxes

EC

European Commission

EDRS

European Data Relay Satellite System; system for implementing a data network in space using optical satellite communications

EDRS-C

Dedicated satellite for the European Data Relay Satellite System

ELECTRA

Fully electrically propelled satellite based on the SmallGEO platform

ENMAP

Environmental Mapping and Analysis Program; satellite for Earth observation in the hyperspectral range. The EnMAP environmental mission is being lead-managed by the German Space Agency at the German Aerospace Center (DLR) in Bonn on behalf of the German Federal Ministry for Economic Affairs and Climate Action (BMWK). OHB System AG was awarded the contract for developing and engineering the satellite and the hyperspectral instrument. The mission is under the scientific direction of Geoforschungszentrum Potsdam (GFZ).

Three DLR institutes and facilities have been tasked with constructing and operating the ground segment: the German Space Operations Center in Oberpfaffenhofen will be carrying out and monitoring satellite operations, while the German Remote Sensing Data Center and the Remote Sensing Technology Institute will be responsible for archiving, processing and validating the satellite data and making it available for scientific research. Companies and government agencies will also be testing the data and preparing future services. The future use of EnMAP hyperspectral data by universities and scientific institutions and the development of special applications will be supported by funding programs initiated by the Federal Ministry of Economics and Climate Action (BMWK).

EPS

Earnings per share

ESA

European Space Agency

EU

European Union

EUMETSAT

European Organization for the Exploitation of Meteorological Satellites based in Darmstadt. It operates the Meteosat and MetOp weather satellites. It is an intergovernmental organization with currently 30 European member states.

EXOMARS

Scientific mission of ESA and the Russian space agency Roscosmos to explore Mars with the aim of searching for former or even current life on the planet.

EXOPLANETS

Planets are objects that are in the gravitational influence of a star, i. e. they orbit it. Exoplanets or extrasolar planets are located outside our solar system and are thus not subject to the sun's gravitational pull.

FLAC

Financial liabilities measured at amortized cost

FVOCI

Fair value through other comprehensive income

FVPL

Fair value through profit or loss

GALILEO

European global satellite-based navigation system.

GEO

Geostationary orbit; satellites are located in a circular orbit at an altitude of 35,786 kilometers above the equator and follow the Earth's rotation.

HEINRICH HERTZ

Satellite mission based on the SmallGEO platform to explore new communications technologies in space

HELIOS 2

French optical system for satellite-based reconnaissance

HGB

Handelsgesetzbuch [German Commercial Code]

IAS

International Accounting Standards

IFRS

International Financial Reporting Standards

INNOSAT

50 – 250 kg microsatellite platform developed by OHB Sweden AB

ISS

International Space Station; a joint project of various space flight nations for the exploration of the Earth and space and the promotion of international understanding. The ISS has been permanently inhabited since November 2, 2000.

MTG

Meteosat Third Generation; program for the development, construction and launch of third-generation European weather satellites

NASA

National Aeronautics and Space Administration

PAYLOAD

A payload is the mass which is transported on the satellite and is necessary for the completion of the actual mission objective.

PETABYTES

Measure of data or storage capacity; stands for 250 bytes or about a thousand terabytes

R+D

Research and development

SARAH

Radar program for satellite-based reconnaissance. Successor program for the SAR-Lupe system.

SAR-LUPE

Synthetic aperture radar magnifier; system of small satellites using a method for enhancing the quality of radar images

SENTINEL

Name of the satellites in the Copernicus program initiated by ESA and the European Commission

SMALLGEO

Versatile geostationary satellite platform developed by OHB System AG under ESA's Artes (Advanced Research in Telecommunications Systems) program, which can be tailored to various mission objectives such as telecommunications, Earth observation and technology testing

TECDAX

German stock index composed of the 30 largest technology stocks by market capitalization and order volumes

USD

US dollar

VEGA

European four-stage launcher for small satellites, developed on behalf of the European Space Agency ESA since 1998 and successfully launched for the first time in 2012. It is the smallest European launcher and carries 1.5 tons into a circular polar orbit.

IMPRINT

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[Events are planned in virtual form, unless otherwise indicated]

Event	Date
Consolidated financial statements 2021, press conference and DVFA analysts' conference	March 23, 2022
3-months report/webcast with analysts	May 11, 2022
Annual general meeting	June 1, 2022
6-months report/webcast with analysts	August 11, 2022
9-months report/webcast with analysts	November 10, 2022
DZ Bank conference, Frankfurt am Main	November 22, 2022
German Equity Forum, Frankfurt am Main	November 28-30, 2022

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