

An aerial photograph of a coastal region. The water is tinted in shades of blue and cyan, showing various currents and depths. The land is brownish and textured, with some buildings and infrastructure visible near the shore. The overall scene is captured from a high angle, looking down at the coastline.

Creating 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.



GREENER, MORE SECURE AND MORE CONNECTED

- Environmental and weather satellites
- Reconnaissance satellites
- Space safety missions
- Telecommunications and navigation satellites

CURIOUS AND ASPIRING

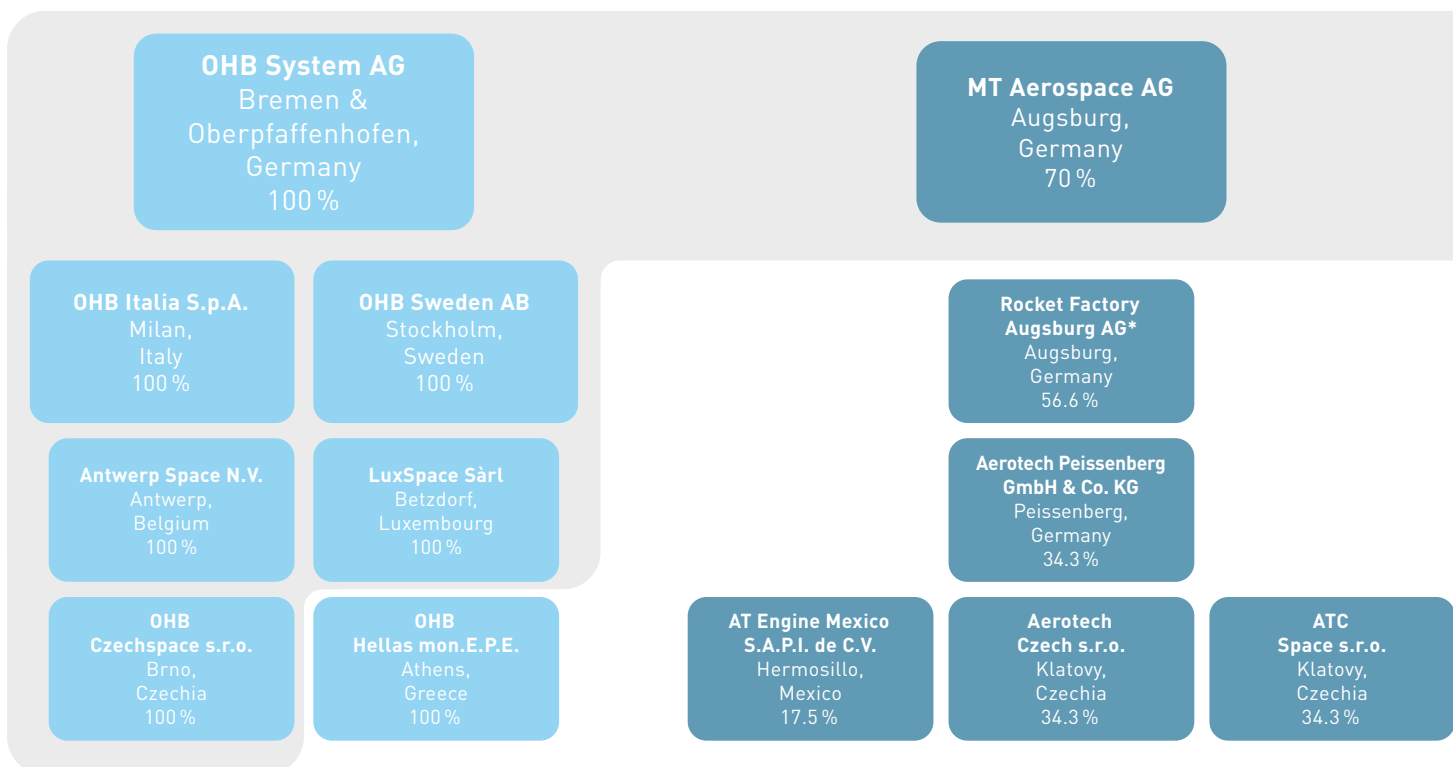
- Science and exploration missions

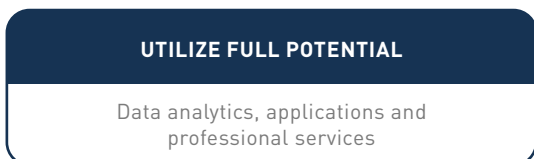
ACCESS TO SPACE

- Microlauncher
- Launcher components, tanks and structures

RESOURCE-EFFICIENT FLYING

- Aero engine components





SPACE SYSTEMS

In the SPACE SYSTEMS segment, we design, develop and realize complete space systems. Together with you, we conceive and plan the goal of your mission. This means in particular the development and production of near-Earth and geostationary satellites in the application fields of environmental and weather observation, reconnaissance (civil and military), telecommunications and navigation in pursuit of being "greener, more secure and more connected". In addition, emphasis is placed on the area of space safety. Payloads and instruments are also key areas of expertise in our portfolio to support you in your endeavors. Within the scope of science and exploration missions, we work on studies and concepts for the exploration of our solar system with a focus on Mars, the Moon and asteroids, bringing together the human characteristics of curiosity and ambition.

AEROSPACE

With the AEROSPACE segment, we reach the implementation of your mission. We enable access to space by developing and manufacturing small launch vehicles and supplying essential components, tanks and structures for large launch vehicles, mainly for the European Ariane program. We support resource-efficient flying with modern system components for the aeronautics industry, in particular engine components from our participation Aerotech Peissenberg.

DIGITAL

In the DIGITAL segment, we ensure the success of your mission. Our telescopes, ground systems and antennas provide the necessary link between the ground infrastructure and the space segment, which is additionally secured by our expertise in the fields of cybersecurity and encryption. With satellite data analysis, additional applications and professional services, we help you to exploit the full potential of your mission.

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 Information Technology Services GmbH
Bremen & Oberpfaffenhofen, Germany
100 %

OHB Digital Solutions GmbH
Graz, Austria
100 %

■ = consolidated

* discontinued operations (IFRS 5)

OHB SE IN FIGURES

The Group

in EUR 000	2022	2021	2020	2019	2018
Revenues	944,520	905,001	880,319	1,004,618	976,551
Total revenues	1,001,276	916,547	901,431	1,030,086	1,000,392
EBITDA	99,282	83,618	77,024	78,331	65,013
EBIT	63,196	47,021	41,634	49,109	47,751
EBT	49,979	41,594	29,817	39,144	44,092
Share of OHB SE shareholders in net profit for the year	32,242	27,498	20,869	25,543	24,998
Earnings per share (EUR)*	1.97	1.58	1.20	1.47	1.44
Total assets	1,080,729	960,847	912,078	931,019	753,606
Equity	293,468	252,621	223,326	200,830	200,019
Cash flow from operating activities	9,122	-17,346	44,121	22,884	60,179
Equity investments	32,399	38,899	35,394	36,923	40,736
thereof capital spending	5,201	1,732	4,693	2,388	2,342
Order backlog	1,875,245	2,120,779	2,632,328	1,840,009	2,398,682
Employees at December 31	3,025	2,962	3,029	2,933	2,769

* from continuing operations attributable to the ordinary equity holders of the parent entity

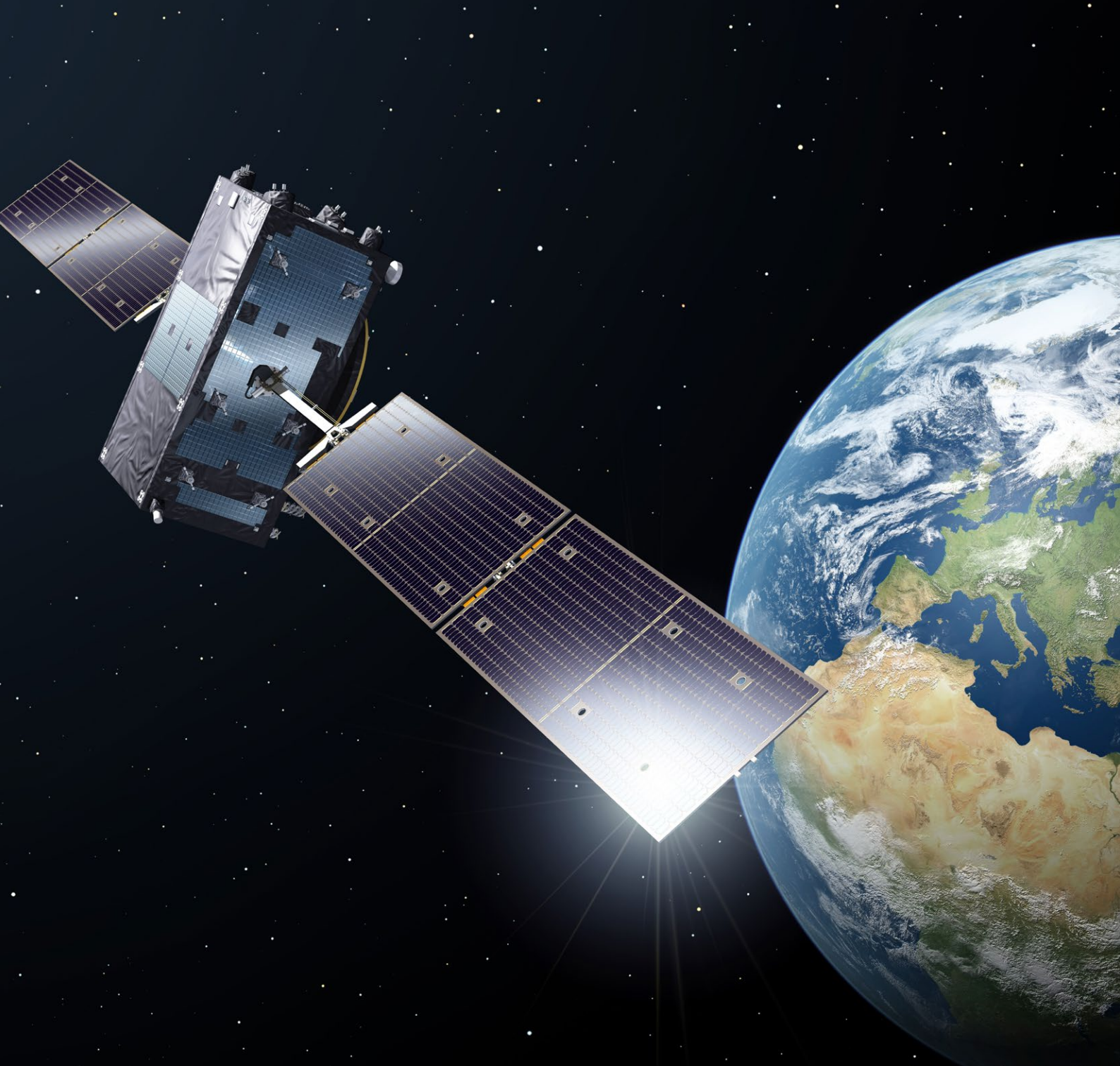
Die Aktie

in EUR	2022	2021	2020	2019	2018
Year-end closing price, Xetra	32.25	36.00	38.60	43.50	30.90
High for the year, Xetra	37.69	49.85	46.70	48.65	49.75
Low for the year, Xetra	26.95	33.50	25.65	29.60	27.55
Market capitalization (year end, Xetra)	563	629	674	760	540
Dividend per share	0.60*	0.48	0.43	0	0.43

* Subject to approval by the shareholders

2022	2022	2022
EUR 1,001 million	EUR 99 million	EUR 63 million
Total revenues	EBITDA	EBIT

Title: View of the Ningaloo Reef located off the west coast of Australia. The image was taken by the first German hyperspectral satellite EnMAP, which was developed and built at OHB.



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LETTER TO THE SHAREHOLDERS

Dear shareholders,

Last year demanded a great deal of all of us. However, it is particularly in uncertain times characterized by crises that we at the OHB Group can always rely with great confidence on our expertise and innovative strength in space technology. 2022 showed just how important a stable, space-based infrastructure is for all our lives on the Earth and how much Europe needs independent access to space. Russia's attack on Ukraine on February 24 shook the world to its core. The war is continuing. The people's suffering is immeasurable. The consequences? They are immense in all areas of social, political and economic life. We are also feeling the effects of the war in the space industry. There is a shortage of launchers needed to place all the satellites in their intended orbits as planned. Previous partnerships between the Russian space agency Roscosmos and its European counterpart ESA have been put on hold. The cooperation in organizing launches at the Kourou spaceport in French Guiana has been halted. The medium-weight Russian launch vehicle Soyuz ST-B is no longer available for satellite launches. As a result, launches under the European Galileo satellite navigation program have been postponed. Although this will not have any negative impact on OHB's profitability in this program, it will delay the expansion of the constellation.

»We are certain that space will continue to be one of the relevant key technologies in addressing the global challenges of our time and will be expanded even further in the future.«

Overall, the economic consequences for OHB in 2022 are not substantial. However, the changed geopolitical situation is resulting in a significantly new view of the world. With our innovative space concepts, we pursue space-based solutions for the benefit of humanity. "We are certain that space will continue to be one of the relevant key technologies in addressing the global challenges of our time – war, the energy crisis it has triggered, ongoing global warming, extreme weather events and natural disasters – and will be expanded even further in the future." This is also the clear signal that we took home from the ESA Ministerial Conference, which meets every three years, and at which the 22 member states of the European Space Agency committed to a total budget of EUR 16.9 billion for new space programs and missions in Paris on November 22 and 23, 2022.



With EUR 3.5 billion, Germany is once again the largest contributor and will continue to play a leading role in European space. One of the main priorities in German involvement encompasses satellite-based projects for improving climate protection and achieving greater European autonomy. The program decisions have also yielded diverse opportunities for OHB companies to bid for projects in the near future.

In order to ensure that the OHB companies are positioned to optimum effect for the future, the focus in the year under review was on running off the high order backlog on the one hand and on implementing structural measures on the other. Due to the growing complexity of our activities and our planned growth trajectory, we enlarged our Supervisory Board from four to five members. With the election of Dr. Hans-Jörg Königsmann to the Supervisory Board, we have been able to gain an internationally renowned industry expert.

Formerly Vice President Mission Assurance at the U.S. space company SpaceX, he has been a member of the Supervisory Board since June 24, 2022. With this step, we are particularly driving forward the planned greater commercial orientation and internationalization of our business. Dr. Hans-Jörg Königsmann was responsible for launch and mission safety at SpaceX from 2002 to 2021, playing a crucial role in various management roles in the development of Falcon 1, Falcon 9 and the Dragon capsule as well as the Starlink constellation. In 2014, NASA awarded him the Distinguished Public Service Medal, the U.S. space agency's highest honor for nongovernmental individuals.

Segment performance

In the SPACE SYSTEMS segment, operating business focused on satellite-based Earth observation: The international science community eagerly awaited the launch of EnMAP (Environmental Mapping and Analysis Program). On April 1, 2022, the first German hyperspectral satellite lifted off from Cape Canaveral on board a Falcon 9 launcher, which took it to its solar-synchronous orbit at an altitude of about 650 kilometers to show us the world in more than all its colors. OHB System was the prime contractor for this new environmental satellite, the highly complex instrument which was engineered and assembled at OHB's Space Center for Optics and Science in Oberpfaffenhofen and is virtually unsurpassed in terms of engineering prowess: The satellite carries a hyperspectral instrument that has two imaging spectrometers with a total of 242 recording bands. This allows the satellite to record the solar radiation reflected off the Earth's surface in continuous spectra ranging from visible light to the short-wave infrared segment and detect, for example, whether sufficient nutrients are available for crops or whether a body of water is polluted with contaminants. We are proud and happy that our many years of expertise in the development of highly complex optical instruments are helping scientists around the world to gain comprehensive insights into our planet.

»EnMAP will provide valuable data for all of us in the fight against climate change, helping us understand the impacts of ongoing global warming on land and water more effectively, and above all, more accurately than ever before.«

OHB System is involved in another major Earth observation mission as a subcontractor to Airbus UK under the contract signed in June for the delivery of the instrument for the ESA FORUM mission. In addition, a new era in weather observation has begun with the Meteosat Third Generation (MTG) program. On December 13, the first MTG imager satellite fitted with OHB technology was launched into space, from where it will detect storms and thunderstorms at an early stage. MTG is one of the most complex and innovative satellite systems ever built. Over the next two decades, it will provide improved data for weather forecasting from its geostationary orbit. MTG is demonstrating Europe's



From left

Klaus Hofmann

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

Marco R. Fuchs

Year of birth 1962, attorney, Chief Executive Officer of OHB SE since 2000

Daniela Schmidt

Year of birth 1982, attorney, member of the OHB SE Management Board since 2022

Kurt Melching

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

Dr. Lutz Bertling

Year of birth 1962, degree in engineering, member of the OHB SE Management Board since 2018

technological excellence under the long-standing partnership between the European Space Agency (ESA) and the European Organization for the Exploitation of Meteorological Satellites (EUMETSAT). The industrial consortium for the MTG mission is being lead-managed by Thales Alenia Space. In addition, OHB is the prime contractor for the upcoming MTG Sounder mission and furthermore responsible for all six satellite platforms in the MTG system, the four units of the telescope assembly of the flexible combined imager as well as the two IRS (infrared sounding) instruments fitted to the two sounder satellites.

For more safety and protection

In the space safety segment, OHB Italia received an order from the Italian space agency ASI for the delivery of four Flyeye telescopes. They will monitor the trajectories of objects in space and can use the data collected to help avert harm to space infrastructure and threats to the Earth.

All three Group companies, which have developed their own platforms for smaller satellite missions, also recorded successful order intake in the year under review: With the award of the contract for the delivery of the IRIDE Earth observation constellation, OHB Italia received an order for 12 satellites to

be developed on the basis of the Eaglet-II platform. LuxSpace and the University of the German Armed Forces in Munich signed a contract for the SeRANIS small satellite mission, which is based on the newly developed Triton-X platform. OHB Sweden and the Spanish space company Satlantis signed a contract for the construction of two satellites based on the InnoSat platform. With this step, the company has gained its first commercial customer for the platform.

Increase in booked launches under the Ariane 6 program

In the AEROSPACE segment, the number of launches booked in the Ariane 6 program increased. The contract awarded by Amazon in April 2022 for 18 Ariane 6 launches benefits the program in several ways: The high number of ordered launches significantly improves visibility and plannability. This order from Amazon is particularly prestigious for the newly developed launcher, which has never flown before, as it demonstrates the confidence placed in the development of the Ariane program, in which we, through MT Aerospace as the largest German supplier, form part of the industrial consortium. In the year under review, MT Aerospace also concentrated on activities that further sustainability in an overarching sense:



The Flyeye telescope

will be used to detect risky celestial objects such as asteroids and comets. To this end, it will split the image into 16 smaller sub-images to expand the field of view, similar to the technique used by the compound eye of a fly.

The first telescope is expected to be installed this year in Sicily. A further four were ordered from OHB Italia in 2022.

A project initiated in June is seeking to reduce carbon emissions at the European spaceport in Kourou through the use of green hydrogen derived from renewable energy. The company is also involved in the development of a reusable stage for European launch vehicles. In addition, the foundations were laid for key technical enhancements: We were awarded a further contract in the Phoebus project. The main goal of this project is to enhance the payload performance of launch vehicles by reducing the mass of the upper stage through a new design and the use of lighter materials.

OHB's participation Rocket Factory Augsburg, which is developing its own smaller launch vehicle, also reported a success. The successful engine tests demonstrated the quality of its engineering approach, meaning that the next critical milestone was passed: During the test campaign conducted in July, the engine burned for a total of 74 seconds in a stable combustion state, demonstrating its durability and multiple ignition capability.

Headed for the future digitally strengthened

In its second year, the DIGITAL segment posted significant successes in amassing skills and business opportunities. The acquisition of the experienced data specialist GEOSYSTEMS GmbH in the first quarter supplemented the skills available in the Group with the addition of further expertise. GEOSYSTEMS is one of the leading companies in the evaluation and processing of sensor data collected from Earth observation satellites. Thanks to this transaction, OHB is positioning itself more keenly in the market for downstream applications in line with the Group's Strategy 2025, while at the same time contributing complementary skills to the segment and enabling a wide range of synergies to be leveraged for existing and future products and services.

»In its second year, the DIGITAL segment posted significant successes in amassing skills and business opportunities.«

After handing over a turnkey radio telescope to the customer, OHB Digital Connect reinforced its leading global market position as a supplier of customized telescope systems. The National Astronomical Research Institute of Thailand now has a fully mobile, high-performance telescope that enables observations to be executed with greater efficiency. The data collected will help researchers all over the world to make scientific discoveries and broaden our understanding of the Earth and the universe.

In addition, OHB Digital Connect received an order from the German Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support in March relating to equipment for the German air force's space situation center. The procurement and integration of hardware and software will enable the space situation center to support the German armed forces, federal and state authorities and national and international partners by offering space location services and products.

Guidance for 2022 and 2023

OHB SE outperformed the guidance for EBITDA and EBIT that had been published in January 2022. The forecast EBITDA figure had been EUR 97 million; in actual fact, however, a figure of EUR 99 million was posted in the year under review. Whereas EBIT of EUR 60 million had been forecast, it actually came to EUR 63 million. The guidance for total revenues (EUR 950 - 1,000 million), which had been adjusted during the year was also exceeded (EUR 1,001 million). Financially, the company can thus look back on its most successful year ever. In addition to the increase achieved in absolute terms, the EBIT margin relative to total revenues also widened.

»Financially, OHB SE can look back on the most successful year in its history with an EBIT of EUR 63 million.«

Based on the high order backlog of EUR 1,875 million (previous year: EUR 2,121 million, as of December 31 in both cases), the Management Board expects consolidated total revenues to increase to EUR 1,176 million for the full year 2023. EBITDA should come to EUR 109 million and EBIT to EUR 70 million.

Vote of thanks to all involved

The Management Board is pleased with the company's performance in the year under review thanks to the high profitability achieved. Given our business model, our own value creation primarily depends on the successes achieved by our employees with regard to project progress, services and production. On behalf of all the members of the Management Board, I would like to expressly thank our employees for their performance in 2022. We would also like to express our gratitude to our business partners for their constructive cooperation and our shareholders for the trust they have placed in us.

Bremen, March 13, 2023

Marco R. Fuchs
Chief Executive Officer



Dear shareholders,

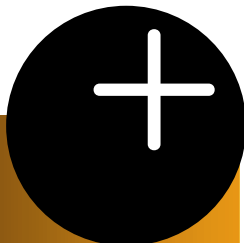
In 2022, the Supervisory Board performed its duties with due care in accordance with the applicable statutory requirements, the provisions of the company's bylaws and its rules of procedure. It regularly advised the Management Board on the management of the company and monitored it on an ongoing basis. 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.

Full Supervisory Board

The Supervisory Board held six ordinary meetings and one extraordinary meeting 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 2023–2025.



From left

Dr. Hans-Jörg Königsmann

Member of the Supervisory Board of OHB SE since 2022, born in 1963, Ph.D. degree in aerospace and manufacturing technology, former vice-president of the U.S. space company SpaceX

Christa Fuchs

Member of the Supervisory Board of OHB SE since 2002, born 1938, businesswoman, managing partner of VOLPAIA Beteiligungsgesellschaft mbH, Bremen

Robert Wethmar

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

Ingo Kramer

Member of the Supervisory Board of OHB SE since 2018, born in 1953, graduate industrial engineer, shareholder of Kramer GmbH & Co. KG, Bremerhaven

Prof. Heinz Stoewer

Deputy Chairman of the Supervisory Board of OHB SE, member of the Supervisory Board since 2005, born in 1940, M. Sc., Professor em. Space Systems Engineering, Technical University of Delft, Netherlands, managing director of Space Associates Beratungs GmbH, Munich

The ordinary meetings of the Supervisory Board in 2022 were held on March 22, April 4, April 14, June 1, September 23 and December 15; the extraordinary meeting took place on January 17. All meetings were held at the company's headquarters in Bremen, with individual Supervisory Board members or guests attending the meetings on line where necessary. Five of the seven meetings of the Supervisory Board held in the year under review were attended in full. Prof. Heinz Stoewer sent his apologies for one meeting and Ingo Kramer for another. In addition, the committees met five times (Audit Committee), two times (Personnel Committee) and once (Corporate Governance and Nomination Committee) in the year under review.

Christa Fuchs sent her apologies for one meeting of the Audit Committee and for one meeting of the Corporate Governance and Nominating Committee. Otherwise, the committees were attended by all members. All the members of Management Board attended nearly all of the meetings of the Supervisory Board. The only exceptions were the meeting on April 4 due to the agenda and the meeting on April 14, for which three members of the Management Board sent their apologies. The minutes of all the Supervisory Board's meetings were taken by the company's legal counsel.

The main item on the agenda of the extraordinary meeting held on **January 17, 2022** concerned the adoption of resolutions on investment projects. In addition, the Supervisory Board discussed the guidance for 2022 and other matters of current interest.

The meeting held on **March 22, 2022** was chiefly devoted to the Management Board's report on the Group's performance in the period commencing January 1 and ending December 31, 2021, the current state of business as well as the forecasts for 2022. 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 2021. 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 0.48 per share for approval by the shareholders.

In addition, the Supervisory Board dealt with the agenda of the 8th annual general meeting on June 1, 2022 and, in particular, with the upcoming election of the independent auditor and the proposed election of an additional member to the Supervisory Board. The Supervisory Board also approved the amended schedule of responsibilities for the Management Board.

At its ordinary meeting on **April 4, 2022**, the Supervisory Board conducted a comprehensive discussion of the remuneration system for the members of the Management Board with a view to submitting the remuneration system to the shareholders for approval at the next annual general meeting. The legal basis and the various concepts were discussed. The aim of the meeting was to gain an in-depth insight into this complex matter and to encourage an open discourse between the Supervisory Board and the Management Board.

Following on from the previous meeting on April 4, the Supervisory Board devoted the ordinary meeting on **April 14, 2022** to discussing the remuneration system for OHB SE's Management Board and approved the draft presented at the meeting following detailed discussion. The remuneration system is to be submitted in this form to the shareholders for approval at the annual general meeting. In addition, the Supervisory Board approved the present draft of the invitation to the upcoming annual general meeting.

At the beginning of the ordinary meeting on **June 1, 2022**, the Chairman of the Supervisory Board welcomed Dr. Königsmann, who had been elected to the Supervisory Board at the annual general meeting held on the same day. The Supervisory Board subsequently discussed the organizational implementation and conduct of the annual general meeting. Subsequently, the Management Board reported on the Group's business performance in the first quarter of 2022 and the current state of business.

At the meeting of **September 23, 2022**, 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. It also provided an update on various projects, the business situation of individual Group companies and ongoing M&A activities. Further items on the agenda concerned the planned placement of a borrower's note loan, approval of the rules of procedure for internal auditing, a status report on various leases entered into by OHB companies with companies belonging to the Fuchs family and a resolution to engage the independent auditor elected at the annual general meeting.

Held on **December 15, 2022**, 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 2022, the current business situation and the expected full-year financial figures for 2022. In addition, the Management Board presented the budget for the period from 2023 to 2025, which the Supervisory Board duly noted with approval. As well as this, the Management Board provided an update on the company's ongoing M&A activities. Another item on the agenda concerned the reports from the Supervisory Board committees. Moreover, the Management Board updated the Supervisory Board on OHB's sustainability program, the compliance report for 2022 and the results of the 2022 audit; in this connection, the Supervisory Board adopted the audit plan presented for 2023.

The December meeting of the Supervisory Board also dealt with the targets for female representation on the Supervisory Board and the Management Board; to this end, the Supervisory Board adopted a target of 25% for the Supervisory Board and 20% for the Management Board for the next two years. 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 April 28, 2022 and the self-assessment of the effectiveness of the Supervisory Board's performance of its duties in 2022.

Committees of the Supervisory Board

OHB SE's Supervisory Board has delegated individual tasks to three committees, which deal with these matters in greater detail for the attention of the Supervisory Board:

The **Personnel Committee** is composed of the Supervisory Board members Robert Wethmar (Chairman of the Committee), Ingo Kramer and Prof. Heinz Stoewer. It prepares proposals for the attention of the Supervisory Board concerning the appointment of new Management Board members and deals with succession planning and the evaluation of candidates for the Management Board. It met in 2022 on March 21, September 29 and December 9. In addition to confidential personnel matters, the Committee dealt with the "Lift-OFF Program for Junior Staff," among other things.

The **Audit Committee** is composed of the Supervisory Board members Ingo Kramer (Chairman of the Committee), Robert Wethmar and Christa Fuchs. It supports the Supervisory Board in overseeing the management of the company, in particular from a financial perspective. It also monitors sustainability reporting. It met in 2022 on March 21, June 14, August 11, October 13 and December 15. Its activities mainly concerned the audit of OHB SE's annual and consolidated financial statements for the year ending December 31, 2021, the further procedure with respect to the company's non-financial reporting, internal auditing, the placement of a borrower's note loan, the financial planning for individual companies and the Group, business planning for the period from 2023 to 2025 and the scope of the auditor's engagement.

The **Corporate Governance and Nominations Committee** is composed of the Supervisory Board members Robert Wethmar (Chairman of the Committee), Prof. Heinz Stoewer, Dr. Hans-Jörg Königsmann and Christa Fuchs. It supports the Supervisory Board in matters relating to corporate governance, compliance and the orientation of the company's activities towards sustainable management. It monitors, from a legal perspective, compliance with internal business and conduct principles, including safety and environmental protection. It met in 2022 on December 14. The committee particularly dealt with the compliance report for 2022, the self-assessment of the Supervisory Board's performance of its duties in 2022, the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act concerning compliance with the German Corporate Governance Code and female representation on the Supervisory Board and the Management Board.

Corporate governance

The Management Board also submitted a corporate governance report to the Supervisory Board in accordance with Principle 23 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 15, 2022, the Management Board and the Supervisory Board issued an updated declaration of conformance in accordance with Section 161 of the German Stock Corporation Act and made this available permanently to shareholders at the company's website.

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

In 2022, the Supervisory Board reviewed the non-financial statement pursuant to Section 315b of the German Commercial Code for 2021 prior to its publication.

Approval of the annual financial statements for 2022

The annual financial statements, the consolidated financial statements and the related management reports of OHB SE for 2022 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 13, 2023, 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

At OHB SE's annual general meeting on June 1, 2022, Dr. Hans-Jörg Königsmann was elected to the Supervisory Board in a supplementary ballot. Following the entry of the amendment to the articles of incorporation in the Commercial Register, Dr. Königsmann officially became a member of the Supervisory Board on June 24, 2022.

The Supervisory Board appointed Ms. Daniela Schmidt to OHB SE's Management Board with effect from January 1, 2022. Ms. Schmidt is responsible for sustainability, integrity, legal affairs and corporate security.

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 13, 2023

Robert Wethmar
Chairman of the Supervisory Board

ADVERSE MACROECONOMIC ENVIRONMENT CAUSING MUTED OVERALL PERFORMANCE IN THE EQUITIES MARKETS IN 2022

In addition to continuing adverse factors such as the Covid-19 pandemic and global supply chain problems, the Russian war of aggression on Ukraine and its repercussions dominated the news in the year under review. This was accompanied by persistently high inflation rates, to which central banks around the world responded by raising their base rates. The German share index (DAX) fell by 12.3% over the course of the year to 13,924 points. At times, it was trading around 25% down on the end of 2021 and thus lower than at any time since autumn 2020. The TecDAX, which comprises the 30 largest German technology stocks, fell even more sharply by 25.5%. Despite a slight recovery in the fourth quarter, the stock market remained generally muted over the year under review, something which was also reflected in the key data for IPOs on the Frankfurt Stock Exchange: The total new issues of around EUR 9.4 billion were accounted for by only four new offerings, with around EUR 9.1 billion of this attributable to Porsche AG – the second largest IPO in German history.

OHB SHARE UNABLE TO ESCAPE GENERAL DOWNWARD TREND

The OHB share followed the negative trend on the stock markets, although it exhibited relative strength compared with the DAX and TecDAX over the year as a whole. In the course of the year, it declined by around 10%, trading within a range of between EUR 26.95 and EUR 37.69. Average daily trading volumes shrank from 18,318 shares in the previous year to 7,568 in 2022 (including 5,962 via Xetra and 1,606 via Tradegate).

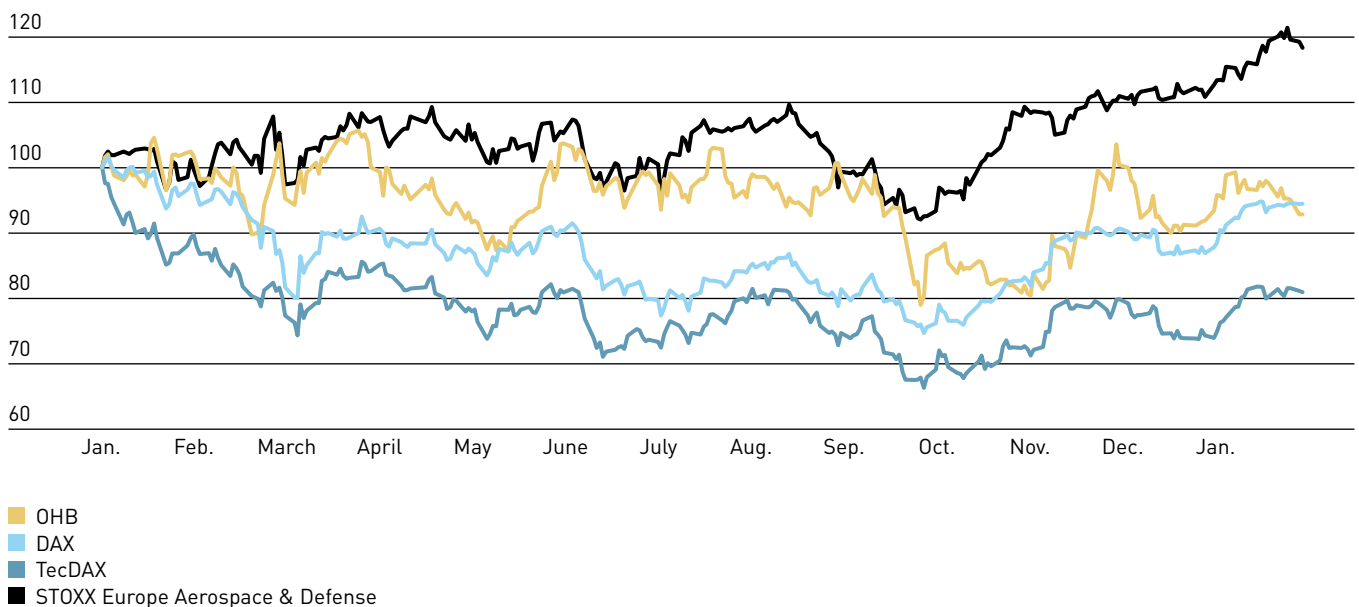
TREASURY STOCK

As of December 31, 2022, OHB SE's treasury stock comprised a total of 106,696 shares, equivalent to 0.61% of its issued capital.

SHARE BUYBACK PROGRAM

The share buyback program adopted by OHB SE's Management Board on June 17, 2021 commenced on June 25, 2021 and was terminated on March 31, 2022. Under this program, 77,000 shares were acquired at an average price of EUR 38.6469, resulting in a total amount 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. In addition, the resolution was extended by a resolution passed by the shareholders at the annual general meeting on June 1, 2022. Among other things, the extension authorizes the sale of shares in the company to, and their acquisition by, affiliated companies in order to fulfill existing or future contractual remuneration agreements with their management and employees. Further information on the share buyback program can be found in the Investor Relations section of our website (www.ohb.de/en/investor-relations) under the menu item "The share", sub-item "Share buyback".

Performance of OHB share compared with DAX, TecDAX and STOXX Europe Aerospace & Defense
in the period from January 3, 2022 to January 31, 2023 (%)



OHB share parameters

EUR	2022	2021	2020	2019	2018
Year-end closing price, Xetra	32.25	36.00	38.60	43.50	30.90
High for the year, Xetra	37.69	49.85	46.70	48.65	49.75
Low for the year, Xetra	26.95	33.50	25.65	29.60	27.55
Market capitalization (year end, Xetra)	563 million	629 million	674 million	760 million	540 million
Average daily trading volumes (Xetra, Floor, Tradegate)	7,568	18,318	14,122	7,768	15,659
Price/earnings ratio (year end, Xetra)	16.37	22.78	32.17	29.59	21.46
Earnings per share*	1.97	1.58	1.20	1.47	1.44
Dividend per share	0.60**	0.48	0.43	0	0.43
Dividend yield (year-end, Xetra)	1.86%	1.33%	1.11%	0.00%	1.39%

* from continuing operations attributable to the ordinary equity holders of the parent entity

** Subject to approval by the shareholders

Analyst ratings

Date	Bank	Target price in EUR	Rating
January 2023	Kepler Cheuvreux	47.00	Buy
January 2023	Pareto Securities	42.00	Buy
January 2023	Stifel	45.00	Buy
August 2022	HSBC	49.00	Buy
February 2022	DZ Bank	48.00	Buy

OHB stock data

ISIN	DE0005936124
Stock exchange ticker	OHB
Trading segment	Prime Standard
Sector	Aerospace, Telecommunication, Information Technology
Indices	Prime All Share, Tec All Share, CDAX
Designated sponsors	DZ Bank AG, Stifel Europe Bank AG
Share capital	EUR 17,468,096
Class	Bearer shares without par value



IR CONTACT

Martina Lilienthal

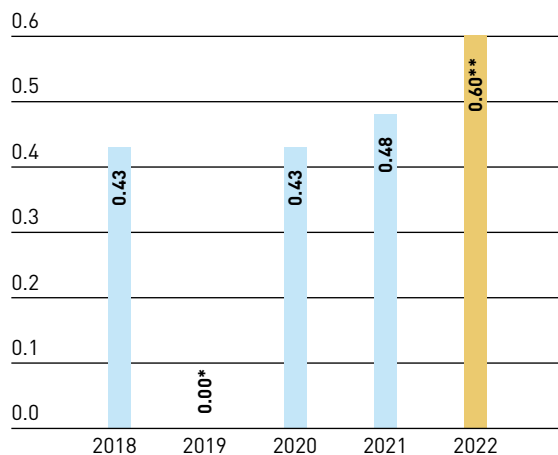
Investor Relations

Phone: +49 (0)421 2020 7200

Email: ir@ohb.de

Dividend performance

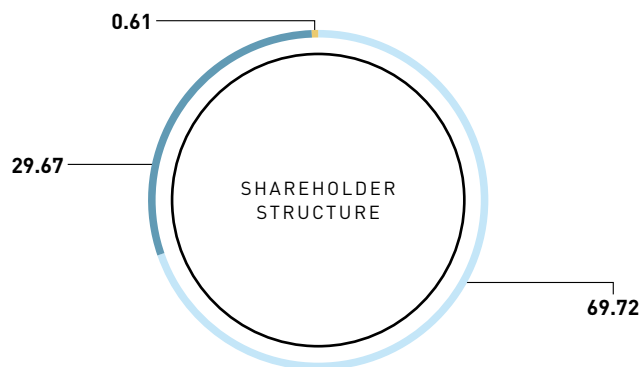
2018–2022 in EUR



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

Shareholder structure OH B SE

as of December 31, 2022 in %



Issued capital: shares 17,468,096

- Fuchs pool (shares 12,178,720)
- Free float (shares 5,182,680)
- Treasury stock (shares 106,696)

DIVIDEND DISTRIBUTION APPROVED AT VIRTUAL ANNUAL GENERAL MEETING

OH B SE's shareholders received a dividend of EUR 0.48 per share for the previous year, an increase of around 12% over the year before (EUR 0.43). A motion to this effect submitted by the Management Board and Supervisory Board was approved by the shareholders at the annual general meeting on June 1. All the other items of the agenda were also approved with a large majority. These particularly included the ratification of the actions of the Management Board and the Supervisory Board, the appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, as independent auditors, the approval of the remuneration system for Management Board members, the approval of the remuneration report for 2021, the election of a supplementary Supervisory Board member (Dr. Hans-Jörg Königsmann) with a corresponding amendment to the articles of incorporation and an extension of the existing authorization to acquire and use treasury shares dated May 26, 2020. The virtual annual general meeting was live-streamed online.

INVESTOR RELATIONS ACTIVITIES

In January, representatives of the Company took part in two major virtual capital market conferences and presented the company to potential investors in various discussions. As usual, OH B SE's Management Board members provided an initial outlook for the current fiscal year during the Capital Market Day, which took the form of a webcast on January 18. The participating analysts, investors and bank representatives were informed by the speakers about current corporate and market developments in the light of the Group strategy "OH B 2025 – Shaping the future". In addition, the Management Board members provided guidance for the current fiscal year and, for the first time, an outlook on the expected development of the three key performance indicators of relevance to management up to fiscal year 2025. The Company published its consolidated financial statements for fiscal year 2021 on March 23, 2022; on this day, a virtual press conference on financial statements was first held with the participation of numerous media representatives, after which the results were discussed with analysts at a separate conference. The Management Board explained the first quarter results in an interactive analyst webcast on May 11. In the third quarter, the Company presented itself at two capital market conferences in Frankfurt am Main and Malta. In the fourth quarter, company representatives again attended both the DZ Bank Conference and the German Equity Forum of Deutsche Börse in Frankfurt am Main.



Management report 2022

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AND 315A (1) OF THE GERMAN COMMERCIAL CODE
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I. BASIS OF THE GROUP

[A] GROUP BUSINESS MODEL

As a space and technology Group, OHB SE pursues activities in different areas of space-related high technology. Because 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 an elementary 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 2022, 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 Gateway space station.

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 in the institutional satellite and launcher market. Process control technology is responsible for the reliable monitoring and control of the electric traction energy supply for trains on the entire network operated by Deutsche Bahn. In addition, it provides encryption systems for Deutsche Bahn's track field infrastructure.

[B] TARGETS AND STRATEGIES

The Group is continuing to pursue a policy of steady growth and increased output. Annual average growth of above 10 % is being targeted. In this connection, it is seeking to preserve and broaden 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 particularly in the SPACE SYSTEMS segment, 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 only being specifically sought in the DIGITAL segment, while it tends to be pursued on an opportunistic basis in the other segments. Business with institutional customers still forms the basis of the OHB Group's activities. In this connection, it is clearly oriented to the European market. Potential market access strategies for the Middle East and North America are currently being evaluated and discussed with potential partners in these regions. 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. The DIGITAL segment 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 key non-financial performance indicators include 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 2022. The tool for analyzing the reasons for fluctuation, which has been developed for this case in particular, continues to provide the input for the employee retention plan, which has been pursued with high priority this year.

[D] RESEARCH AND DEVELOPMENT

In the year under review, OHB spent EUR 15.8 million (previous year: EUR 19.3 million) on research and development (R+D). The Space SYSTEMS segment accounted for EUR 13.1 million (previous year: EUR 17.2 million), the AEROSPACE segment for EUR 2.8 million (previous year: EUR 2.0 million) and the DIGITAL segment for EUR 0 million (previous year: EUR 0.1 million). Part of the R+D activities are being funded in the form of grants (EUR 1.8 million; previous year: EUR 1.1 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.

The main priorities in 2022 were once again technological developments in the areas of Earth observation, science, exploration and telecommunications. In this connection, activities that combine technological progress with cost-cutting effects are growing in importance. Similarly, work was continued 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. In the telecommunications sector, activities to further develop and secure the future of the SmallGEO platform were stepped up, with both commercial applications and applications for secure sovereign communications playing a role. Various development projects were pursued with the aim of enhancing efficiency by digitizing product design and production processes.

In addition, progress is being made step by step on the development of constellations comprising a mid to large number of low and medium-orbit satellites. These latter activities are particularly attractive for LuxSpace Sàrl, OHB Sweden AB and OHB Italia S.p.A. Constellations of this type based on high-quality and somewhat larger satellites are also becoming increasingly relevant for OHB System AG. These subsidiaries

are also continuing to work on concepts and mission systems for smaller Earth observation constellations. Various internally financed studies are being continued and also initiated for individual technologies and are considered to be particularly relevant for the system performance of the SPACE SYSTEMS segment. OHB System AG's work on quantum cryptography and quantum computing was also pursued again in 2022, with a particular focus placed on applying these technologies in the European constellation for sovereign and secure telecommunications and their precursor missions for demonstrating and validating the technology.

Attention was also paid to 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. It is still assumed that exploration will become increasingly important in the second half of this decade and this is reflected in the work being performed on relevant studies.

In the AEROSPACE segment, launcher development activities primarily focused on the formal completion of testing of all Ariane 6 components. This was successfully achieved in 2022. In addition, a technology demonstrator for a future reusable launcher was developed, assembled and delivered under the THEMIS project. ESA's Future Launcher Preparatory Program (FLPP) comprises development projects that significantly improve the payload performance of a launcher stage through the use of lightweight technologies based on carbon fiber-reinforced composites (CFRP). In addition, further projects involving the development and demonstration of CFRP construction methods based on realistic product requirements were successfully completed. In the area of additive manufacturing, work on future production of complex components in a wide variety of different industrial applications was stepped up within product-related development projects. For this purpose, an AFP (automated fiber placement) system was placed into operation in 2022.

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.

II. BUSINESS REPORT

[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 and the war in Ukraine, German economic output, i. e. gross domestic product, widened by 1.9% compared to the previous year. This figure had risen again in 2021 (by 2.6%) following a decline in 2020, the first year of the pandemic. Unemployment declined slightly over the previous year, with an annual average of 2.42 million people unemployed in Germany in 2022, marking a decrease of 0.4 percentage points in the unemployment rate to 5.3%. Inflation rose very significantly over the previous year, averaging 7.9% in Germany in 2022, up from 3.1% in the previous year. This sharp increase was mainly driven by rising energy and food costs following the outbreak of the war in Ukraine.

II. Sector-specific environment

As in previous years, the space industry continued to grow in 2022. Despite the Covid-19 pandemic that had begun in 2020 and continued in the year under review, geopolitical developments, particularly the Russian war of aggression against Ukraine from February 24, 2022, and the growing reservations over China, space remained stable. However, these events led to significant program delays and adjustments in some cases.

More than 2,270 known satellites were launched in 2022, up from approximately 1,730 in 2021. Commercial telecommunications constellations play a dominant role in terms of numbers but not with respect to the value of the satellites placed in orbit.

These satellites were successfully placed in orbit by a total of 182 launchers following a total of 186 successful and attempted launches in 2022. Alongside established market players such as SpaceX, OneWeb and, looking forward, Amazon, young companies (e. g. IceEye, Astrocast, Kepler) are spurring the expected continued sharp increase in the number of new satellites. All over the world, further start-ups are entering the market. Private-sector space activities continue to grow rapidly and, alongside traditional institutional business, are evolving into a swiftly expanding additional economic factor. Private-sector and institutional market participants are almost on an equal footing when it comes to launches.

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 and society as a whole. Space is an "enabling" industry. Infrastructure, mobility, digital transformation and quantum technologies are inextricably linked to space. Space-based data is indispensable in nearly all industries in the processes they currently use.

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 accounted for upstream and 89% by downstream services) in 2021 to over USD 640 billion in 2030 and to more than USD 1,000 billion 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 or partial failure or shutdowns 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 and in the correct sequence. Electricity grids and communication networks also use the time signals.

The data collected by weather satellites ensures safe flying conditions as well as more frequent flights, improved efficiency in agriculture, e. g. through the avoidance of poor harvests, and more plannable logistics and holiday travel. In addition, the data helps to initiate prompt measures to save lives and avert the destruction of property and infrastructure in the event of weather and climate-related natural disasters. Reinsurer Munich Re estimates that the damage caused by natural disasters on the Earth will increase over the next few years. Last year, floods, storms, forest fires and other disasters caused worldwide economic loss worth USD 270 billion. In Europe alone, the economic benefits of the EUMETSAT (European Organization for the Exploitation of Meteorological Satellites) weather satellites are believed to be valued at more than EUR 40 billion per year.

Space makes a significant contribution to active environmental and climate protection as well as to civil and military security. For example, the Ukrainian army's defense efforts largely also rely on satellite data and communications made available to the country by its Western allies.

Despite its relatively small size, the space sector is of crucial importance for a modern, sustainable and efficient economic system that is fit for the future. Space 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, process automation, e. g. by means of digital twins, the global digital transformation, 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 prominent in the United States, as reflected in a total of 78 launches in 2022 (including 61 by SpaceX), as well as China (61), Russia (22), Europe (5), India (4), Japan (1), South Korea (1) and Iran (1). China is now on an equal footing with the historically strong space nations, while activities in India have also grown significantly. On the other hand, Russia is falling behind, at least in the civilian sector, due to the sanctions imposed on it.

The United Arab Emirates and Saudi Arabia are particularly active, while many emerging markets are 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. The space industry has once again proven to be extremely resilient in the face of crises. In Europe in particular, considerable additional resources have been channeled into space under the European Development Plan. The discontinuation of the joint activities with Russia due to the sanctions was largely offset by enlarging budgets, something which was particularly evident in the ESA budgets. However, it was not possible to make up for the loss of launch capacities caused by the absence of Soyuz launches from Kourou (French Guiana), as this coincided with the still pending maiden Ariane 6 flight and the temporarily unavailability of Vega-C after a failed launch. At the same time, this situation has highlighted the development of the European microlauncher, including the RFA ONE of the Rocket Factory Augsburg, one of OHB's participations.

Macroeconomic developments inherently have a somewhat greater impact on commercial and privately funded space, which is currently still of less relevance for OHB. This particularly applies to funding opportunities for young space companies and start-ups. In 2022, interest in investing venture capital in space subsided due to rising interest rates and the limited success of the IPOs of relevant companies (e.g. Spire and Planet).

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

The budget for the German national space program was valued at around EUR 379.8 million in 2022, with a figure of EUR 371.1 million earmarked for 2023 (following the revision meeting of the German parliamentary budget committee on November 10, 2022). The German Space Agency aims to increase this budget to EUR 500 million annually in the short to medium term. It is primarily being funded by the German Federal Ministry for Economic Affairs and Climate Action together with project-tied funds from other sources such as the Federal Ministry of Defense and the Federal Ministry for Digital and Transport.

ESA's own budget amounted to EUR 4.81 billion in the year under review plus an additional EUR 2.34 billion for programs executed by ESA on behalf of institutional partners (e.g. EU, EUMETSAT). The budget for 2023 stands at EUR 4.9 billion from ESA's own funds, plus an additional EUR 2.18 billion from other sources.

The German contribution to the ESA space program was EUR 1.0 billion in 2022, with a figure of EUR 885 million so far budgeted for 2023.

At the ESA Ministerial Conference in Seville, Spain, in November 2022, programs with a record value of EUR 16.9 billion were approved for the next few years, marking an increase of 17% over the last ESA Ministerial Conference in 2019. The German share and, hence, also flowback amounts to EUR 3.512 billion over the duration of the new programs. This is the largest German contribution in ESA's history, simultaneously making Germany the biggest contributor with a share of 20.8%. Since ESA largely implements the "geo-return" principle, this is opening up corresponding opportunities for the German space industry and for OHB. Other countries in which OHB companies are based have also significantly widened their budgets, with Italy (OHB Italia S.p.A) and Belgium (Antwerp Space N.V.) meriting special mention in particular. Italy is now the third largest contributor (18.2%), only slightly behind France (18.9%).

The European Commission (EC) 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, secure satellite communications and space surveillance programs. Known as IRIS 2, the secure satellite communications system will consist of up to 180 satellites in a low Earth orbit, enabling member states to engage in broadband communications with the highest possible security even in the remotest regions of the EU. Other system components are to be added in medium (MEO) and high, geostationary orbits (GEO).

In the United States, NASA had a budget of USD 23.27 billion in 2021 and of USD 24.80 billion in 2022. An amount of USD 25.97 billion has been requested for 2023. Most of the US Department of Defense's space projects are bundled in the US Space Force. An amount of USD 24.5 billion has been requested for 2023, marking an increase of around 38% over the previous year. As the Department of Defense does not have any overarching space budget and the details of many other activities are not published, total expenditure on military and security-related space activities is estimated to exceed USD 40 billion in 2023. The US government's total expenditure on space is currently believed to be more than USD 65 billion per year.

Russian space activities still do not have any clear perspective even after more than three decades since the demise of the Soviet Union. This situation has been exacerbated particularly dramatically by the almost complete halt of joint activities with Europe and the United States due to the sanctions imposed by the West. The largest joint activities that have been canceled include the Soyuz launches from Kourou, Western satellite launches using Russian launchers from Russian launch sites and joint projects such as the ExoMars mission. The only partnership still continuing concerns the delivery of supplies to the International Space Station ISS, although Russia is considering withdrawing after 2024. Whereas the civilian and military space budget for 2021 is believed to be worth approximately USD 4 billion (of which approximately USD 1.7 billion is civilian), there are currently no reliable sources for details of the budgets for 2023.

Countries such as China, India, Japan, South Korea, the United Arab Emirates, Turkey, Brazil and numerous others are still pursuing their ambitions of establishing national space capabilities and infrastructures. In Turkey and Brazil, however, these activities have slowed somewhat due to the economic situation. The core elements of the Chinese space program include the installation of a national satellite-based navigation system, the country's own space station and successful lunar landings including on the far side of the moon with rovers for robot-based exploration and, looking further into the future, its own astronauts. After the United States, China has the highest national space budget.

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 spurring the space industry, which OHB views as an enrichment rather than a threat, particularly as there are signs of a reversal in the trend with start-ups in particular. Young companies aiming to establish large telecommunications constellations (e.g. 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. This is opening up a clear opportunity for OHB, which is already being invited to enter preliminary partnerships (constellr, Searoutes).

Demand in the market for geostationary satellites has recovered slightly. In 2022, 25 GEO satellites were launched. At the same time, there has been a boom in small satellites for low-Earth constellations. An additional market for communication satellites in MEO with a relay function is currently emerging, for which OHB is well prepared with the SmartMEO platform and the experience it has gained with laser-optical communications.

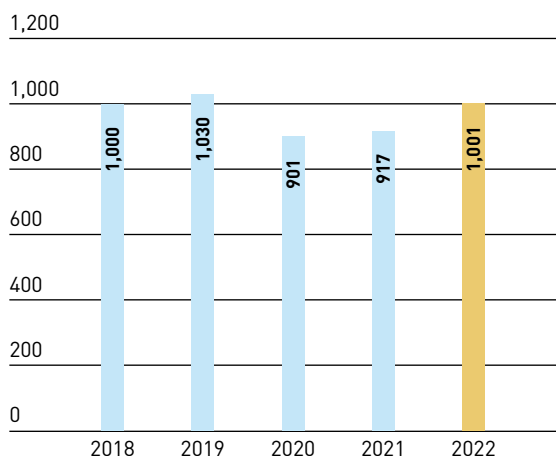
The lower number of launches of geostationary satellites, combined with new providers such as SpaceX and Blue Origin in the launcher market, is spurring competition, thus exerting pressure on prices. As in the prior year, only three Ariane 5 vehicles were launched from the Kourou spaceport in 2022. A further two Ariane 5 launches are scheduled for 2023, after which solely the newly developed Ariane 6 will be used following its maiden flight at the end of 2023.

[B] OHB SE'S BUSINESS PERFORMANCE IN 2022

The Group's business performance in the year under review largely matched the Management Board's expectations. In January 2022, the company published a full-year forecast for the three main financial indicators. The forecast for total revenues was originally EUR 1,205 million but was adjusted in January 2023. Total revenues [SEE CHART \[01\]](#) were impacted by global supply chain constraints and the resulting delivery delays. A figure of EUR 1,001 million was reached in 2022, thus exceeding the range that had been forecast in January. The two profitability indicators EBITDA and EBIT came to EUR 99 million and EUR 63 million, respectively, in the year under review, and were thus above the guidance of EUR 97 million and EUR 60 million,

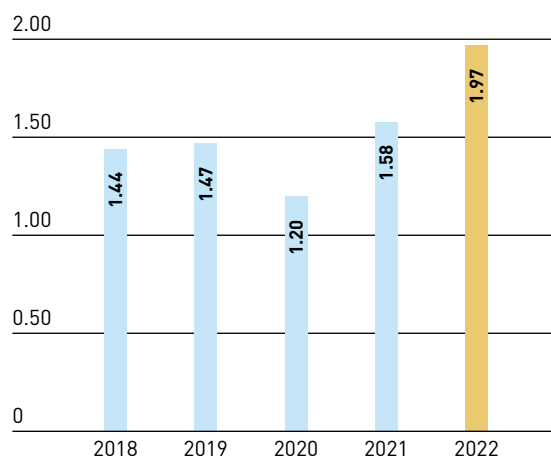
[01] Consolidated total revenues

2018–2022 (EUR million)



[02] Earnings per share *

2018–2022 in EUR



* from continuing operations attributable to the ordinary equity holders of the parent entity

respectively. Despite a slightly higher proportion of subcontractor services, the EBITDA margin reached 9.9%, thus exceeding the previous year's figure of 9.1%. As this effect was amplified by lower depreciation and amortization expense compared to the previous year, the EBIT margin widened to 6.3% (previous year: 5.1%). The proportion of the net profit for the year attributable to OHB SE's shareholders rose to EUR 32.2 million (previous year: EUR 27.5 million), while earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity, climbed to EUR 1.97 (previous year: EUR 1.58) **SEE CHART [02]**. These performance indicators were influenced, on the one hand, by a significant increase in other operating income compared with the previous year and, on the other hand, by higher taxes. As expected, order backlog at the end of the previous year (EUR 2,121 million) contracted as of the reporting date but, at EUR 1,875 million, continues to ensure strong capacity utilization and high forward planning visibility.

[C] BUSINESS PERFORMANCE

The OHB Group largely continued its favorable business performance in 2022. Affected by delays in the supply chain, total revenues climbed by 9% to EUR 1,001.3 million (previous year: EUR 916.5 million). Sales grew less quickly than total revenues, rising by 4% to EUR 944.5 million, up from EUR 905.0 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 business areas in which the company 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 ESA Ministerial Conference held at the end of 2019 bears out this assessment. After the growth of the last few years, the space 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 1,588 million (December 31, 2022) was lower than in the previous year.

The ESA Ministerial Conference, which makes budget decisions of decisive importance for the European space interest every two or three years, was held in November 2022. Orders for the programs and projects approved at the Conference are regularly awarded in the following year.

The Galileo European satellite navigation constellation

Following the first two satellites from Lot 3, which were launched in 2021 and went into operation in the year under review, no further satellites were launched in 2022 due to the Ukraine war and the resultant lack of launch capacities. OHB is continuing to provide the constellation operator with the necessary operational support for all satellites in orbit from the first three lots. The ten Lot 3 satellites that are still on the ground are largely completed and currently in storage in Bremen until the next launch slots can be provided by the customer. The possible options for further launches are currently being investigated in detail by ESA, the European Commission and OHB System AG. Once a decision has been made by the European Commission on the launch schedule, the next launch can be organized and executed immediately. OHB System AG is the supplier of a total of 34 Galileo satellites worth a total of 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 satellites in response to a wide range of different invitations for proposals by the European Commission/ESA. OHB-System AG is also involved in various projects for engineering LEO-PNT systems, which will supplement Galileo.

Earth observation and reconnaissance

Developed and built by OHB System AG 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) continued to operate with a high degree of stability and to the customer's full satisfaction in 2022 under its extended service life.

Work on the SAR-Lupe successor SARah, which offers substantially improved performance and for which OHB has also been awarded a contract, continued in 2022. The new system comprises three satellites. In this project, 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 phased-array satellite was successfully launched in the second quarter of 2022. The launch of the reflector satellites was postponed until 2023 as further work was required on the cryptographic system fitted to them. 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.

Work also continued in 2022 on the additional contract components, which had been signed in August 2019 covering new IT security requirements.

Development and construction work on the electro-optical reconnaissance system for the Federal Republic of Germany is making further progress. Alongside the SAR-Lupe and SARah programs, OHB is thus additionally positioning 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 successfully reached in the year under review. With a budget framework of originally up to EUR 400 million, the system has been broadened as a result of further orders. 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.

In connection with the development and assembly of the Meteosat Third Generation (MTG) European weather satellite, the first imager satellite with significant contributions from OHB System AG (platform and telescope system of the payload) was successfully launched by Thales Alenia Space S.A. in December 2022. It is currently in the commissioning phase. All other satellites are in the production phase. OHB-System AG 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 TAS. A second platform has been delivered to TAS, while a further two have been put in storage in accordance with the schedule and the contract. 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. Following the deliveries of the first flight model of the FCI-TA in June 2019 and the second flight model in December 2021, the third flight model was delivered to TAS in December 2022. 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 System AG feature a world-leading technology that will result in new methods and models for weather forecasting. Work on the IRS instruments being developed by OHB System AG for the flight models is proceeding very largely according to plan. As in previous years, there were also some delays in 2022, mainly due to the Covid-19 pandemic. Following preliminary successful testing of the IRS instruments, heightened interest in this technology is already emerging outside Europe, opening up corresponding export opportunities over the next few years.

The satellite for the national optical Earth observation program EnMAP (Environmental Mapping and Analysis Program) under a contract from the German Aerospace Center (DLR) was successfully 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 that can be used for many new applications, such as security.

After going into operation, the system is being successfully used in routine activities. The data generated since the beginning of the mission is fulfilling all the expectations of the customer and the scientists working on it.

Under the ESA and EC Copernicus Earth observation program, OHB System AG was selected as the principal 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. Moreover, OHB System AG is expanding its leading role in hyperspectral satellites: Under a further Copernicus mission (CHIME: Copernicus Hyperspectral Imaging Mission for the Environment), it is responsible as a subcontractor to Thales Alenia Space for the mission-critical hyperspectral payload. With work commencing on both contracts in 2020, the two projects progressed as planned again in 2022.

With respect to the ESA Earth Explorer missions, the FORUM (Far-infrared Outgoing Radiation Understanding and Monitoring) project was awarded in the year under review. Here, OHB System AG is responsible for developing and assembling the entire optical payload. Lead-managed by a company from the Airbus Group, the mission is aimed at improving climate models and forecasts. To this end, the energy radiated off the Earth's surface is measured in the long-wave infrared range, which particularly also permits changes in the atmosphere impacting the climate to be detected for the first time.

Based on the broad expertise in the field of optical instruments, contracts were signed with the start-up constellr in November 2022 for the development and assembly of the first two payloads for a future constellation of microsats for the ongoing creation of a biophysical atlas. The purpose of the systems is to enable global, sustainable water management. The payload includes systems for measuring the near infrared range and the thermal infrared range and will be delivered within 12 months after the contract is signed.

OHB Sweden AB continued to work as planned on the contracts that had been signed with ESA last year for the Arctic Weather Mission and the IOD/IOV mission in 2022. The Arctic Weather Mission (AWS) 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 particularly also in the polar regions. Equipped with a hyperspectral instrument, the satellite for the IOD/IOV Project 1 – Element 2 (EIS) mission is the fourth one based on the InnoSat platform. In the fourth quarter of 2022, OHB Sweden AB signed a contract with Spanish company Satlantis for the development of two further satellites based on this platform. These satellites will each carry four multispectral optical instruments for Earth observation. This contract testifies to the competitiveness of the InnoSat product line on the commercial market. The launch in November 2022 of the MATS (Mesospheric Airglow/Aerosol Tomography and Spectroscopy) satellite, which is also based on the InnoSat platform, marked another success for the company.

The satellite is operating nominally and started providing high-quality scientific data shortly after launch. 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 a further four satellites in 2022.

OHB Italia S.p.A. is continuing development work on the microwave imager (MWI) for MetOp, a joint ESA/EUMETSAT mission. 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. After successfully completing all testing of the structure and thermal model (STM) as well as the entire engineering qualification model of the MWI instrument, OHB Italia S.p.A. was able to enter the AIT phase of the first flight model, the Protoflight Model (PFM), in 2022. The PFM is expected to be delivered to the customer in the second quarter of 2023.

In December 2020, OHB Italia S.p.A. signed a new contract for the development and implementation of CIMR (Copernicus Imaging Radiometer Mission), a joint mission of the European Space Agency (ESA) and the EU as part of the future expansion of the Copernicus Earth observation program. The CIMR instrument will also improve observation capabilities in the polar regions and particularly permit the constant and precise measurement of polar ice. OHB Italia S.p.A. will be responsible for designing and assembling up to three flight models of the instrument. The contract has a total value of EUR 172 million until the completion of the second flight model. In 2022, OHB Italia S.p.A. successfully completed both the systems requirements review (SRR) and the subsequent preliminary design review with general contractor TAS and ESA.

It 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. The medium-sized reconnaissance satellite weighing about 800 kg will be launched in 2023 on board the European Vega-C 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 STM. All the necessary subcontracts for fitting the satellite with state-of-the-art equipment have been awarded and the work has been largely executed, while assembly of the satellite modules and integration of the ground segment proceeded according to schedule in 2022.

OHB Italia S.p.A. signed a new contract with ESA in December 2022 for the construction of up to 24 Eaglet-2 microsattellites and the associated ground segment with a total value of up to EUR 59 million. The microsattellites are to form part of the future Earth observation constellation IRIDE, which is being set up by the Italian government with funds from the European Development Plan. Weighing approximately 25 kilograms, each Eaglet-2 satellite is capable of generating images from an altitude of 500 km and simultaneously receiving AIS signals for the identification and positioning of ships worldwide. The first 12 satellites and the associated ground segment will be assembled by the end of 2024, with ESA able to exercise an option for 12 more satellites, delivery of which is planned for the end of 2025.

The Group companies once again participated successfully in calls for tenders for Earth observation systems in 2022. The execution of the corresponding projects in the year under review as well as in previous years 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

Launched on January 28, 2017, H36W-1, the first geostationary telecommunications satellite built by OHB System AG, has now been in orbit for more than six 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 orbit. The satellite has been operating as expected for more than 3.5 years and the customer SpaceData-Highway has reported that several petabytes of image data have already been exchanged with the Earth observation satellite EC Sentinel 2 in a low-Earth orbit (LEO) 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 data transfer technologies, which are becoming increasingly important in both civil and military applications in space.

On the strength of the experience gained with EDRS-C and the flight-tested SmartMEO platform, OHB was selected at the end of 2021 by US start-up SpaceLink Corp. following an international call for bids to implement a very innovative MEO (medium Earth orbit) space data relay constellation. An "authorization to proceed" was given for the project following the successful completion of negotiations. Unfortunately, the project was halted, as SpaceLink was unable to raise the necessary project financing due to changed underlying conditions in the financial markets. Nevertheless, this was a key project for OHB, as – building on EDRS-C and the SmartMEO platform – it was able to develop important skills and intellectual property that will benefit it in its efforts to enhance the competitiveness of its own telecommunications products as well as for the development of the upcoming European constellation for secure satellite communications.

The third SmallGEO platform was selected by the German Space Agency at the German Aerospace Center (DLR) 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. After the Heinrich Hertz satellite modules were successfully integrated at OHB System AG's clean rooms in Bremen and important functional and performance tests performed, the satellite was prepared for the environmental testing campaign, which was successfully completed in December 2022. The launch from Kourou is scheduled for June 2023 on board an Ariane 5.

OHB is leveraging its previous experience with the SmallGEO platform and systematically incorporating the various technologies that it has developed in the next evolutionary stage of the Electra platform development program. Electra will significantly increase 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 lower 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 SmallGEO series for certain missions. As the main development work on the platform has been completed, it is now possible for the first Electra mission to be carried out.

In view of the internal investments that it has made in GEO, MEO and LEO applications and studies that have been funded in the private sector or by institutions (e.g. IRIS2, commercial Leo constellation), OHB considers itself to be well-positioned with its Electra, SmartMEO and LEOCOM product lines to address national and ESA/EC mission needs for institutional satellite communications (including optical communications) in all orbits (GEO, MEO, LEO) and to secure further long-term contracts in competition with international peers. Under a consortium for the EU project for a space-based, global, secure connectivity system (originally called ESSCS and now renamed IRIS2), OHB worked intensively in 2022 on preparing a detailed proposal for the implementation of a hybrid constellation in partnership together with the European Commission and other parties. A request for bids for the continuation of the work is expected to be issued in 2023.

OHB has been preparing for the next-generation encryption technology for several years and is a leader in several preparatory projects (EuroQCI, SAGA) to implement quantum key distribution for future data communications for Europe. In particular, OHB was named principal contractor for the B1 phase of a European consortium for the development of a preliminary quantum cryptographic key distribution demonstrator via satellite under ESA's SAGA project in 2022.

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 error-free. 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. Due to the decision to carry out the mission on a modified basis after the exclusion of the Russian parties, OHB is providing assistance with the implementation of this decision by means of investigations and work under the leadership of TAS.

Under the ExoMars 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 contributing to the Jupiter mission JUICE, for which it is supplying the communications subsystem.

OHB was also involved in various landing and experimental studies in 2022 as part of the activities to prepare for the planned European missions to and on the moon. On the basis of the decisions made by the ESA Ministerial Conference in 2022, which are satisfactory for OHB, concerning a European lunar lander to be known as "Argonaut", intensive work is being carried out on the preparation of tenders.

Science and robotics

Under development since 2018, OHB System AG's PLATO mission continued as planned in the year under review. The purpose of the mission is to search for exoplanets, i.e. planets that orbit around other stars. The probe is to be launched in 2026. All milestones were again reached on schedule in 2022. Studies on ESA's upcoming science missions continued in the year under review, with the contents adapted in the light of ESA's changed directions and priorities. In this way, OHB 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 the first phase of development work on the ESA scientific research mission Comet Interceptor, which consists 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. OHB Italia S.p.A. was originally commissioned by ESA as principal contractor for Phase A/B1 of this mission. In 2022, the company, together with ESA, successfully completed the preliminary design review (PDR) on time and was subsequently awarded the contract in December 2022 to carry out the following C/D phases. The mission has a total value of EUR 117.6 million.

Human spaceflight

OHB System AG continued to work successfully for the ISS International Space Station in 2022. This included the provision of support for the experiments that had been delivered in the previous year.

Several studies were continued in preparation for possible scenarios for supplying the ISS and potential alternatives in micro-gravitation research following the decommissioning of the ISS, presumably at the end of the 2020s. One key aspect in this respect is a future major role in the planned "Gateway" space station, an international partnership lead-managed 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. The 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. Worth EUR 60 million, the contract for ESPRIT was signed in May 2021. As ESA and NASA discussed and agreed on a modified configuration for ESPRIT in 2022, OHB supported these changes by means of appropriate activities in 2022. In addition, it is envisaged that OHB will be one of the first companies worldwide to implement a refueling system for the space station using the inert gas xenon for the electric propulsion system, 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. The mission is to be launched in 2024. Work on Hera proceeded according to schedule in 2022. NASA's DART mission, which is a necessary part of the Hera mission, was launched in 2021 and impacted asteroid Didymos B in September 2022, completing a key prerequisite for the Hera mission. On the basis of the Hera mission, further potential asteroid or comet missions were initiated.

OHB conducted a definition study for an instrument for the Vigil mission to monitor space weather. This involves a large satellite weighing about two tons, which will be positioned at Lagrange point L5, where it will observe the sun's surface continuously and provide 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. Following the decisions of the 2022 ESA Ministerial Conference, work on the development of the instrument will continue in conjunction with the Max Planck Institute for Solar System Research.

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 pin-pointing 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 2022 and has largely been completed.

The same applies to the integration of all optical channels on the telescope. The first telescope is expected to be installed in Italy in 2023. The budget for a second, even more powerful telescope to be installed in the southern hemisphere was approved at the ESA Ministerial Conference 2019. It will also be provided by OHB Italia S.p.A., with the contract for the initial development phase signed in 2022. Working in conjunction with the Italian space agency ASI, it is also currently engineering an assembly for a global optical network comprising up to 27 telescopes for space-monitoring purposes. In this context, the company signed a new contract worth EUR 55 million in September 2022 for the construction of the first four telescopes for the network.

II. AEROSPACE segment

Business in the AEROSPACE segment is chiefly characterized by long-term projects. The order backlog in this segment amounted to EUR 153 million as of December 31, 2022. MT Aerospace AG's business performance in 2022 was materially impacted by the ongoing Covid-19 pandemic, the effects of the war in Ukraine and a further rescheduling of the Ariane 6 program by the main contractor ArianeGroup 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 adjustments, short-time work and a hiring freeze were taken in the year under review to mitigate the adverse economic impact.

New development work was commenced for the Kuiper constellation program as part of the Ariane 6 development program. Preliminary milestones were reached in November 2022.

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 2021, a decision was made on a minimum production rate for 2021 and 2022 as well as compensation for the additional costs arising from the production shortfalls. A minimum production rate of four ship sets has been defined for 2022. The audits carried out by ESA in this connection were successfully completed and the reasons for the additional costs therefore acknowledged.

In 2022, a total of three Ariane 5 launchers successfully lifted off from the Kourou space station. The last launch for the year was on 13 December 2022. The two final Ariane 5 launches are planned for 2023. In 2021, MT Aerospace AG had delivered the final ship sets under the Ariane 5 program and successfully completed additional deliveries.

In the year under review, MT Aerospace AG was able to additionally expand its launchers business as a supplier to the US market for components, securing additional contracts. Contracts for the development programs for MT Aerospace AG that had been approved at the ESA Space19+ Ministerial Conference were executed. The projects for CFRP technology and product development, additive manufacturing (AM), digitalization and Ariane 6 product improvements were duly executed in the year under review. At the last Ministerial Conference in November 2022, Germany committed about EUR 100 million less than at the previous Ministerial Conference in 2019. However, the budget lines relevant to the AEROSPACE segment were almost the same amount as in 2019. This secures the Ariane 6 transition and continued development in the areas of CFRP, AM and digitalization for MT Aerospace AG in the future.

With respect to CFRP, work continued on the PHOEBUS project for the development of an improved upper stage for Ariane 6. The project entails the development of CFRP tanks as well as the construction of a technology demonstrator up to prototype status. The contractually agreed final acceptance tests for the Ariane 6 ground systems in Kourou were successfully completed. Tenders for additional work shares in Kourou (e.g. hydrogen mobility HYGUANE) were awarded in 2022. Moreover, the year under review saw the renewal of contracts with the French space agency CNES.

In addition to new orders for diaphragm tanks, further orders for helium high-pressure vessels were gained in the Spacecraft Tanks division. Among the most important deliveries were the Mars Sample Return, Copernicus and Koreasat contracts.

The Covid-19 pandemic left deep traces on the aviation industry in the year under review. Deliveries for single-aisle aircraft were again stepped up to 826 tanks in the year under review.

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 awarded outside the space industry. Further growth is expected in this area.

The Horizon25 restructuring program, which has been running since 2019, was continued in the year under review to improve operating performance. Further optimization measures in the operational areas are presented at regular meetings and duly monitored by a management group. Key aspects are personnel, cost and process optimization as well as organization.

III. DIGITAL segment

With DIGITAL, OHB established its third business segment in 2021 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 134 million as of December 31, 2022. Project contracts awarded for satellite operation and services particularly had a positive impact on orders.

New technologies, innovative satellite constellations and modern evaluation methods are opening up numerous new possibilities in the downstream sector. New applications based on increasingly accurate satellite data are unlocking added value for institutions and companies in a wide variety of 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 2022, the DIGITAL segment focused on structural and content-related further development, the development and expansion of the product and service portfolio as well as the profitable growth of the associated companies. Downstream experts at the various companies in the segment work together to offer the most comprehensive solutions possible for commercial and institutional customers to achieve a single face to the market and customer-centric product development. Reflecting this, the sales activities in the DIGITAL segment are also coordinated on a Group-wide basis. In particular, the aim is to market the existing range in industries that have previously not been addressed. Moreover, synergistic effects are to be harnessed by building on existing customer relationships as well as linking sales activities more closely. In addition to OHB's classic 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 cybersecurity. This not only helps to expand the existing customer network but also supports product development with industrial expertise. As well as this, several sales partnerships have been forged in the area of cybersecurity and data services, providing efficient access to new customer groups.

The transfer of services and products from the space 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 2022 following the award of a three-year framework agreement for substation automation systems for railway power switchgear. This marks a further important step against the backdrop of the further expansion of DB Energie GmbH's energy supply network. The company has 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 cybersecurity, simultaneously opening up a new source of business. At the beginning of 2022, a strategically important framework agreement was entered into with DB Netz GmbH for this purpose and includes the delivery of 4,000 cyber-security components over a period of three years.

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

The digital transformation of their business processes is one of the key challenges facing many companies. To address these challenges, we are continuously expanding our activities relating to digital twins based on satellite data. In 2022, the focus was not only on technical development but also on joint sales activities. The DIGITAL companies jointly attended industry fairs such as InnoTrans in Berlin, BreakBulk in Rotterdam and SMM in Hamburg for the first time.

In the year under review, the “Next Generation City Climate Services Using Advanced Weather Models and Emerging Data Sources” project was successfully continued under OHB’s lead-management in the EU’s Horizon 2020 program. The purpose 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. Similar follow-up projects were successfully acquired in 2022 (e.g. Urban Green) and show the very precise fit between the skills held in the DIGITAL segment and customers’ need for urban climate data.

OHB Digital Connect GmbH is concentrating on the manifold processing of data from space in ground systems and the operation of satellite systems. In addition to the established projects, such as the operation of reconnaissance systems for the Federal Republic of Germany, further long-term satellite operation contracts in the mid double-digit millions were added in the year under review. Further projects in this area are currently being acquired.

The changed security situation in 2022 resulted in priority being given to long-standing, proven partnerships in the use of intelligence data for security purposes. Thus, the contract with the German armed forces for the operation of the SAR-Lupe systems and the partner segments was continued and renewed until 2023 to ensure seamless operation. The long-standing, ongoing operation of the ground system for the French CSO project was also continued for the German armed forces. In addition, the contract for the procurement and integration of hardware and software for the first expansion stage of the German armed forces’ space situation center was secured together with partner Atos. As a result of this expansion, the center will shift to operational use. This project offers OHB Digital Connect GmbH the opportunity for substantial follow-up business.

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. The project entails the operation of the reconnaissance satellite system and the associated ground facilities for up to twelve years and achieved its first milestones on schedule in 2022.

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 2022. Work on commissioning the first satellite subsystems and completing the ground systems for the SARah project and for the electro-optical reconnaissance system is progressing. Whereas the SARah system is approaching operational status, the focus with the electro-optical reconnaissance system was on implementing the design of the ground systems and supporting the overall system development. Moreover, further interfaces linking up partners to the SARah system are also being developed on behalf of the German armed forces, generating further orders in 2022, including the long-term operation of the systems, and enabling future diverse interfaces to be developed.

In the field of telescopes, antennas and smart mechatronics, the ongoing Giant Magellan Telescope project 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) was completed. Following the construction of a prototype for the “Square Kilometer Array” radio telescope in South Africa, OHB Digital Connect GmbH has also been working at its facility in Mainz since the end of 2021 on an order to expand the antenna array by up to 16 additional antennas. The decision to establish the German Center of Astrophysics also opens up a wide range of opportunities for joint activities in a similar context in the following years.

Non-organic growth

In the year under review, OHB acquired GEOSYSTEMS GmbH, one of the leading companies in the evaluation and processing of sensor data collected from Earth observation satellites. In this way, the Group is expanding the DIGITAL segment by adding important skills in the establishment of the promising satellite data value chain. GEOSYSTEMS GmbH has over 30 years of experience in supporting companies and institutions in the use of geodata and providing high-performance geo-IT solutions. Its expertise lies primarily in the fields of agriculture, energy, security, telecommunications and the processing of sensor data for government authorities.

Venture capital

In 2022, the DIGITAL segment also intensified its partnerships with start-ups. Although the underlying economic conditions have generally made it substantially more difficult for young start-ups to collect venture capital, the progress made by the start-ups in which OHB has invested is very satisfactory. These investments were executed via OHB Venture Capital GmbH:

The Freiburg-based start-up constellr 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 by OHB, a partnership agreement has been entered into between OHB and constellr 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.

The portfolio of OHB Venture Capital GmbH also includes the Luxembourg start-up Blue Horizon Sàrl, which plans to cultivate degraded agricultural areas with its Green Earth program. The aim of the program is to develop a comprehensive and systematic approach to combating desertification worldwide. About 40% of the world's land area is arid. Between 6 and 12 million square kilometers of land are desert areas or exposed to the risk of desertification. The start-up is using its bioreactor technology, which was originally developed for space, to re-green the plant. After a successful test in Burkina Faso, the preparation of a scaling test with an area of one square kilometer is now being prepared in Morocco.

IV. Further developments

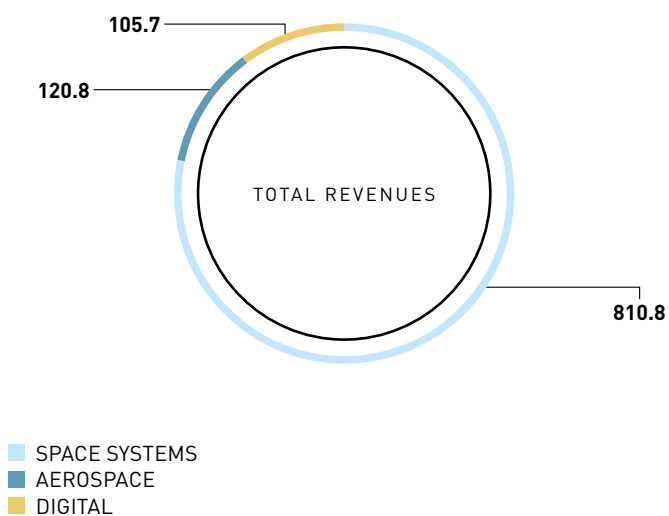
The main effects of global supply chain difficulties in the year under review were delays in schedules and resultant cost overruns. The Group companies are in negotiations with their customers to secure compensation for such additional costs and to minimize the impact on cash flow. In addition, a fire, which made an entire building unusable over a protracted period of time, caused considerable disruptions to operations. The resulting costs were mainly covered by insurance.

The significant increase in the inflation rate in 2022 and the resulting increase in salary and personnel costs had a negative impact on the Group's earnings. In the years ahead, energy costs in particular must be observed closely. At the same time, we endeavor to pass on the inflation-induced cost increases to our institutional customers.

It was possible to keep productivity indicators very largely stable in 2022. No significant fluctuations in capacity utilization are expected for 2023.

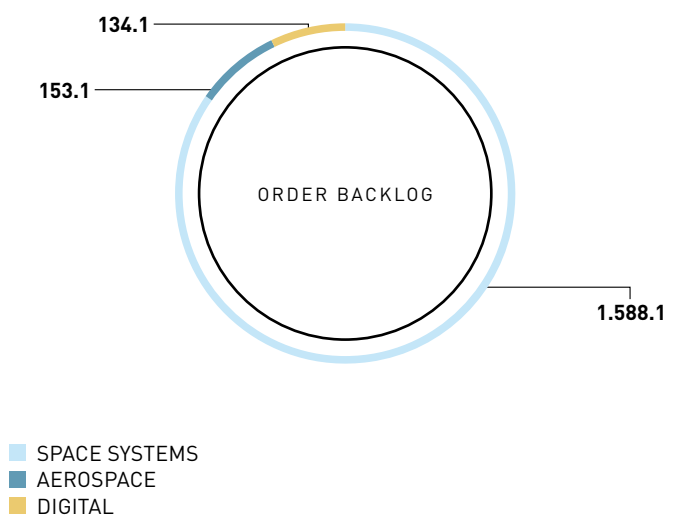
[03] Consolidated total revenues

by segment in 2022 before consolidation and holding company in EUR million



[04] Order backlog

by segment as of December 31, 2022 in EUR million



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 consequences for OHB companies.

[D] RESULTS OF OPERATIONS

In 2022, the OHB Group's total revenues rose by EUR 84.7 million or 9% over the previous year to EUR 1,001.3 million, with sales reaching EUR 944.5 million (previous year: EUR 905.0 million). Non-consolidated total revenues [SEE CHART \[03\]](#) in the SPACE SYSTEMS segment increased to EUR 810.8 million in 2022 (previous year: EUR 755.9 million). Non-consolidated sales rose to EUR 771.4 million, up from EUR 729.0 million in the previous year. Non-consolidated total revenues in the AEROSPACE segment climbed to EUR 120.8 million in 2022 (previous year: EUR 97.4 million). Non-consolidated sales increased from EUR 107.6 million in the previous year to EUR 111.0 million. Non-consolidated total revenues in the DIGITAL segment rose to EUR 105.7 million in 2022 (previous year: EUR 101.0 million). Non-consolidated sales dropped to EUR 94.3 million (previous year: EUR 102.9 million).

There was an increase of 63 in the Group headcount to 3,025 employees; at the same time, staff costs rose by 3% to EUR 257.8 million, mainly influenced by inflation-related salary adjustments.

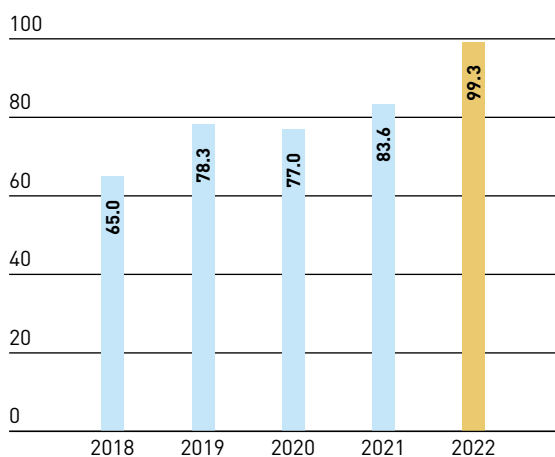
Depreciation and amortization fell by 1% over the previous year from EUR 36.6 million to EUR 36.1 million. Other operating expenses increased by 15% over the previous year's pandemic-induced low figure from EUR 48.6 million to EUR 55.7 million due to the normalization of operations and rising energy costs.

Valued at EUR 1,875 million as of the reporting date, the OHB Group's order backlog [SEE CHART \[04\]](#) fell short of the previous year's figure of EUR 2,121 million as expected. Of this, SPACE SYSTEMS accounted for EUR 1,588 million (previous year: EUR 1,858 million) and AEROSPACE for EUR 153 million (previous year: EUR 136 million). The DIGITAL segment contributed an order backlog of EUR 134 million (previous year: EUR 127 million). The expected reduction in the consolidated order backlog is attributable to the scheduling cycle of the ESA Ministerial Conference, 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 its EBITDA [SEE CHART \[05\]](#) to EUR 99.3 million over the previous year (EUR 83.6 million). EBIT [SEE CHART \[06\]](#) came to EUR 63.2 million (previous year: EUR 47.0 million).

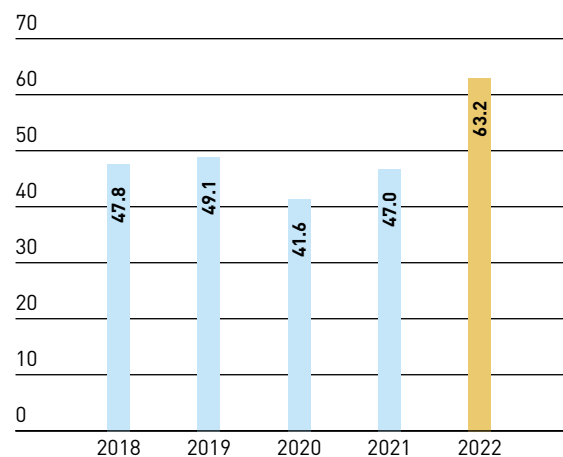
[05] Development of EBITDA

2018–2022 (EUR million)



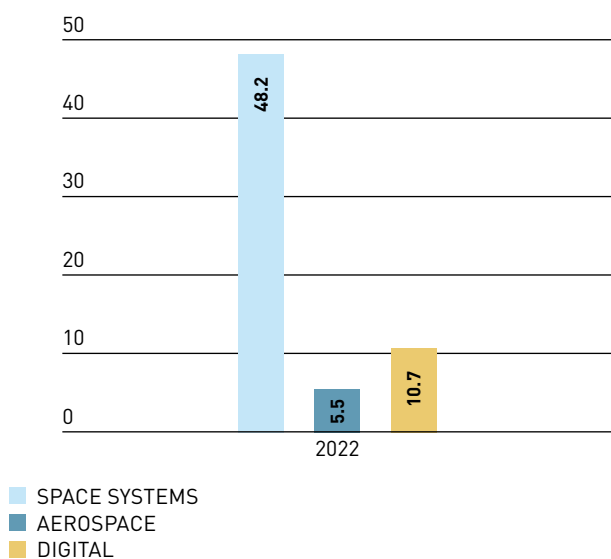
[06] Development of EBIT

2018–2022 (EUR million)



[07] EBIT

of the segments (EUR million)
before consolidation and holding-company effects



EBIT before consolidation in the SPACE SYSTEMS segment **SEE CHART [07]** increased from EUR 33.3 million in the previous year to EUR 48.2 million. As in the previous year, own work capitalized in this segment was mainly influenced by the development of the EOS satellite platform for Earth observation satellites, which is already being used as a basis for various projects as a new product line. The value of the Group's own work capitalized fell to EUR 11.9 million in the year under review (previous year: EUR 16.3 million). EBIT in the AEROSPACE segment increased from EUR 0.5 million to EUR 5.5 million due to the improved business outlook in the launch vehicle segment. In the DIGITAL segment, EBIT fell from EUR 14.0 million in 2021, which had been spurred by a non-recurring effect in a customer project, to EUR 10.7 million. The OHB Group recorded net finance expense of EUR 13.2 million in 2022 (previous year: EUR 5.4 million). This includes finance expense of EUR 9.7 million (previous year: EUR 6.4 million) chiefly comprising borrowing costs of EUR 6.7 million (previous year: EUR 4.0 million) and interest expense on retirement benefit provisions of EUR 1.2 million (previous year: EUR 1.1 million). In addition, expense of EUR 5.5 million was again incurred in 2022 from the recognition of an associate using the equity method of accounting (previous year: EUR 1.2 million). The net profit for the year attributable to OHB SE's shareholders stood at EUR 32.2 million (previous year: EUR 27.5 million) and was thus higher than in the previous year. Earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity amounted to EUR 1.97 (previous year: EUR 1.58). 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 960.8 million to EUR 1079.4 million. Total trade receivables and contract assets came to EUR 508.5 million as of the reporting date and were up on the previous year (EUR 435.7 million). Trade payables were valued at EUR 100.3 million on the reporting date, thus increasing by EUR 14.9 million over the previous year.

Current contract liabilities increased substantially from EUR 88.0 million in the previous year to EUR 137.8 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 293.5 million (previous year: EUR 252.6 million) caused the equity ratio to widen from 26.3% in the previous year to 27.2%. Group capital spending on property, plant and equipment and intangible assets (excluding right-of-use assets under IFRS 16) totaled EUR 27.2 million in 2022 (previous year: EUR 37.3 million). Of this, SPACE SYSTEMS accounted for EUR 18.0 million (previous year: EUR 21.6 million), AEROSPACE for EUR 8.3 million (previous year: EUR 14.8 million) and DIGITAL for EUR 0.8 million (previous year: EUR 0.8 million). Inventories fell from EUR 32.0 million to EUR 25.7 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 106.1 million as of December 31, 2022, compared with EUR 96.6 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 positive EUR 9.1 million as of December 31, 2022 due to reporting date effects. The retirement benefit provisions of EUR 71.6 million at the end of 2022 continue to constitute a material item on the right-hand side of the balance sheet. Financial liabilities increased from EUR 156.3 million to EUR 207.6 million as of the reporting date. These liabilities mainly arise from drawdowns 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 original term of the contract was five years, with one two-year renewal option drawn in the year under review. In addition, a convertible bond of EUR 70 million was issued in October 2022 with various tranches over three, five and seven years and partially fixed and partially variable coupons based on Euribor.

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 OHB SE's net assets and financial condition to be solid.

[F] EMPLOYEES

The number of employees in the OHB Group remained largely constant year-on-year. There were no significant shifts in 2022 between the segments, such as between SPACE SYSTEMS and DIGITAL in the previous year. In the AEROSPACE segment, the previous year's consolidation of employee numbers continued. In total, the Group employed 3,025 people in the year under review, 2,472 of whom were based in Germany and 553 in other countries. At 31%, the proportion of employees in countries other than Germany remained steady.

The average age dropped again over the previous year's figure of 41.5 years to 41.2 years.

After strictly online formats due to the pandemic, both meetings with employee representatives on the Group works council were held in hybrid physical/online form in 2022.

BUSINESS PERFORMANCE OF GROUP PARENT OHB SE

As the parent company, OHB SE assumes the function of an active holding company for the OHB Group. OHB SE's main task is to provide administrative services, particularly in the areas of finance, controlling, legal, human resources, communications and Group strategy for various subsidiaries. In addition, OHB SE grants or procures loans for individual Group companies to fund their operations.

Results of operations

The company's business performance in 2022 was materially determined by the earnings contributions of its subsidiaries, particularly OHB System AG, which is linked by a profit transfer agreement. Net profit for the year came to EUR 19.2 million in 2022 (previous year: EUR 19.5 million). This primarily comprises the profit of EUR 14.6 million (previous year: EUR 9.6 million) transferred from the wholly owned subsidiary OHB System AG, with which a profit transfer agreement is in force. Net profit for the year matched expectations given the higher profit transfer and the absence of the non-recurring effect arising from the sale of an investment in the previous year. Staff costs and other operating expenses are mostly recharged to the Group companies under transfer pricing arrangements. This generated revenues of EUR 12.8 million in the year under review (previous year: EUR 11.1 million). In addition, other income of EUR 6.6 million (previous year: EUR 16.3 million) was recorded primarily from currency-translation gains on a credit balance held in a foreign currency as well as from recharged Group-wide software licenses.

In 2022, OHB SE achieved net finance income including net income under profit transfer agreements and investment income of EUR 24.3 million (previous year: EUR 8.8 million). This increase was mainly due to investment income and the higher profit transfer from OHB System AG. Interest expense stood at EUR 2.2 million (previous year: EUR 1.9 million). This increase is primarily attributable to larger loan drawdowns in tandem with higher interest. Income taxes amounted to EUR 5.1 million (previous year: EUR 2.9 million). OHB SE achieved an unappropriated surplus of EUR 58.7 million (previous year: EUR 47.8 million). The Management Board considers the year under review to be generally successful. A dividend of EUR 0.48 per share was paid to the shareholders in the year under review.

Financial condition and net assets

Total assets rose by EUR 64.6 million to EUR 219.7 million primarily as a result of higher financial assets and increased lending within the Group. In the year under review, GEOSYSTEMS GmbH was taken over (EUR 5.3 million), shares in Rocket Factory Augsburg AG were acquired by converting existing convertible bonds of EUR 2.2 million and further investments in financial assets were made (OHB Venture Capital GmbH EUR 1.9 million, Orbital Ventures S.C.A. EUR 0.7 million and Deutsche Aircraft Holding GmbH EUR 178 thousand).

There were receivables of EUR 8.5 million from Rocket Factory Augsburg AG consisting of convertible bonds reported within financial assets. The equity of EUR 96.8 million equals 44.0% of the total assets. As in the previous year, the financial assets of EUR 84.2 million (previous year: EUR 70.3 million) account for the greatest proportion of assets.

As of the reporting date, there were loan receivables of EUR 46.2 million (previous year: EUR 0 million) from OHB System AG, EUR

23.1 million (previous year: EUR 15.0 million) from MT Aerospace AG, EUR 5.0 million (previous year: EUR 0 million) from OHB Digital Connect GmbH, EUR 5.6 million (previous year: EUR 0 million) from Orbcomm Deutschland AG and EUR 13.8 million (previous year: EUR 18.4 million) from OHB Italia S.p.A. Cash and cash equivalents stood at EUR 5.6 million as of the reporting date (previous year: EUR 23.5 million), the decrease being mainly attributable to the absence of a one-off effect in the previous year relating to a sale of shares.

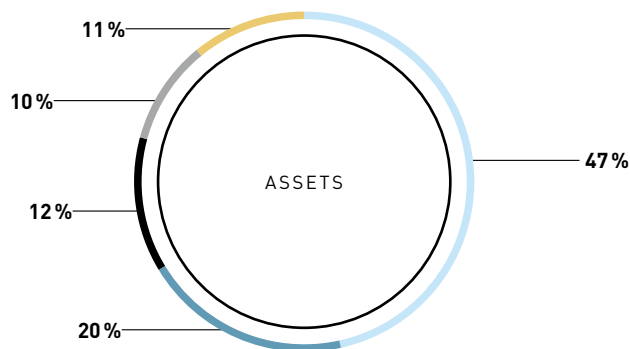
OHB SE's credit facility agreement, which had been in force since 2013 and was fully restructured in May 2020, was renewed until 2027 in the year under review through the exercise of a renewal option. The credit facility of EUR 300 million provided by a syndicate of six major banks assures the OHB Group of adequate liquidity for financing projects. As of the end of the year, OHB SE had drawn EUR 30 million and subsidiaries a further EUR 105 million. In addition, a borrower's note loan of EUR 70 million was issued in October 2022 with tranches of three, five and seven years and partially fixed and partially variable coupons based on Euribor. 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 considers OHB SE's financial condition and net assets to be generally 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. The Management Board declares as follows in this report: "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."

[08A] Balance sheet structure

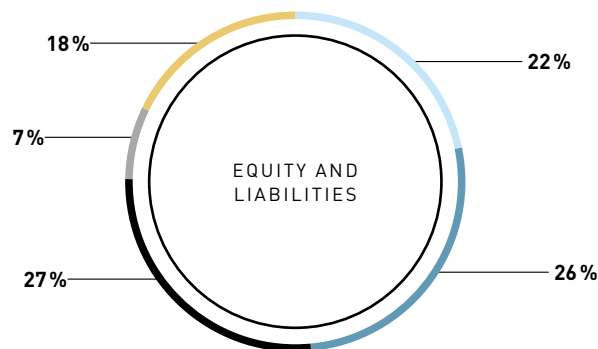
as of December 31, 2022



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

[08B] Balance sheet structure

as of December 31, 2022



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

III. OUTLOOK, RISK AND OPPORTUNITY REPORT

[A] OUTLOOK

I. SPACE SYSTEMS segment

In 2023 and beyond, the Space Systems segment will be concentrating on securing new projects and on continuing its successful work on the Galileo, SARah, MTG, CO₂M, CHIME, FORUM, LUXEO-Sys (formerly NAOS), Heinrich Hertz, the electro-optical satellite system and PLATO projects. Earth observation missions such as the Copernicus CO₂M and CHIME missions and the Earth explorer mission at OHB System AG, CIMR at OHB Italia S.p.A. and the Arctic Weather Mission at OHB Sweden AB will remain relevant for years to come in terms of development and production. Numerous feasibility studies are currently being performed 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. A special emphasis will be placed on the second generation of the existing Sentinel Earth observation missions under the Copernicus program. Additional commercial Earth observation contracts are also expected.

Further activities and studies will entail navigation, space surveillance, asteroid defense, the continuation of the ISS and the future Gateway space station. Work will particularly also continue to be ramped up on the Hera asteroid defense program and the ESPRIT module for the Gateway space station. Depending on the project, Group companies are acting either as a principal contractor or a subcontractor. New impetus is expected in the short term from the EU third flagship (after Galileo and Copernicus), namely the IRIS2 constellation for secure communications.

Exploration, and particularly also plans to execute European missions to the moon, likewise offer potential. The foundations for both were laid at the 2022 ESA Ministerial Conference – both in the form of direct funding and the go-ahead given for preparatory missions.

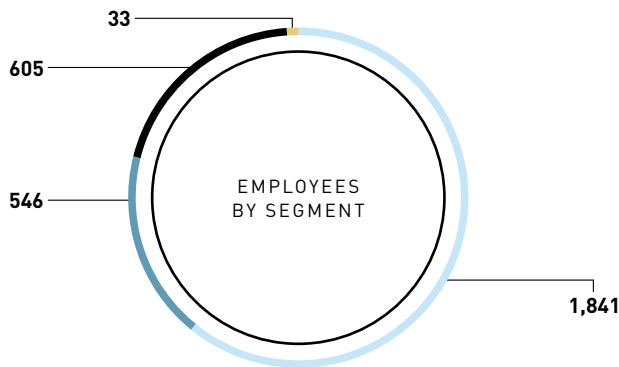
OHB Italia S.p.A. intends to systematically broaden its role under Italian national programs as the second player in Italy for satellite missions, both for science and remote sensing. The sharp increase in Italian space budgets also offers favorable prospects in this regard.

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 its own broad-based project portfolio and to achieve further growth thanks to order intake in excess of total revenues in 2022.

II. AEROSPACE segment

MT Aerospace AG will continue the program ramp-up ahead of the transition to Ariane 6 in 2023. Testing of the launcher was completed in the second half of 2022. In 2023, the annual cadence of tank and structure production will be maintained at a level comparable to the previous year (four ship sets). 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 Ministerial Conference

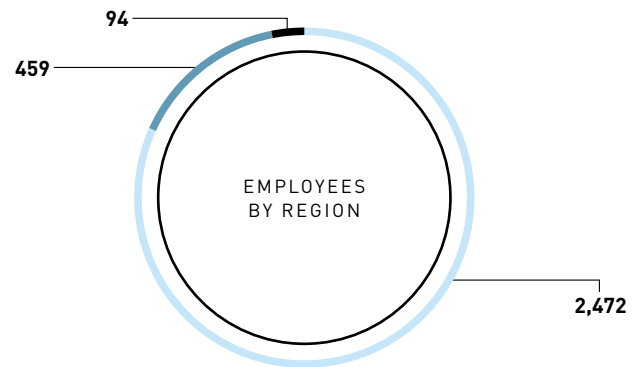
[09] Number of employees by segment
as of December 31, 2022



Total number of employees: 3,025

- SPACE SYSTEMS
- AEROSPACE
- DIGITAL
- Holding company

[10] Number of employees by region
as of December 31, 2022



Total number of employees: 3,025

- Germany
- Europe excluding German
- Rest of the world

held in November 2022, the Federal Republic of Germany committed around EUR 500 million to launcher engineering for the Ariane transition, Ariane 6 product improvement, FLPP technology programs and commercial space transportation. MT Aerospace AG will continue to implement the corresponding programs in 2023 in close consultation with DLR and ESA. New agendas are currently being defined with both organizations in order to reinforce MT Aerospace AG's future viability in the institutionally funded sector.

In the growing field of defense, several contracts are scheduled for 2023. MT Aerospace AG plans to establish strategic partnerships in this area. In the aviation area, work is ongoing on optimizing production processes. At the same time, possibilities for new contract awards for new flight programs are being explored. In this regard, a further improvement in the cost situation for water tanks and competitiveness is to be achieved by shortening turnaround times. MT Aerospace AG was able to expand its business in the promising areas of additive manufacturing and hydrogen in 2022, and these fields are expected to continue growing in the current year.

III. DIGITAL segment

In 2023, 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 cybersecurity for Deutsche Bahn's digital rail project as well as for other railway operators, digital twins

for logistics companies and for climate impact assessments, security applications for airports and seaports and the development of satellite ground systems together with 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 2023 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 partnership agreements.

IV. Outlook for OHB SE

Assuming stable economic conditions, the company expects moderate growth in total revenues for 2023, with largely comparable earnings contributions from the subsidiaries and a sustained very good order situation. Net profit for the year is expected to remain at the previous year's level in 2023.

V. Outlook for the Group

The Management Board projects consolidated total revenues for the OHB Group of EUR 1,176 million in 2023 largely on the strength of the order backlog held at the end of 2022. EBITDA should come to EUR 109 million and EBIT to EUR 70 million.

One important non-financial performance indicator is the fluctuation rate, for which a target of under 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 is particularly true in the light of global supply chain difficulties as well as the war in Ukraine and its consequences. These factors may 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.

The orientation towards the Group's business risks liable to jeopardize its going-concerns status is implemented directly 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 precautions, 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 Control, Defense and Digital and as well as the national space agencies of the countries in which OHB companies are based). 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, given the increase of 17% approved at the ESA Ministerial Conference in 2022, this is not yet the case at least. However, in this context, the situation is 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. Commercial customers face heightened financing risks due to the changed conditions in the capital market.

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 antennas and telescopes, similar to those already described in connection with the SPACE SYSTEMS segment. This new segment is characterized by a wide variety of user applications that are based on space data and 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 2022 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. In the segment's business model, this is regularly the case in the year in which the ESA Ministerial Conference is held, as in 2022.

The AEROSPACE segment is still heavily dependent on the Ariane program, with the successful market launch of Ariane 6 being of particular relevance. The initial launch of the newly developed vehicle was postponed in the year under review until the fourth quarter of 2023. This and the reduced production cadence continue to pose challenges for the program. A further risk is still arising from the fact that it is currently not possible to seriously estimate the future annual launch cadence, something which has a key bearing on segment revenues and earnings.

In the DIGITAL segment, as well, the project execution risks already described for the SPACE SYSTEMS segment particularly apply in connection with satellite ground systems as well as antennas and telescopes. This new business segment, which is characterized by a wide variety of user applications 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 Cybersecurity division, which is dominated by market incumbents to some extent.

So far, no market entry has failed, but the timeline for sales forecasts has been exceeded or fallen short of.

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 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. Due to the Ukraine conflict, further increases in supply-side prices are expected, although this scenario is being addressed by means of stockpiling and framework contracts.

Compared to the other two segments, DIGITAL is exposed to fewer supply-side risks, especially in its software-dominated business. The risks for antenna and telescope business in particular, as well as for satellite ground systems, are similar to those in the SPACE SYSTEMS segment. The DIGITAL segment 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 cyberrisks continued to rise over earlier years in 2022. 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 cybercriminals seeking an unjustified financial advantage as well as by corporate or public-sector players engaging in industrial espionage.

Protecting corporate know-how forms an important basis for OHB's business. Against this backdrop, the Group companies are stepping up organizational, procedural and technical precautions in a continuous process to safeguard 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 and ISO 27001.

After the establishment of a Group Information Security Officer in 2021, the use of standards and synergistic effects in the field of information security was intensified in organizational and technical terms in the year under review. 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 improving 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. In October 2022, the company successfully placed a borrower's note loan of EUR 70 million on the market in addition to the financing agreements described above.

The rise in key interest rates in Europe is increasing interest expense under the main loan agreements. We will continue to monitor interest rates and adjust our plans accordingly. All in all, this will have a negative impact on net finance expense. We assume that drawdowns will increase only temporarily in the second and third quarters of the following three years but that total drawdowns will generally decline over the three-year period.

Personnel risks

2022 saw unusually high fluctuation in all three segments, highlighting to an even greater extent the risk of losing skilled employees. Whereas until the previous year the high fluctuation had been particularly prominent among non-German staff employed in Germany, the general shortage of skilled workers was increasingly reflected in greater employee exits and poaching attempts across all segments of the OHB workforce. The bundling of staff-retention measures as well as new recruiting campaigns have thus become a joint core task of all Group companies. In cross-group initiatives, steps are being taken both internally and externally to improve employer branding.

The pandemic, which persisted in the year under review, no longer had any significant impact on business operations thanks to the disciplined observance of the rules that had been adopted to address it.

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 136 million. Its risk-bearing capacity, defined as the extent of the utilization of available, adjusted equity capital (as of September 30, 2022), thus stands at around 46% 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 25 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. 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 these countries.

III. Material opportunities

The space market offers the Group companies a flourishing growth market with a steady stream of new applications. 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 Group 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 countries in which they are based, the Group 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 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. New space projects approved by the EU or the member states offer further opportunities. These particularly entail the European exploration of the moon as well as secure sovereign satellite communications for Europe. Other opportunities beyond this are primarily to be found in the commercial and export markets, which has been closely observed and analyzed for a number of years, with preliminary activities in this direction currently in the acquisition phase. Potential partnerships to tap into further global markets are being considered.

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 priority is 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 trend has continued in particular at the companies in Sweden, Luxembourg and Italy as well as in Germany. 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 2023, with specific calls for tenders to follow in the same year.

OHB also sees good opportunities for entering the nascent new space economy market. As already described, preliminary projects have already been completed. 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 harnessing new business opportunities with the establishment of additive manufacturing for high-strength 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 imminent 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 and ground segments as well as software solutions based on space-generated data. This offers growth potential beyond institutional business with new customer groups in various industries such as agriculture, fisheries, environmental monitoring, the "Internet of Things" and autonomous mobility.

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 later 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 Group 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 devel-

opments in space to be identified and responses to them adopted. 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 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.

IV. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

[A] RISK MANAGEMENT SYSTEM

The risk management system forms an integral part of the corporate, planning, accounting and control processes and constitutes a material element of the management system installed at 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.

Quarterly reporting forms an integral part of OHB SE's risk management operations and has been additionally improved. In addition, ad-hoc reports are possible. 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.

[B] INTERNAL CONTROL SYSTEM

General internal control system*

The internal control system (ICS) is part of the OHB Group's risk management system. It includes policies, procedures and rules for achieving the following objectives:

- Ensuring the effectiveness and economic viability of the business activities
- Safeguarding the regularity and reliability of the internal and external accounting systems
- Complying with the relevant internal and external rules

The ICS forms a material part of the management and value system of OHB SE and the Group companies, which, among other things, is enshrined in the Code of Conduct. This Code of Conduct sets out minimum standards that are binding on all employees and every unit within the OHB Group.

Furthermore, the ICS is an integral part of all business, planning and accounting processes. The responsible managers are required to know the basic internal and external rules that are relevant for their area of responsibility.

The OHB Group's ICS comprises the following components:

- Internal control system
- Internet monitoring system

The internal control system includes all the policies that are used to manage the OHB Group's companies. In addition to external rules, these particularly encompass internal rules such as guidelines, policies and concepts, work instructions and process descriptions as well as operational documentation.

The internal monitoring system entails both process-integrated and process-independent measures to ensure compliance with the rules. Process-integrated measures are organizational measures and controls. Organizational measures are integrated in the structure and process organization and are preventive in nature. They include, for example, authorization policies, workflows, plausibility checks and standardized forms. Controls are integrated in the processes and workflows and are corrective in nature. Process-independent monitoring measures are carried out, for example, in the form of audits by the internal audit department, the quality management department or by other internal and external bodies.

A standardized monthly or quarterly reporting system has been installed at the operational level (e.g. in projects). In addition, product and quality assurance measures have been implemented to ensure continuous monitoring of design, construction and integration activities.

Accounting-related internal control system

The accounting-related ICS ensures the regularity and reliability of the internal and external accounting systems. To this end, various measures have been implemented that relate to OHB SE as well as to the companies of the OHB Group. In addition to an accounting manual applicable to all companies, business performance is continuously analyzed and evaluated on the basis of a standardized monthly or quarterly reporting system. In addition, detailed analyses of specific issues and developments are carried out on an ad-hoc basis.

Appropriate precautions are taken in the accounting process to ensure full implementation of the double-sign-off principle.

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. 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. In addition to a multi-level reminder system, controlling methods include regular reports to the responsible management.

The processes for preparing the consolidated financial statements, consolidation accounting, the management report and the notes to the consolidated financial statements are reviewed by the finance department and the Management Board.

Responsibility for structuring and implementing the ICS rests with the Management Board of OHB SE or with the management bodies of the companies of the OHB Group. Management delegates this responsibility to managers and process owners. The continuous improvement and further development of the ICS is supported by the internal auditing department in the form of audits and consultations.

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.

On August 19, 2022, Romana Fuchs Mayrhofer transferred her voting rights under the pooling agreement to Martello Value GmbH & Co. KG. On October 1, 2022, Marco Fuchs and Christa Fuchs transferred their voting rights under the pooling agreement to the Fuchs Family Foundation. All three persons subsequently withdrew from the pooling contract. In their place, both the company and the Foundation acceded to the existing pooling contract.

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

As of the reporting date, the Fuchs Family Foundation held 42.65% [7,448,550 shares] of OHB SE's subscribed capital. VOLPAIA Beteiligungs GmbH holds a further 21.35% of the company's shares. Together with the shares held by Martello Value GmbH & Co. KG [5.72%, 1,000,000 shares], 69.72% [12,178,720] of the shares in the company are subject as of the reporting date to a pooling contract providing for the coordinated exercise of voting rights. This is unchanged over the previous year. Romana Fuchs Mayrhofer holds an additional 378,626 shares [2.17%] in OHB SE via Martello Value GmbH & Co. KG outside the scope of the pooling contract.

II. Statutory stipulations and provisions contained in the company's bylaws with respect to the appointment and dismissal of members of the Management Board and amendments to the bylaws (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 Chair and further members of the Management Board as Deputy Chairs.

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. Shares were repurchased via the stock exchange from June 25, 2021 until March 31, 2022. Under this program, 77,000 shares were acquired at an average price of EUR 38.6469 and a total volume of EUR 2,975,814.20.

The legal basis for the program, i.e. the resolution passed at the annual general meeting on May 26, 2020, was supplemented by a resolution passed at the annual general meeting on June 1, 2022. Among other things, the extension authorizes

the sale of shares in the company to, and their acquisition by, affiliated companies in order to fulfill existing or future contractual remuneration agreements with their management and employees.

As of December 31, 2022, OHB SE's treasury stock comprised a total of 106,696 shares, equivalent to a value of EUR 106,696.00 or 0.61% 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 SE's website on March 13, 2023.

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



Consolidated Financial Statements 2022

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I. CONSOLIDATED INCOME STATEMENT

in EUR 000	Notes	2022	2021
Revenues	1	944,520	905,001
Increase/decrease in inventories of finished goods and work in progress	2	672	-16,514
Other own work capitalized		11,916	16,305
Other operating income	3	44,168	11,755
Total revenues		1,001,276	916,547
Cost of materials	4	588,434	534,453
Personnel costs	5	257,842	249,884
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	12, 13, 14	36,086	36,597
Impairment expense/income	33	9	10
Other operating expenses	6	55,709	48,582
Earnings before interest and taxes (EBIT)		63,196	47,021
Interest and similar income	7	1,752	1,283
Interest and other borrowing costs	7	9,654	6,359
Currency translation losses/gains		561	1,015
Share of profit of associates	8, 15	-5,452	-1,217
Net income from investments		-424	-149
Net finance expense		-13,217	-5,427
Earnings before taxes (EBT)		49,979	41,594
Income taxes	9	15,847	13,845
Net profit/loss from continuing operations		34,132	27,749
Net profit/loss from discontinued operations	35	-1,906	0
Consolidated net profit for the year		32,226	27,749
Share of OHB SE shareholders in net profit for the year		32,242	27,498
Minority interests	10	-15	251
Average number of shares (in units)		17,360,907	17,408,113
Earnings per share from continuing operations attributable to owners of the parent company			
Basic earnings per share (EUR)	11	1.97	1.58
Diluted earnings per share (EUR)	11	1.97	1.58
Earnings per share attributable to the owners of the parent company			
Basic earnings per share (EUR)	11	1.86	1.58
Diluted earnings per share (EUR)	11	1.86	1.58

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



in EUR 000	Notes	2022	2021
Consolidated net profit for the year		32,226	27,749
Remeasurement of defined benefit pension plans	25, 28	20,697	3,053
Remeasurement of defined benefit pension plans of associates	25	601	238
Net gains/losses from the measurement of financial assets through other comprehensive income (equity instruments)	16, 25	-1,634	8,056
Items that will not be recycled to profit and loss		19,664	11,347
Foreign currency translation differences	25	-34	465
Cash flow hedges	25	0	-111
Cash flow hedges of associates	25	0	-19
Items that may be subsequently recycled to profit and loss		-34	335
Other comprehensive income after tax		19,630	11,682
Comprehensive income		51,856	39,431
Attributable to:			
Equity holders of OHB SE		46,843	38,497
Non-controlling interests		5,013	934
Total comprehensive income for the period attributable to the owners of OHB SE from:			
Continuing activities		47,843	38,497
Discontinued operations		-1,000	0

III. CONSOLIDATED BALANCE SHEET

in EUR 000	Notes	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Goodwill	12	12,260	7,366
Other intangible assets	12	124,371	125,160
Right-of-use assets under leases	13	45,718	52,433
Property, plant and equipment	14	107,206	104,679
Shares in associates	15	0	0
Other financial assets	16	15,493	22,838
Other non-current receivables and financial assets	19	36,128	40,782
Deferred tax assets	9	17,664	24,769
Non-current assets		358,840	378,027
Inventories	17	25,671	32,001
Trade receivables	18	79,886	53,514
Contract assets	1	428,592	382,168
Income tax receivables		6,060	3,551
Other financial and non-financial assets	19	44,477	14,960
Securities	20	10	8
Cash and cash equivalents	21	106,110	96,618
Assets classified as held for sale	35	31,083	0
Current assets		721,889	582,820
Total assets		1,080,729	960,847

in EUR 000	Notes	Dec. 31, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES			
Subscribed capital	22	17,468	17,468
Share premium	23	15,993	15,968
Retained earnings	24	521	521
Unrealized gains and losses recognized in equity	25	-6,989	-21,591
Treasury stock	26	-3,241	-3,265
Consolidated net profit	27	245,004	225,441
Equity net of minority interests		268,756	234,542
Non-controlling interests	10	24,712	18,079
Equity		293,468	252,621
Provisions for retirement benefits and similar obligations	28	71,616	104,255
Non-current other provisions	29	1,221	3,031
Non-current financial liabilities	30	74,225	10,481
Non-current lease liabilities		36,786	42,677
Non-current contract liabilities	1	14,542	37,677
Deferred tax liabilities	9	62,847	52,254
Non-current liabilities		261,237	250,375
Current provisions	29	33,029	32,560
Current financial liabilities	31	133,386	145,867
Current lease liabilities		10,542	11,161
Trade payables		100,296	85,426
Current contract liabilities	1	137,825	87,961
Income tax liabilities		12,407	9,657
Financial and non-financial other liabilities	32	90,055	85,219
Liabilities directly associated with assets classified as held for sale	35	8,484	0
Current liabilities		526,024	457,851
Total equity and liabilities		1,080,729	960,847

IV. CONSOLIDATED CASH FLOW STATEMENT

in EUR 000	Notes	2022	2021
EBIT		63,196	47,021
Income taxes paid		-14,400	-7,448
Other non-cash expenses (+) /income (-)		49	163
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	12, 13, 14	36,086	36,597
Profit (-)/loss (+) from the disposal of assets		-2,896	473
Gross cash flow		82,035	76,806
Increase (-)/decrease (+) in own work capitalized		-11,916	-16,305
Increase (-)/decrease (+) in inventories		6,358	61,885
Increase (-)/decrease (+) in receivables and other assets		-107,485	-108,701
Increase () / decrease (-) in retirement benefit provisions	28	-3,134	-3,611
Increase (+) /decrease (-) in liabilities and provisions		16,535	21,803
Increase (+) /decrease (-) in contract liabilities		26,729	-49,223
Cash inflow/outflow from operating activities		9,122	-17,346
Payments made for investments in intangible assets, property, plant and equipment and other financial assets	12, 14	-20,483	-22,594
Payments received from the disposal of assets		0	893
Payments received from the disposal of equity instruments		0	21,749
Consolidation-related changes to cash and cash equivalents		-3,711	467
Interest received	7	941	1,353
Cash inflow/outflow from investing activities		-23,253	1,868
Dividends distributed		-8,333	-7,498
Payment made for the settlement of financial liabilities	30, 31, 34	-19,148	-26,677
Payment made for the settlement of lease liabilities	30, 31, 34	-12,130	-11,582
Payments received from new loans	30, 31, 34	70,411	72,794
Acquisition of treasury stock		0	-2,976
Dividend distributed to non-controlling interests		-125	-50
Interest paid	7	-7,578	-5,205
Cash generated by / used in financing activities		23,097	18,806
Changes to cash and cash equivalents recognized in the cash flow statement		8,966	3,328
Exchange-rate-induced change in cash and cash equivalents		526	1,322
Cash and cash equivalents at the beginning of the period		96,618	91,968
Cash and cash equivalents at the end of the period	21	106,110	96,618

V. CONSOLIDATED STATEMENT OF CHANGE IN EQUITY



in EUR 000	Subscribed capital	Share premium	Retained earnings	Unrealized gains and losses recognized in equity	Consolidated net profit	Treasury stock	Equity net of minority interests	Non-controlling interests	Equity total
See Notes	22	23	24	25	27	26		10	
Balance on Jan. 1, 2021	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 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
Dividend payment	0	0	0	0	-8,333	0	-8,333	0	-8,333
Consolidated comprehensive income	0	0	0	14,602	32,242	0	46,844	5,012	51,856
Acquisition of shares in companies with minority interests	0	0	0	0	-411	0	-411	411	0
Change in companies consolidated	0	0	0	0	-3,935	0	-3,935	1,330	-2,605
Dividend distributed to non-controlling interests	0	0	0	0	0	0	0	-125	-125
Share-based payments	0	25	0	0	0	24	49	0	49
Other changes	0	0	0	0	0	0	0	5	5
Balance on Dec. 31, 2022	17,468	15,993	521	- 6,989	245,004	- 3,241	268,756	24,712	293,468

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 inter-

pretations 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

OHB SE acquired 100% of the shares in GEOSYSTEMS Gesellschaft für Vertrieb und Installation von Fernerkundungs- und Geoinformationssystemen mbH in January 2022.

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.

Companies consolidated

OHB SE's consolidated financial statements include OHB SE, twelve domestic and eight non-domestic subsidiaries in fully consolidated form, a domestic associate accounted for using the equity method and a domestic company classified as held for sale. The table entitled "Consolidation perimeter" 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).

OHB SE acquired 100% of the shares in GEOSYSTEMS Gesellschaft für Vertrieb und Installation von Fernerkundungs- und Geoinformationssystemen mbH in January 2022.

This company was consolidated for the first time in the first quarter of 2022. Initial consolidation resulted in goodwill of EUR 4.894 million, which is based on the company's profitability and customer contacts. Of the total price of EUR 5.320 million, EUR 3.700 million was paid in cash and EUR 1.620 million was contingent consideration recognized as a liability. The fair value of the acquired receivables corresponds to the carrying amount recognized. Since the acquisition date (January 1, 2022), the acquired company has generated revenues of EUR 5.253 million and net profit of EUR 398 thousand. At the date of initial consolidation, it reported non-current assets of EUR 272 thousand, cash and cash equivalents of EUR 1.663 million and other current assets of EUR 514 thousand. Its equity amounted to EUR 898 thousand and current assets EUR 1.551 million. The purpose of the acquisition is to implement the growth strategy in the DIGITAL segment in the market for the analysis of earth observation data.

Following an updated materiality assessment, Rocket Factory Augsburg AG was consolidated for the first time from January 1, 2022 and allocated to the AEROSPACE segment. Initial consolidation did not give rise to any goodwill. The company was consolidated retrospectively and the net loss of EUR 3.935 million accruing up until the date of initial consolidation included in consolidated net profit. In December 2022, OHB SE's Management Board decided to press ahead with the sale of material shares in its subsidiary Rocket Factory Augsburg AG and actively initiated a program to find an investor for the acquisition of a significant interest. As a result, the assets and liabilities of the subsidiary are classified as held for sale in the 2022 financial statements.

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

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 (OHB 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 OHB Group's net assets, financial condition and results of operations as well as its cash flow are not consolidated. The share holdings shown in the tables entitled "Companies consolidated" and "Further investments and financial assets" correspond to the voting rights held.

Scope of consolidation

Name of company	Share held in %	Consolidation
OHB System AG, Bremen, Germany	100.0	Fully consolidated
ORBCOMM Deutschland Satellitenkommunikation AG, Bremen, Germany ¹	100.0	Fully consolidated
OHB Italia S.p.A, Milan, Italy	100.0	Fully consolidated
OHB Sweden AB, Stockholm, Sweden	100.0	Fully consolidated
Antwerp Space N.V., Antwerp, 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 Guyana 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
OHB Teledata GmbH, Bremen, Germany	100.0	Fully consolidated
OHB Digital Solutions GmbH, Graz, Austria	100.0	Fully consolidated
OHB Digital Services GmbH, Bremen, Germany	74.9	Fully consolidated
OHB Digital Connect GmbH, Bremen, Germany	100.0	Fully consolidated
OHB Chile SpA, Vina del Mar, Chile ⁴	100.0	Fully consolidated
Rocket Factory Augsburg AG, Augsburg, Germany	56.6	Consolidated, classified as held for sale
OHB COSMOS International Launch Services GmbH, Bremen, Germany	100.0	Fully consolidated
OHB Czechspace s.r.o., Brno, Czech Republic	100.0	Fully consolidated
OHB Information Technology Services GmbH (formerly: OHB Infosys GmbH), Bremen, Germany	100.0	Fully consolidated
GEOSYSTEMS Gesellschaft für Vertrieb und Installation von Fernerkundungs- und Geoinformationssystemen mbH, Germering, Germany	100.0	Fully consolidated

1 Held by OHB System AG

2 Held by MT Aerospace Holding GmbH

3 Held by MT Aerospace AG

4 Held by OHB Digital Connect GmbH

Further investments and financial assets

Name of company	Share held in %
OHB France S.A.S, Paris, France*	100.0
OHB Venture Capital GmbH, Bremen, Germany*	100.0
MT Meatronica s.r.l., Cagliari, Italy*	100.0
Blue Horizon s.à r.l., Betzdorf, Luxembourg*	100.0
OHB Hellas mon.E.P.E, Athens, Greece*	100.0
OHB Uzay, Teknolojileri Limited Sirketi, Ankara, Turkey*	100.0
OHB Portugal Unipessoal LDA, Lisbon, Portugal*	100.0
MT Dezentrale Energiesysteme GmbH, Augsburg, Germany*	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
RFA Azores Unipessoal LDA, Azores, Portugal*	61.3
RFA Portugal Unipessoal LDA, Matosinhos, Portugal*	61.3
visioboxx Logistic Solutions GmbH, Bremen, Germany*	55.0
Orbcomm Europe LLC, Delaware, United States*	50.0
German Offshore Spaceport Alliance GmbH, Bremen, Germany*	37.5
Geosystems Hellas SA, Attica, Greece*	31.0
Aerotech Beteiligungs GmbH, Peißenberg, Germany*	30.1
DAH Beteiligungsgesellschaft mbH, Germering, Germany*	26.0
Antares S.c.a.r.l., San Giorgio Del Sannio, Italy*	24.0
Hellenic Center for Additive Manufacturing , Partas, Greece	11.8
Arianespace Participation, Evry, France	5.8
Institut für angewandte Systemtechnik Bremen GmbH, Bremen, Germany	5.0
Searoutes SAS, Marseille, France	2.4
constellr GmbH, Freiburg, Germany	1.9

* not consolidated in the year under review for materiality reasons

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 OHB 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 OHB 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 OHB 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, 2022. 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 3, IAS 16, IAS 37 and the Annual Improvements 2018 – 2020 published by the IASB and already endorsed by the EU must be applied from accounting periods commencing on or after January 1, 2022.

IFRSs endorsed by the EU	Date of application (EU)
Amendments to IFRS 17 – Insurance Contracts	January 1, 2023
Amendments to IFRS 3 – Business Combinations	January 1, 2023
Amendments to IAS 1 – Presentation of Financial Statements	January 1, 2023
Amendments to IAS 8 – Accounting Policies	January 1, 2023
Amendments to IAS 1 – Presentation of Financial Statements	January 1, 2023
Amendments to IAS 12 – Income Taxes	January 1, 2023
IFRSs not yet endorsed by the EU	Date of application (EU)
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	January 1, 2024
Amendments to IAS 1 - Presentation of Financial Statements	January 1, 2024

Changes in accounting policies

There were no changes in accounting policies in 2022.

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 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 is 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 4.4 million (previous year: EUR 4.0 million) were recorded as expense as the criteria provided for in IAS 38.57 were not satisfied. Of the total development costs of EUR 15.8 million (previous year: EUR 19.3 million), an amount of EUR 9.6 million (previous year: EUR 14.2 million) was capitalized. An amount of EUR 1.8 million (previous year: EUR 1.1 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 evidence 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 are 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)

OH B applies IFRS 16, which provides guidance on the recognition, measurement, presentation and disclosure of individual leases. Under this guidance, OH B Group companies must recognize the main leases as right-of-use assets on their balance sheets in their capacity as lessees. The OH B 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 OH B 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 OH B 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 OH B 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, OH B 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. As in 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 2022 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 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.

Non-current assets held for sale and discontinued operations

Non-current assets classified as held for sale are recognized separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are recognized separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that is classified as held for sale and represents a separate major line of business that is part of a single coordinated plan to dispose of such a business. Profit and loss from discontinued operations are reported individually in the income statement.

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 12).

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 2023. The increase in interest rates as well as macroeconomic effects constituted a triggering event from the Company's perspective. The higher cost of raising external finance did not result in any impairment losses in the Group.

Impairments of financial assets are based on assumptions about default risk and expected loss rates. The Group uses its discretionary judgment 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.

VII. NOTES ON THE CONSOLIDATED INCOME STATEMENT

(1) Revenues

2022	Reconnaissance and space security	Environmental and weather satellites	Telecommunications and navigation satellites	Science and exploration (and other)
in EUR 000				
Revenues	228,656	252,378	102,148	211,220
Less intercompany revenues	0	- 94	- 1,507	- 24,288
Revenues with external customers	228,656	252,284	100,641	186,932
Timing of revenue recognition				
Point in time	0	0	0	0
Over time	228,656	252,284	100,641	186,932
	228,656	252,284	100,641	186,932
2021				
Revenues	169,907	213,482	132,801	236,519
Less intercompany revenues	- 3,813	- 3,813	- 1,464	- 18,772
Revenues with external customers	166,094	209,669	131,337	217,747
Timing of revenue recognition				
Point in time	0	0	0	0
Over time	166,094	209,669	131,337	217,747
	166,094	209,669	131,337	217,747

2022	Germany	EU	Other	Total
in EUR 000				
Revenues	398,984	581,782	29,751	1,010,517
Less intercompany revenues	- 60,188	- 5,809	0	- 65,997
Revenues with external customers	338,796	575,973	29,751	944,520
Timing of revenue recognition				
Point in time	13,805	12,720	12,423	38,948
Over time	324,991	563,253	17,328	905,572
	338,796	575,973	29,751	944,520
2021				
Revenues	354,623	582,389	38,201	975,213
Less intercompany revenues	- 56,136	- 14,076	0	- 70,212
Revenues with external customers	298,487	568,313	38,201	905,001
Timing of revenue recognition				
Point in time	32,509	55,212	9,381	97,102
Over time	265,978	513,101	28,820	807,899
	298,487	568,313	38,201	905,001

	Launch vehicle components	Tanks and structures, special manufacturing processes and hydrogen technologies (and miscellaneous)	Railroad infrastructure, cybersecurity and encryption	Telescopes, satellite operations and ground systemse	Satellite data analytics, applications and professional services (and miscellaneous)	Total
	112,674	8,532	12,252	52,314	30,343	1,010,517
	0	-1,843	-33	-19,189	-19,043	-65,997
	112,674	6,689	12,219	33,125	11,300	944,520
	23,913	6,689	0	35	8,311	38,948
	88,761	0	12,219	33,090	2,989	905,572
	112,674	6,689	12,219	33,125	11,300	944,520
	106,053	11,651	9,902	50,314	44,584	975,213
	0	-1,729	-1,077	-22,181	-17,363	-70,212
	106,053	9,922	8,825	28,133	27,221	905,001
	90,923	0	0	28	6,151	97,102
	15,130	9,922	8,825	28,105	21,070	807,899
	106,053	9,922	8,825	28,133	27,221	905,001

Contract assets and contract liabilities

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Contract assets	428,976	382,509
Less loss allowances*	-384	-341
Contract assets	428,592	382,168
Current contract liabilities	137,825	87,961
Non-current contract liabilities	14,542	37,677
Contract liabilities	152,367	125,638

* See Note 33.

The total outstanding transaction price for the performance obligations not met fully or met only partially at the end of the reporting period amounts to EUR 1,875 million (previous year: EUR 2,121 million). OHB SE expects to recognize around 48% of these amounts in 2023 and around 28% in 2024. Of the net contract liabilities at the beginning of the year under review, an amount of EUR 127 million (previous year: EUR 141 million) for major projects was included in revenues.

(2) Increase/decrease in inventories of finished goods and work in progress

The increase in inventories of finished goods and work in progress primarily relates to the increase of EUR 0.734 million (previous year: EUR 13.474 million) in the AEROSPACE segment. The DIGITAL segment accounted for EUR -1 thousand (previous year: EUR 3.194 million) of this change. The remaining amount corresponds to a decline of EUR 60 thousand (previous year: increase of 154 thousand) from the SPACE SYSTEMS segment. All told, inventories rose by EUR 672 thousand (previous year: EUR 16.514 million).

(3) Other operating income

The other operating income of EUR 44.168 million (previous year: EUR 11.755 million) comprises income from grants of EUR 0.561 million (previous year: EUR 1.063 million), insurance compensation of EUR 29.842 million (previous year: EUR 1.782 million) and income from the reversal of provisions of EUR 3.939 million (previous year: EUR 1.181 million).

(4) Cost of materials

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Raw materials, supplies and consumables	90,192	80,064
Cost of services purchased	498,242	454,389
Total	588,434	534,453

(5) Staff costs

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Wages and salaries	215,588	209,335
Social security charges and expenditure on old age pensions and support	42,254	40,549
Total	257,842	249,884

Retirement benefits came to EUR 5.642 million (previous year: EUR 6.073 million). In 2022, the Group paid contributions of EUR 14.800 million (previous year: EUR 14.718 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 14.856 million (previous year: EUR 10.717 million), building expenses of EUR 10.218 million (previous year: EUR 6.611 million), other external services of EUR 2.825 million (previous year: EUR 2.230 million), IT infrastructure costs of EUR 6.035 million (previous year: EUR 4.953 million) and travel expenses of EUR 6.847 million (previous year: EUR 3.658 million).

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

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Finance income		
Other interest income from financial assets AmC	1,544	1,142
Return on plan assets	208	130
Other financial income	0	11
	1,752	1,283
Financial expenses		
Interest expense from liabilities at amortized cost	6,680	4,048
Interest expense on retirement benefit provisions and similar obligations	1,247	1,076
Interest expense on lease liabilities (IFRS 16)	1,175	1,235
Other borrowing costs	552	0
	9,654	6,359

(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 -5.452 million in 2022 (previous year: EUR -1.217 million). This associate contributed EUR 0.601 million (previous year: EUR 0.219 million) to other comprehensive income.

(9) Income taxes

Reconciliation of tax expense

in EUR 000	2022	2021
Net profit/loss from continuing operations before income taxes	51,885	41,594
Net profit/loss from discontinued operations before income taxes	-1,906	0
	49,979	41,594
Expected taxes at a tax rate of 32.00% (previous year: 32.00%)	16,050	13,310
Reductions in tax expenses as a result of partially tax-exempt income	-1,394	-169
Transfer of tax result of associates	1,889	389
Unused losses and tax losses	121	947
Non-deductible operating expenses	1,003	606
Other tax effects	83	-175
Changes in the recognition of deferred taxes due to changes in tax rates etc.	-1,297	-1,440
Off-period tax expense	-215	146
Difference in domestic and non-domestic tax rate	-393	231
	15,847	13,845

No taxes arose from discontinued operations.

Tax expense breaks down as follows:

in EUR 000	2022		2021	
	Current taxes	Deferred taxes	Current taxes	Deferred taxes
Domestic	7,440	8,099	8,425	5,548
Non-domestic	245	63	53	-181
	7,685	8,162	8,478	5,367

No deferred tax assets were recognized in the case of deductible temporary differences, unused tax losses and interest expenses carried forward of EUR 28.813 million (previous year: EUR 27.695 million). The unused tax losses do not expire.

The change in deferred taxes recognized through other comprehensive income stands at EUR -9.429 million (previous year: EUR 1.220 million).

Analysis of deferred tax assets and liabilities

in EUR 000	Dec. 31, 2022		Dec. 31, 2021		2022
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Cash change
Intangible assets	197	31,172	378	31,852	319
Right-of-use assets under leases	0	10,715	0	12,230	1,543
Property, plant and equipment	0	541	0	427	38
Other financial assets	46	0	0	346	365
Inventories	340	0	5,623	0	-5,283
Trade receivables	407	30	789	0	361
Contract assets	213	41,985	20,699	27,950	-34,361
Other financial and non-financial assets (current and non-current)	36	186	1	271	-682
Liabilities under defined benefit plans (provisions for retirement benefits)	7,632	21	17,530	0	-380
Other provisions (current and non-current)	659	652	1,502	160	-1,300
Financial liabilities	23	0	4	0	19
Lease liabilities (current and non-current)	11,072	0	12,558	0	-1,498
Contract liabilities (current and non-current)	3,184	0	0	45,236	48,983
Other financial and non-financial liabilities (current and non-current)	57	3,467	11,611	0	-15,585
Unused tax losses and tax credits (e.g. interest expense carryforwards)	19,720	0	20,292	0	-701
Total	43,586	88,769	90,987	118,472	-8,162
Offsetting	-25,922	-25,922	-66,218	-66,218	
Total	17,664	62,847	24,769	52,254	-8,162

(10) Non-controlling interests

Non-controlling interests in the net profit/loss of EUR -15 thousand (previous year: EUR 251 thousand) primarily relate to Rocket Factory Augsburg AG and MT Aerospace Holding GmbH.

The non-controlling interests of EUR 24.712 million (previous year: EUR 18.079 million) mainly related to the co-shareholders in the MT Aerospace subgroup and Rocket Factory Augsburg AG. The non-controlling interests received dividends of EUR 125 thousand in the year under review (previous year: EUR 50 thousand). In 2022, convertible bonds were converted into shares in Rocket Factory Augsburg AG, as a result of which the proportion of non-controlling interests in the company contracted from 48.2% to 43.4%.

Rocket Factory Augsburg AG is classified as held for sale in the consolidated financial statements. Corresponding assets of EUR 31.083 million (previous year: EUR 0) are included in the balance sheet. Liabilities associated with assets classified as held for sale are valued at EUR 8.484 million (previous year: EUR 0).

	2022	2021	2022	2021
in EUR 000	OHB Digital Services GmbH	OHB Digital Services GmbH	MT Aerospace Holding GmbH (subgroup)	MT Aerospace Holding GmbH (subgroup)
Assets				
Non-current assets	491	609	165,956	154,031
Current assets	2,639	2,516	71,114	137,611
Total	3,130	3,125	237,070	291,642
Equity and liabilities				
Equity	2,009	2,111	60,753	41,252
Non-current liabilities	255	348	89,859	140,264
Current liabilities	866	666	86,458	110,126
Total	3,130	3,125	237,070	291,642
EBIT	592	511	7,278	1,328

(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 17,360,907 shares (previous year: 17,408,113 shares) as the Company held an annual average of 107,189 treasury shares (previous year: 59,983 treasury shares). Including the 800 shares issued in the year under review, this equals the weighted average of the outstanding shares. The consolidated net profit of EUR 32.242 million (previous year: EUR 27.498 million) attributable to the shareholders of OHB SE was applied for calculation purposes.

EUR	2022	2021
Basic earnings per share		
Net profit/loss from continuing operations attributable to the holders of OHB SE's equity	1.97	1.58
From discontinued operations	-0.11	0.00
Total basic earnings per share attributable to the holders of OHB SE's equity	1.86	1.58

EUR	2022	2021
Diluted earnings per share		
Net profit/loss from continuing operations attributable to the holders of OHB SE's equity	1.97	1.58
From discontinued operations	-0.11	0.00
Total basic earnings per share attributable to the holders of OHB SE's equity	1.86	1.58

VIII. NOTES ON THE CONSOLIDATED BALANCE SHEET

(12) Goodwill and other intangible assets

Goodwill

in EUR 000	2022	2021
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
GEOSYSTEMS GmbH	4,894	0
Total	12,260	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, 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/ Jan. 1, 2022	9,192	2,193	26,223	187,228	224,836
Changes to consolidated companies	4,894	0	269	15,104	20,267
Additions	0	0	2,295	22,882	25,177
Disposals	0	5	48	532	585
Reclassification (IFRS 5)	0	0	-96	-27,808	-27,904
Balance on Dec. 31, 2022	14,086	2,188	28,643	196,874	241,791

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, 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/ Jan. 1, 2022	1,826	2,019	19,904	68,561	92,310
Additions	0	3	2,737	10,768	13,508
Disposals	0	0	45	0	45
Reclassification (IFRS 5)	0	0	-49	-564	-613
Balance on Dec. 31, 2022	1,826	2,022	22,547	78,765	105,160
Net carrying amount on Dec. 31, 2022	12,260	166	6,096	118,109	136,631
Net carrying amount on Dec. 31, 2021	7,366	174	6,319	118,667	132,526

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, 2022. 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 10.41% (previous year: 7.79%) was applied to domestic goodwill and of 12.67% (previous year: 10.11%) 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 60.579 million, previous year: EUR 66.247 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. Extension and termination options are reviewed at least annually as part of the planning process for those contracts which are to be terminated or extended in the following year. 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 electrical vehicles.

Short-term leases of EUR 11 thousand (previous year: EUR 2 thousand) and leases for minor-value assets of EUR 237 thousand (previous year: EUR 201 thousand) were included in other operating expenses in 2022. More information on the interest expenses for leases can be found in Note 7.

Total lease payments equaled EUR 12.564 million in 2022 (previous year: EUR 12.920 million).

As of December 31, 2022, possible cash outflows of EUR 0.2 million (previous year: EUR 3.1 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, 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/Jan. 1, 2022	13,447	473	70,929	84,849
Changes to consolidated companies	70	12	2,047	2,129
Additions	767	0	3,993	4,760
Disposals	976	0	697	1,673
Reclassification (IFRS 5)	-70	-12	-2,047	-2,129
Balance on Dec. 31, 2022	13,238	473	74,225	87,936

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, 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/Jan. 1, 2022	6,464	33	25,919	32,416
Additions	1,950	61	9,958	11,969
Disposals	987	0	370	1,357
Reclassification (IFRS 5)	-19	-4	-787	-810
Balance on Dec. 31, 2022	7,408	90	34,720	42,218
Net carrying amount on Dec. 31, 2022	5,830	383	39,505	45,718
Net carrying amount on Dec. 31, 2021	6,983	440	45,010	52,433

(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 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/Jan. 1, 2022	87,097	77,331	63,791	228,219
Changes to consolidated companies	656	164	0	820
Additions	8,954	5,996	7	14,957
Disposals	938	25	166	1,129
Reclassification (IFRS 5)	-821	-164	0	-985
Balance on Dec. 31, 2022	94,948	83,302	63,632	241,882

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 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/Jan. 1, 2022	54,453	37,497	31,590	123,540
Additions	7,205	3,856	1,217	12,278
Disposals	779	3	114	896
Reclassification (IFRS 5)	-237	-9	0	-246
Balance on Dec. 31, 2022	60,642	41,341	32,693	134,676
Net carrying amount on Dec. 31, 2022	34,306	41,961	30,939	107,206
Net carrying amount on Dec. 31, 2021	32,644	39,834	32,201	104,679

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 (ATP), which is recognized at amortized cost. The majority shareholder exercises a controlling influence on this entity's business model. It is recognized at equity. In 2022, ATP recorded total revenues of EUR 84.133 million (previous year: EUR 78.403 million), EBIT of EUR -5.697 million (previous year: EUR 1.793 million) and EBITDA of EUR -3.207 million (previous year: EUR 4,781 million). It had non-current assets of EUR 50.850 million (previous year: EUR 54.399 million) and current assets of EUR 48.970 million (previous year: EUR 51.132 million) as of December 31, 2022. Non-current and current liabilities stood at EUR 124.409 million (previous year: EUR 119.731 million).

The Group's share in the total loss posted by the associate Aerotech Peissenberg GmbH & Co. KG came to EUR 4.851 million in the year under review (previous year: EUR 0.998 million). Of this, EUR -5.452 million (previous year: EUR -1.217 million) was recognized through profit and loss and EUR 0.601 million (previous year: EUR 0.219 million) through other comprehensive income. The total loss of EUR 4,851 million (previous year: EUR 0.998 million) exceeding the carrying amount of the investment was deducted from non-current financial receivables from associates. A cumulative total of EUR 10.591 million (previous year: EUR 5.740 million) was deducted from non-current financial receivables.

(16) Other financial assets

In 2022, an impairment loss of EUR 1.660 million (previous year: EUR 0) was recognized on the carrying amount of a domestic associate as a result of fair value measurement. The fair value measurement contributed EUR 1.634 million to other comprehensive income.

(17) Inventories

Inventories declined over the previous year to EUR 25.671 million (previous year: EUR 32.001 million).

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Raw materials, supplies and consumables	11,333	16,111
Work in progress	6,839	6,296
Finished goods	506	641
Prepayments	6,993	8,953
Total	25,671	32,001

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

Impairments of inventories were valued at EUR 2.337 million at the end of the year (previous year: EUR 2.230 million). Impairments of EUR 0.308 million (previous year: EUR 0.359 million) are reported in the income statement.

(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, 2022	Dec. 31, 2021
Trade receivables	79,964	53,573
Less impairments	-78	-59
	79,886	53,514

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

in EUR 000	Dec. 31, 2022		Dec. 31, 2021	
	Current	Non-current	Current	Non-current
Non-financial assets				
VAT refund claims	8,135	0	24	0
Deferrals	7,818	0	6,934	0
Other	5,772	0	5,984	0
Financial assets				
Loans to associates*	0	33,456	0	31,576
Loans to associates	0	0	0	7,242
Other financial assets*	22,752	802	2,018	191
Security deposits*	0	1,870	0	1,773
Total	44,477	36,128	14,960	40,782

* See Note 32 on impairments

The maximum default risk equals the carrying amount of the financial assets reported on the face of the balance sheet. Other financial assets increased due to receivables under insurance claims and further loans to non-Group borrowers.

(20) Securities

As of the reporting date, the securities portfolio was valued at EUR 10 thousand (previous year: EUR8 thousand). 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 106.110 million on the reporting date (previous year: EUR 96.618 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, OH B SE holds treasury stock comprising 106,696 shares (previous year: 107,496 shares), meaning that 17,361,400 shares (previous year: 17,360,600) are outstanding and fully paid up (see Note 26). Of these shares, 5,182,680 shares (previous year: 5,181,880 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.

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.

- b) The acquisition of shares must comply with the equal treatment principle (Section 53a of the German 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) Subject to 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.

The aforementioned authorization was supplemented by a resolution passed at the annual general meeting on June 1, 2022.

- a) In addition to the authorization granted in the resolution passed at the annual general meeting on May 26, 2020, the Management Board is authorized subject to the Supervisory Board's approval to sell shares in the Company acquired under existing or earlier authorization to affiliated companies as defined in Sections 15 et seq. of the German Stock Corporation Act at the prevailing share price. The sole purpose of such sale is to award shares to members of management or employees of the affiliated companies as defined in Sections 15 et seq. of the German Stock Corporation Act in fulfillment of present or future contractual remuneration agreements provided that a holding period of at least two years from the contractually agreed date of the award is stipulated for the shares awarded in this way.

- b) At the annual general meeting it was additionally determined that affiliated companies as defined in Sections 15 et seq. of the German Stock Corporation Act may acquire shares in the open market at their prevailing price and to award such shares to members of management or employees of those affiliated companies in fulfillment of present or future contractual remuneration agreements provided that a holding period of at least two years from the contractually agreed date of the award is stipulated for the shares awarded in this way. The acquisition is only permissible if the cap of ten percent of the Company's share capital – including any shares already acquired on the basis of this authorization – provided for in the resolution of May 26, 2020 is duly observed. Shares acquired by OHB SE or an affiliated company within the meaning of Sections 15 et seq. of the German Stock Corporation Act must be aggregated for the purpose of determining whether the cap has been achieved.
- c) The shareholders' pre-emptive subscription rights are excluded when treasury stock is used in accordance with the authorizations described in a) and b) above.
- d) For the purposes of this authorization as well as the authorization of May 26, 2020, 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.

(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 under 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 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, 2021	-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
Adjustment 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
Other Amendments	-34	0	0	0	0	0	0	-34
Present value adjustments	0	-1,660	0	0	0	0	0	-1,660
Adjustment of actuarial assumptions	0	0	0	30,152	0	0	601	30,753
Deferred taxes	0	26	0	-9,455	0	0	0	-9,429
Non-controlling interests	0	0	0	-4,848	0	0	-180	-5,028
Dec. 31, 2022	-5	1,634	0	-5,330	0	0	-19	-6,988

(26) Treasury stock

OH B 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 2022, OH B SE did not acquire any shares under the buyback program adopted by the Management Board on June 17, 2021. The program, which has a maximum volume of 170,000 shares and a maximum total purchase price (excluding acquisition costs) of EUR 6 million, expired on March 31, 2022. As of December 31, 2022, OH B SE's treasury stock comprised a total of 106,696 shares (previous year: 107,496), equivalent to 0.61% (previous year: 0.62%) of its issued capital.

in EUR 000	2022	2021
Balance on Jan. 1	17,360,600	17,425,100
Acquisition of treasury stock	0	-77,000
Transfer of treasury stock	800	12,500
Balance on Dec. 31	17,361,400	17,360,600

(27) Consolidated net profit

Consolidated net profit comprises the net profit for the period attributable to the shareholders of the Group parent company of EUR 32.242 million (previous year: EUR 27.498 million) and the cumulative retained earnings from previous periods of EUR 212.762 million (previous year: EUR 197.943 million).

(28) Provisions for retirement benefits and similar obligations

The provisions for retirement benefits break down as follows:

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Retirement	66,664	94,407
Similar obligations	4,952	9,848
Provisions for pensions and similar obligations	71,616	104,255

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

OH B Group has made arrangements for retirement benefits for entitled employees in all three segments. 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. Pension liability insurance 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 pension liability insurance 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 6.735 million (previous year: EUR 6.119 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: 4.20% (previous year: 1.10%)
- Wage/salary trend: 2.75% (previous year: 2.75%)
- Wage drift: 0.00% (previous year: 0.00%)
- Pension trend: 2.20% (previous year: 1.50%)

A lower pension trend of 0.00% (previous year: 1.50%) was applied to the pension commitments held by MT Aerospace by way of an exception until 2024 due to that company's economic difficulties. From 2024, a pension trend of 2.20% will be utilized.

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	2022	2021
Current service cost	2,538	1,880
Interest expense	1,247	1,076
Expected rate of return (-) on plan assets	-208	-130
Total	3,577	2,826

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

in EUR 000	2022	2021
Present value of the defined benefit obligations on January 1	109,741	116,698
Changes to consolidated companies	6,119	77
Present value of the entitlement acquired in the year	2,537	1,880
Interest expenditure on entitlement already acquired:	1,247	1,076
Payments from provisions	-5,642	-6,073
Actuarial gains (-)/losses (+)	-30,775	-3,917
Present value of the defined benefit obligations on December 31	83,227	109,741

The plan assets break down as follows:

in EUR 000	2022	2021
Value of plan assets on Jan. 1	5,486	5,734
Changes to consolidated companies	6,119	0
Payments received	1,406	150
Payments made	-985	-807
Expected income	208	130
Actuarial gains (+)/losses (-)	-623	279
Value of plan assets on Dec. 31	11,611	5,486

Of the remeasurements, an amount of EUR -31.173 million (previous year: EUR -2.981 million) is based on changes in the financial assumptions, EUR -0.387 million (previous year: EUR -0.936 million) on changes due to historical data and EUR -0.429 million (previous year: EUR 0.279 million) on the remeasurement of income from plan assets.

The plan assets (EUR 2.764 million, previous year: EUR 3.390 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 2.109 million, previous year EUR 2.094 million).

Actual income from plan assets came to EUR -0.415 million (previous year: EUR 0.408 million). The present value is reconciled with the defined benefit (defined benefit liability (+)/defined benefit asset (-)) as follows:

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Actual present value of the defined benefit obligation	83,227	109,741
Fair value of plan assets	-11,611	-5,486
Retirement benefit obligations recorded on the balance sheet	71,616	104,255

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

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Defined benefit asset	0	0
Defined benefit liability	71.616	104.255

Contributions of EUR 0.360 million (previous year: EUR 0.585 million) are expected to be paid in 2023. The following cash outflows are expected in the following periods:

Year(s)	in EUR 000
2023	5,425
2024	5,490
2025	6,147
2026	5,615
2027	6,410
2028–2032	29,722

The present value of the defined benefit obligations of EUR 0.159 million (previous year: EUR 0.167 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 2.139 million.

If the discount rate were 0.25% higher, the present value of the retirement benefit obligations would decrease by EUR 2.045 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 1.352 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 1.396 million.

(29) 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 2024. Plan assets in the form of funds (EUR 2.224 million, previous year: EUR 2.658 million) were netted with the provisions for phased retirement obligations (EUR 0.873 million, previous year: EUR 1.150 million), resulting in a netted figure of EUR 1.351 million (previous year: EUR 1.508 million). Other personnel-related provisions primarily relate to obligations towards employees of EUR 24.996 million (previous year: EUR 24.665 million) under ongoing wage and salary obligations. An outflow in the current personnel-related provisions is expected in the first quarter of 2023.

in EUR 000	Jan. 1, 2022	Utilized	Reversals	Additions	Additions due to first-time consolidation	Dec. 31, 2022	Of which non-current
Pending losses and risks	2,603	758	1,420	0	0	425	0
Remaining work on fully invoiced projects	324	257	67	264	0	264	0
Other provisions	6,491	4,869	362	6,124	117	7,501	157
Personnel-related provisions	26,173	21,566	1,995	23,254	194	26,060	1,064
	35,591	27,450	3,844	29,642	311	34,250	1,221

(30) Non-current financial liabilities

This primarily entails OHB SE's non-current liabilities to banks under a borrower's note loan of EUR 70,000 thousand placed in October 2022 with tranches of 3, 5 and 7 years subject to partly fixed and partly variable interest rates. The borrower's note loan includes a covenant relating to the ratio of operating profit to net debt, which was complied with in the year under review. In addition, OHB System AG has bank borrowings of EUR 3.333 million (previous year: EUR 10 million) and OHB Italia S.p.A. of EUR 0.892 million (previous year: EUR 0.481 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. The covenants relate to the ratio of operating profit to net debt, operating profit to net interest and liquidity ratios.

(31) Current financial liabilities

This entails current liabilities towards banks held by OHB SE (EUR 30 million, previous year: EUR 40 million), OHB System AG (EUR 101.797 million, previous year: EUR 104.351 million), OHB Sweden AG (EUR 1.270 million, previous year: EUR 1.230 million) and OHB Digital Solutions GmbH (EUR 0.319 million, previous year: EUR 0).

The syndicated loan, which had a value of EUR 126.401 million as of the reporting date (previous year: EUR 128.914 million), provides for two covenants, which were duly observed in the year under review. The covenants relate to the ratio of operating profit to net debt and operating profit to net interest.

(32) Current financial and non-financial other liabilities

The other non-financial liabilities primarily comprise outstanding invoices of EUR 64.300 million (previous year: EUR 71.809 million).

in EUR 000	Dec. 31, 2022	Dec. 31, 2021
Non-financial liabilities		
Value added tax	4,152	2,983
Social security and payroll tax liabilities	4,309	1,791
Other	79,304	76,799
Financial liabilities		
Derivatives with no hedge	28	21
Other financial liabilities	2,262	3,625
Total	90,055	85,219

Other financial liabilities mainly comprise a loan of EUR 2.109 million (previous year: EUR 2.094 million) received from the support fund.

(33) Additional disclosures on financial instruments and hedging relationships

The financial instruments were allocated to the following categories:

in EUR 000	Dec. 31, 2022		Dec. 31, 2021	
	Current	Non-current	Current	Non-current
Amortized cost (AmC)				
Other financial assets	22,752	36,128	2,018	40,782
Cash and cash equivalents	106,110	0	96,618	0
Trade receivables	79,886	0	53,514	0
	208,748	36,128	152,150	40,782
Measured at fair value through other comprehensive income (FVOCI)				
Other equity instruments	0	15,493	0	22,838
	0	15,493	0	22,838
Measured at fair value through profit and loss (FVPL)				
	10	0	8	0
	10	0	8	0
	208,758	51,621	152,158	63,620
Amortized cost (AmC)				
Trade payables	100,296	0	85,426	0
Financial liabilities	133,386	74,225	145,867	10,481
Lease liabilities	10,542	36,786	11,161	42,677
Other financial liabilities	2,262	0	3,625	0
	246,486	111,011	246,079	53,158

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 36.128 million, previous year: EUR 40.782 million) approximates their fair value. These chiefly comprise a loan of EUR 33.456 million (previous year: EUR 31.576 million) to an associate and non-interest-bearing deposits of EUR 1.870 million (previous year: 1.773 million). However, in view of the current interest rates, there is virtually no difference.

An impairment was recognized on the investment in visioboxx Logistic Solutions GmbH included in the FVOCI category. The adjustment to fair value is included in other comprehensive income.

There is no active market for determining the fair value of the shares in 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 2.109 million (previous year: EUR 2.094 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 74.225 million (previous year: EUR 10.481 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. Impairment losses on FVOCI are a component of net gains/losses.

Net gains/losses by measurement category

in EUR 000			Other income and expense items	
			2022	2021
Financial assets	FVPL	Measured at fair value through profit and loss	0	11
	AmC	Measured at amortized cost	0	0
	FVOCI	Measured at fair value through other comprehensive income	-1,660	8,186

The OH B 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.

OH B 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, 2022	Not yet due for				
Expected loss rate	0.09%	0.10%	0.10%		
Carrying amount of trade receivables	21,872	43,369	14,723	0	79,964
Impairments	20	43	15	0	78
					79,886
Expected loss rate	0.09%				
Carrying amount of contract assets	428,976				428,976
Impairments	384				384
					428,592
Dec. 31, 2021					
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

in EUR 000	Contract assets	Trade receivables
Jan. 1, 2021	253	115
Added	88	2
Reversed	0	-58
Dec. 31, 2021	341	59
Added	43	19
Reversed	0	0
Dec. 31, 2022	384	78

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 2.672 million (previous year: EUR 1.964 million, including security deposits of EUR 1.870 million, previous year: EUR 1.773 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 33.456 million (previous year: EUR 31.576 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 4.851 million (previous year: EUR 0.998 million) in 2022 and cumulatively by EUR 10.591 million (previous year: EUR 5.740 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, 2022		
	Level 1	Level 2	Level 3
Financial assets:			
Financial assets at fair value through other comprehensive income (FVOCI)			
Equity instruments	15,909	0	0
Financial assets at fair value through profit and loss (FVPL)			
Securities	10	0	0
Financial Assets at fair value through other comprehensive income			
Hedging derivatives – foreign currency forwards	0	0	0
Total	15,919	0	0
Financial liabilities			
Derivatives with no hedge relationships (FVPL)	0	28	0
Total	0	28	0

in EUR 000	Dec. 31, 2021		
	Level 1	Level 2	Level 3
Financial assets:			
Financial assets at fair value through other comprehensive income (FVOCI)			
Equity instruments	22,838	0	0
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	22,846	0	0
Financial liabilities			
Hedging derivatives – foreign currency forwards (FVOCI)	0	21	0
Total	0	21	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 OH B 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 in 2021 not to enter into any further foreign currency forwards for hedging purposes. The Group Policy prohibits the use of derivatives for speculative purposes.

(34) 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, 2022	10,481	145,867	53,838	210,186
Interest	689	6,889	1,175	8,753
Cash flows				
Payments received from new loans	70,411	0	0	70,411
Repayments (including interest)	-7,356	-19,370	-12,130	-38,856
Not recognized in the cash flow statement	0	0	4,445	4,445
Dec. 31, 2021	74,225	133,386	47,328	254,939
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

(35) Discontinued operations

In December 2022, OHB SE's Management Board decided to press ahead with the sale of material shares in its subsidiary Rocket Factory Augsburg AG and actively initiated a program to find an investor for the acquisition of a significant interest. As a result, the assets and liabilities of the subsidiary are classified as held for sale in the 2022 financial statements.

Results of operations and cash flows of the discontinued operations

in EUR 000	2022	2021
Total revenues	16,463	9,708
Expenses	18,369	-12,784
Loss before tax	-1,906	-3,076
Income taxes	0	0
Earnings from discontinued operations after taxes	-1,906	-3,076
Cash inflow/outflow from operating activities	675	-1,173
Cash outflow from investing activities	-12,937	-7,511
Cash inflow from financing activities	12,212	7,919
Net decrease in cash generated by the subsidiary	-50	-765

Assets and liabilities of the disposal group classified as held for sale

As of December 31, 2022, the following assets and liabilities related to the discontinued operations were reclassified as held for sale:

in EUR 000	2022
Assets classified as held for sale	
Intangible assets	27,292
Other non-current assets	2,475
Other current assets	1,316
Total assets of the disposal group classified as held for sale	31,083
Liabilities directly associated with assets classified as held for sale	
Bonds	2,639
Liabilities to banks	50
Other current liabilities	5,795
Total liabilities of the disposal group classified as held for sale	8,484

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 165.183 million (previous year: EUR 162.534 million) was available at the end of the year. The agreement runs until May 2027. There are currently no indications of any liquidity shortfalls.

Analysis of settlement periods of financial liabilities including interest

in EUR 000	Dec. 31, 2022					Dec. 31, 2021				
	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	3,333	65,000	5,892	74,225	0	7,239	3,352	0	10,591
Current financial liabilities	133,386	0	0	0	133,386	145,867	0	0	0	145,867
Non-current lease liabilities	0	9,482	18,341	8,963	36,786	0	9,489	19,499	13,689	42,677
Current lease liabilities	10,542	0	0	0	10,542	11,161	0	0	0	11,161
Trade payables	100,296	0	0	0	100,296	85,426	0	0	0	85,426
Current other financial liabilities	2,291	0	0	0	2,291	3,646	0	0	0	3,646
Total	246,515	12,815	83,341	14,855	357,526	246,100	16,728	22,851	13,689	299,368

* 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. As of the reporting date, foreign-currency receivables mainly comprised receivables denominated in USD equalling EUR 4.055 million (previous year: EUR 2.234 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 2023. All orders and receivables in space business have been fully hedged by means of currency forwards.

Interest rate 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 1.376 million (previous year: EUR 1.563 million). The non-current financial liabilities under the borrower's note loan of EUR 70 million are subject to a variable interest rate equaling EUR 47 million and a fixed interest rate equaling EUR 23 million. The interest rate risk for the variable portion is linked to EURIBOR. An increase in the reference interest rate by 1 percentage point would result in an increase in interest expense of around EUR 0.5 million.

Capital risk management

One of the OHB Group's main 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, 2022, the equity ratio rose to 27.2% (previous year: 26.3%) 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 2021.

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 business units. 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	2022	2021
SPACE SYSTEMS	768,513	724,847
Reconnaissance and space security	228,656	166,094
Environmental and weather satellites	252,284	209,669
Telecommunications and navigation satellites	100,641	131,337
Science and exploration (and other)	186,932	217,747
AEROSPACE	119,363	115,975
Launch vehicle components	112,674	106,053
Tanks and structures, special manufacturing processes and hydrogen technologies (and miscellaneous)	6,689	9,922
DIGITAL	56,644	64,179
Railroad infrastructure, cybersecurity and encryption	12,219	8,825
Telescopes, satellite operations and ground systems	33,125	28,133
Satellite data analytics, applications and professional services (and other)	11,300	27,221
Total	944,520	905,001

Sales by geographic region

in EUR 000	2022	2021
Germany	338,796	298,487
Rest of Europe	575,973	568,313
Rest of the world	29,751	38,201
Total	944,520	905,001

With sales of EUR 398.449 million (in two operating segments), EUR 128.776 million (SPACE SYSTEMS segment) and EUR 57.550 million (AEROSPACE 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 247.363 million (previous year: EUR 241.500 million) in Germany and EUR 42.191 million (previous year: EUR 48.138 million) in other countries. This includes non-current assets of EUR 31.211 million (previous year: EUR 37.843 million) attributable to the subsidiary in Italy. Post-employment benefits stand at EUR 70.724 million (previous year: EUR 102.985 million) in Germany and EUR 0.891 million (previous year: EUR 1.270 million) in other countries.

Non-current right-of-use assets (IFRS 16), which are included in the above figures, were valued at EUR 45.718 million as of December 31, 2022 (previous year: EUR 52.433 million (Germany: EUR 33.412 million (previous year: EUR 38.271 million); other countries: EUR 12.306 million (previous year: EUR 14.162 million)).

Segment report

in EUR 000	SPACE SYSTEMS		AEROSPACE		DIGITAL	
	2022	2021	2022	2021	2022	2021
Revenues	771,444	728,965	111,022	107,565	94,294	102,867
of which internal sales	2,932	4,118	1,843	1,602	27,465	28,676
Total revenues	810,819	755,936	120,754	97,361	105,669	101,018
Cost of materials and services purchased	522,877	489,427	55,783	40,402	34,437	32,653
EBITDA	73,896	60,820	13,145	7,459	13,307	16,051
Depreciation and amortization	25,669	27,532	7,621	6,953	2,651	2,026
EBIT	48,227	33,288	5,524	506	10,656	14,025
Non-current assets	194,479	203,924	165,582	153,919	10,718	9,549
Current assets	559,422	436,880	98,648	131,478	95,454	76,250
Total assets	753,901	640,804	264,230	285,397	106,172	85,799
Equity	162,629	141,348	68,743	41,736	23,945	27,940
Liabilities	591,272	499,456	195,487	243,661	82,227	57,859
Total assets	753,901	640,804	264,230	285,397	106,172	85,799
Investments (net of financial assets, excluding IFRS 16)	17,989	21,630	8,314	14,768	847	848

Other financial obligations and contingent liabilities

As of the reporting date, there were guarantees obligations of EUR 65.370 million (previous year: EUR 28.816 million) which were primarily used to secure prepayments under development contracts. The participating companies have assumed joint and several liability for obligations under the credit facility. There are contingent liabilities covering dismantling obligations at a launch site which, according to current estimates, could reach an amount in the low single-digit millions.

Employees

The average head count stood at 3,018 in the year under review (previous year: 2,968). There was an average of 1,841 employees in the SPACE SYSTEMS segment (previous year: 1,889), 564 in the AEROSPACE segment (previous year: 510), 581 (previous year: 537) in the DIGITAL segment and 32 employees (previous year: 32) in the holding company.

Reconciliation				Total	
Holding		Consolidation			
2022	2021	2022	2021	2022	2021
0	0	-32,240	-34,396	944,520	905,001
0	0	-32,240	-34,396	0	0
15,586	12,783	-51,552	-50,551	1,001,276	916,547
0	0	-24,663	-28,029	588,434	534,453
-1,066	-712	0	0	99,282	83,618
145	86	0	0	36,086	36,597
-1,211	-798	0	0	63,196	47,021
84,203	70,177	-96,142	-59,542	358,840	378,027
130,954	81,444	-162,589	-143,232	721,889	582,820
215,157	151,621	-258,731	-202,774	1,080,729	960,847
96,647	85,561	-58,496	-43,964	293,468	252,621
118,510	66,060	-200,235	-158,810	787,261	708,226
215,157	151,621	-258,731	-202,774	1,080,729	960,847
48	40	0	0	27,198	37,286

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, digitalization and services
- **Mr. Kurt Melching**, Bremen;
finance
- **Ms. Daniela Schmidt**, Bremen;
sustainability, integrity, legal and corporate security

The Company's Supervisory Board comprises:

- **Mr. Robert Wethmar**, Hamburg, 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
- **Dr. Hans-Jörg Königsmann**, aerospace engineer,
San Pedro, United States

Offices held by members of the Company's Management Board and Supervisory Board in other supervisory boards and management bodies in 2022:

• Mr. Marco Fuchs

Group mandates:

- MT Aerospace AG, Augsburg, chairman the supervisory board;
- OHB Italia S.p.A., Milan, Italy, chairman of the board of directors
- HB 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
- AT Engine Mexico S.A.P.I. de C.V., Hermosillo, Mexico, member of the board of directors
- Rocket Factory Augsburg AG, Augsburg, Germany, member of the supervisory board

Non-group mandates:

- SV Werder Bremen 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)
- **Ms. 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
- **Dr. Hans-Jörg Königsmann**,
 - Mynaric AG, Gilching, member of the supervisory board

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

as of Dec. 31, 2022	Shares	Changes 2021/2022
Christa Fuchs, Member of the Supervisory Board	0	-1,401,940
Professor Heinz Stoewer, Member of the Supervisory Board	1,000	-
Marco Fuchs, Chief Executive Officer	0	-6,046,610
Dr. Lutz Bertling, Member of the Management Board	50,000	-
Daniela Schmidt, Member of the Management Board	300	+300

Marco and Christa Fuchs have transferred all of their directly and indirectly held shares in OHB SE to the newly established Fuchs Family Foundation. The purpose of this foundation and the share transfer is to create a stable structure to ensure sustainable ownership structures for the Company.

The number of family-held shares pooled under a voting agreement has not changed as a result of this step: The Fuchs share pool continues to comprise 69.72% of the shares in OHB SE, which also includes 2.17% of the shares held by Martello Value GmbH & Co. KG, a company established by Romana Fuchs Mayrhofer in 2022. The transfer of the shares to the foundation has likewise not resulted in any changes with regard

to the active persons as far as the (indirect) shareholder position at OHB SE is concerned: As Chairman of the Family Foundation, Marco Fuchs continues to control the OHB Group.

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

The consolidated financial statements are submitted to Bundesanzeiger for publication.

At their meeting of March 21, 2022, 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, Daniela Schmidt, Marco R. Fuchs, Ulrich Schulz, Dr. Fritz Merkle, Kurt Melching, Dr. Lutz Bertling, Klaus Hofmann, Prof. Heinz Stoewer, Ingo Kramer, Dr. Hans-Jörg Königsmann 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
- OHB Grundstücksgesellschaft Lise-Meitner-Straße mbH & 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
- SV Werder Bremen GmbH & Co. KGaA., Bremen
- ZARM Technik AG, Bremen
- Gut Landruhe GmbH & Co. KG. Bremen
- Fuchs Family Foundation, Weßling
- Martello Value GmbH & Co KG, Gräfelting

Business transactions with related parties are conducted on arm's length terms. In the year under review, revenues and other income of EUR 43 thousand (previous year: EUR 592 thousand) arose from transactions with related parties, while expenditure on goods and services purchased (primarily rentals) with related

parties came to around EUR 8.379 million (previous year: EUR 8.571 million) at subsidiaries. As of the reporting date, there were no receivables (previous year: none) 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 38.005 million (previous year: EUR 40.483 million) as of December 31, 2022.

Under these leases, the Group made payments of principal of EUR 7.277 million (previous year: EUR 7.317 million) and payments of interest of EUR 0.872 million (previous year: EUR 0.944 million).

Under a contract with the law firm Taylor Wessing, of which Robert Wethmar is a partner, fees of a total of EUR 563 thousand (previous year: EUR 566 thousand) were paid in consideration of advisory services provided for the benefit of Group companies. Liabilities outstanding as of December 31, 2022 are valued at EUR 1 thousand (previous year: EUR 26 thousand).

There were retirement benefit obligations towards related parties of EUR 156 thousand (previous year: EUR 167 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 4.518 million (previous year: EUR 4.271 million) were generated with associates in the year under review. The resultant receivables outstanding as of the reporting date stood at EUR 1.461 million (previous year: EUR 0.801 million). Prepayments of EUR 5.615 million (previous year: EUR 7.876 million) were made for construction contracts. There were outstanding liabilities of EUR 1.318 million (previous year: EUR 286 thousand) and services worth EUR 40 thousand (previous year: EUR 671 thousand) were procured.

There are non-current loans to associates with a carrying amount of EUR 27.998 million (previous year: EUR 31.576 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 unappropriated surplus

OHB SE exercises the function of an active holding company. Its main assets comprise investments which were carried at a value of EUR 72.675 million on the reporting date. OHB SE's equity stood at EUR 96.814 million on December 31, 2022. The Company's single-entity financial statements carry cash and cash equivalents of EUR 5.598 million. Income of EUR 14.640 million under profit transfer agreements and of EUR 10.774 million from dividends distributed by subsidiaries particularly made a contribution to the net profit of EUR 19.231 million for 2022. The parent-company financial statements prepared for OHB SE pursuant to German GAAP (HGB) for the year ending December 31, 2022 carry net profit for the year of EUR 58.707 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 58.707 million for 2022 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. Pursuant to Section 71b of the German Stock Corporation Act, the Company's treasury stock (106,696 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 be no change to 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 2021 came to EUR 0.48 per dividend-entitled share (17,360,900 shares) or a total of EUR 8,333,232.00. In addition, an amount of EUR 39,476,797.82 was carried forward. The unappropriated surplus came to EUR 47,810,029.82 in 2021.

Allocation of unappropriated surplus

EUR	2022
Unappropriated surplus	58,707,323.19
Dividend of EUR 0.60 for each dividend entitled share (17,361,400 shares)	10,416,840.00
Amount to be carried forward:	48,290,483.19

Remuneration

The remuneration paid to the members of the Management Board comprises fixed components that are not tied to performance and variable short-term components that are tied to performance. Share-based remuneration components or remuneration components with a long-term incentive have been granted to Dr. Lutz Bertling and Daniela Schmidt. In the event of the death of a Management Board member, his or her surviving dependents are entitled to receive continued payment of that member's fixed remuneration for a further period of six

months. The total remuneration paid to the Management Board in 2022 amounts to EUR 3.346 million (previous year: EUR 2.764 million) and is short-term in nature, including EUR 1.832 million (previous year: EUR 1.510 million) as variable remuneration components, and EUR 1.503 million (previous year: EUR 1.254 million) as fixed remuneration components, including fringe benefits such as allowances for health and pension insurance. This includes share-based payments of EUR 36 thousand.

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 2022, which is short-term in nature, came to EUR 208 thousand (previous year: EUR 162 thousand). Of this, the Chairman of the Supervisory Board received EUR 85 thousand (previous year: EUR 70 thousand) and the other members of the Supervisory Board a total of EUR 123 thousand (previous year: EUR 92 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 563 thousand (previous year: EUR 566 thousand) were paid in consideration of advisory services provided for the benefit of Group companies.

Share-based payments

In the year under review, 300 shares (previous year: 12,500 shares) were withdrawn from treasury stock. In 2018, 12,500 OHB SE shares had been 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. The contractual terms of this share-based payment were discharged in full in 2021. This resulted in residual expense of EUR 25 thousand in 2022. In 2022, one Management Board member received 300 shares from treasury stock not contingent on any further conditions as a remuneration component not tied to the fulfilment of any further conditions. The shares have a minimum holding period of 2 years after allocation. Staff costs of EUR 11 thousand were recognized for the shares transferred, this amount corresponding to the share price on the date of transfer.

Auditor fees and services

In the year 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 354 thousand (previous year: EUR 345 thousand)
- Other assurance services: EUR 68 thousand (previous year: EUR 10 thousand)
- Other services: EUR 62 thousand (previous year: EUR 25 thousand)
- Tax consulting services: EUR 0 thousand (previous year: EUR 4 thousand)

The other attestation services entail a review and confirmations of key financial figures. The other services relate to audit advice in connection with the non-financial report.

Events after the reporting period

In February 2023, MT Aerospace Holding GmbH entered into a voting agreement with the management of Rocket Factory Augsburg AG. Under the terms of this agreement, MT Aerospace Holding GmbH has undertaken to vote with two thirds of the shares it holds in favor of any subject matter after consultation with the management of Rocket Factory Augsburg AG. Due to the resulting relinquishment of control over the company, Rocket Factory is now accounted for using the equity method.

The consolidated financial statements were approved by the Management Board for publication following the Supervisory Board's meeting of March 13, 2023.

The Management Board
Bremen, March 13, 2023

RESPONSIBILITY STATEMENT BY MANAGEMENT

"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 13, 2023

The Management Board



Marco Fuchs



Klaus Hofmann



Kurt Melching



Dr. Lutz Bertling



Daniela Schmidt

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 December 31, 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, 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 January 1 to December 31, 2022. In accordance with the German legal requirements, we have not audited the content of the section "IV. [B] INTERNAL CONTROL SYSTEM" of the group management report.

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 December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, 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. Our audit opinion on the group management report does not cover the section "IV. [B] INTERNAL CONTROL SYSTEM" of the group management report.

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 January 1 to December 31, 2022. 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 treatment of revenue from construction contracts**
- (2) Recoverability of goodwill and internally generated other intangible assets with finite useful lives**

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 treatment of revenue from construction contracts**
 - (1)** Of the revenue reported in the consolidated financial statements of OHB SE as of the December 31, 2022 reporting date, EUR 905.6 million is attributable to construction contracts for satellites and other development contracts, which are recognized over time in accordance with IFRS 15. Revenue is recognized in accordance with the percentage of completion as of the reporting date, which is estimated

by comparing the construction costs incurred as of the reporting date against the total budgeted construction costs. The underlying cost estimates and allocation of the costs incurred under the contracts to the revenues reported in the consolidated financial statements are based on estimates and assumptions made by the executive directors of the parent company.

Against this background and due to the underlying scope for judgment and estimates on the part of the executive directors, and given the complexity of accounting for construction and development contracts, this matter was of particular significance in the context of our audit.

- (2)** In the knowledge that the complex nature of this matter and the estimates and assumptions involved give rise to an increased risk of accounting misstatements, as part of our audit we assessed the processes and controls established by the Group to recognize revenue from construction contracts for satellites and other development contracts based on the percentage of completion method. We also examined contracts with customers, reviewed the identification of separate performance obligations, and assessed whether these must be recognized over time or at a point in time.

Furthermore, we assessed the calculation of the budgeted costs and the costs actually incurred. We also evaluated the consistency of the methods used to calculate the costs incurred.

Furthermore, in order to appropriately mitigate the audit risk inherent in this audit area, we issued relevant instructions to the auditors of Group subsidiaries to ensure sufficient, appropriate and consistent audit procedures throughout the Group.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the recognition and measurement of revenue based on the percentage of completion method were sufficiently documented and substantiated to ensure that revenue is properly accounted for in accordance with IFRS 15.

- (3)** The Company's disclosures relating to revenue from construction contracts for satellites and other development contracts are contained in section 1 "Revenues" of the notes to the consolidated financial statements.

(2) Recoverability of goodwill and internally generated other intangible assets with finite useful lives

- (1)** In the Company's consolidated financial statements goodwill and internally generated other intangible assets amounting in total to EUR 130.4 million (12.1% of total assets or 44.4% of equity) are reported under the "Goodwill" and "Other intangible assets" balance sheet items.

Goodwill is tested for impairment by the Company once a year or when there are indications of impairment, and internally generated other intangible assets with finite useful lives are tested when there are indications of impairment, to determine any possible need for write-downs.

The impairment test is carried out at the level of the groups of cash-generating units, i.e., the respective subsidiaries, to which the relevant goodwill or internally generated other intangible asset has been allocated.

The carrying amount of the relevant cash-generating units, including goodwill and the internally generated other intangible asset, is compared with the corresponding recoverable amount in the context of the impairment test.

The recoverable amount is generally determined using the value in use.

The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account.

The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. No write-downs were necessary in 2022.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

- (2)** As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculations against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We discussed and examined supplementary adjustments to the medium-term business plan for the purposes of the impairment test with the members of the Company's staff responsible. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company.

Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

- (3) The Company's disclosures relating to impairment testing on goodwill and internally generated other intangible assets are contained in section 12 "Goodwill and other intangible assets" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the section "IV. [B] INTERNAL CONTROL SYSTEM" of the group management report, which we obtained prior to the date of our auditor's report, as an unaudited part of the group management report.

The other information comprises further

- 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 report to comply with §§ 289b to 289e HGB and with §§ 315b to 315c 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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, actions taken to eliminate threats or safeguards applied.

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 to be Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Disclaimer of Opinion

We were engaged to perform an assurance engagement 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 to be prepared for publication purposes (hereinafter the "ESEF documents") complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format").

We do not express an assurance opinion on the ESEF documents. Because of the significance of the matter described in the "Basis for the Disclaimer of Opinion" section of our report we have not been able to obtain sufficient appropriate assurance evidence to provide a basis for an assurance opinion on the ESEF documents.

Basis for the Disclaimer of Opinion

As the executive directors have not submitted any ESEF documents to us until the time of the issuance of the auditor's report, we do not express an assurance opinion on the ESEF documents.

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

It is our responsibility to conduct an assurance engagement on the ESEF documents 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 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). As a result of the matters described in the "Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate assurance evidence to provide a basis for an assurance opinion on the ESEF documents.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on June 1, 2022. We were engaged by the supervisory board on December 6, 2022. We have been the group auditor of OHB SE, Bremen, without interruption since 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).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Prof. Dr. Gregor Solfrían.

Bremen, March 13, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Gregor Solfrían
Wirtschaftsprüfer
(German Public Auditor)

ppa. Lars Hermanns
Wirtschaftsprüfer
(German Public Auditor)



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GLOSSARY

ADDITIVE MANUFACTURING

Industrial manufacturing process in which three-dimensional workpieces are created by applying materials in layers

AMC

Amortized cost

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 2023.

ARTIFICIAL INTELLIGENCE

Branch of computer science dealing with the imitation of human abilities by machines

ASI

Agenzia Spaziale Italiana, Italian Space Agency

BIG DATA PROCESSING

Computer-aided evaluation and preparation of large amounts of data for deriving or supporting decisions

CFRP

Carbon fiber-reinforced composites characterized by their low weight combined with high rigidity

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

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 hyperspectral earth observation satellite EnMAP was developed and built by OHB System AG on behalf of the German Space Agency at DLR with funding provided by the German Federal Ministry for Economic Affairs and Climate Protection (BMWi). The German Geosciences Research Center in Potsdam is responsible for scientific management. DLR in Oberpfaffenhofen built and operates the ground segment.

ESA

European Space Agency

EU

European Union

EUMETSAT

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

FLAC

Financial liabilities measured at amortized cost

FLPP

Future Launcher Preparatory Program; ESA program for the further development of European launch vehicle systems

FVOCI

Fair value through other comprehensive income

FVPL

Fair value through profit or loss

GALILEO

European global satellite-based navigation system

GATEWAY

Next space station of the ISS partners to be built step for step in a lunar orbit starting in 2024. It is to be used as a starting point for astronomical lunar missions and for further exploration of our solar 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 platform to explore new communications technologies in space. The "Heinrich Hertz" satellite mission is supported by the German Space Agency at DLR, with funding from the German Federal Ministry for Economic Affairs and Climate Action, and conducted in collaboration with the German Federal Ministry of Defence.

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

INTERNET OF THINGS (IOT)

Networking of physical objects using sensors, software and other technologies via the Internet

IRIS2

Telecommunications constellation to be implemented by the European Commission, ESA and private partners. It is expected to enable secure communications, critical infrastructure connectivity and commercial broadband services across Europe and Africa over the course of this decade

ISS

International Space Station; a joint project of various space 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

LEO

Low earth orbit; circular orbits around the Earth at an altitude of up to 2,000 kilometers

LEOCOM

Telecommunications platform for medium- and low-earth orbit satellite missions suitable for high-power constellations (especially IRIS2)

MEO

Medium earth orbit; circular orbits around the earth at an altitude of between 2,000 and 35,786 kilometers

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

PETABYTE

Unit for an amount of data; a petabyte stands for about 1,000 terabytes or 1,000,000 gigabytes

R&D

Research and development

SENTINEL

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

SHIPSETS

Designation for a complete set of components required for the construction of a complete product

SMALLGEO

Versatile geostationary satellite platform developed by OHB System AG which can be tailored to various mission objectives such as telecommunications, earth observation and technology testing

SMARTMEO

Flexible and mass-produced platform for use in medium and low-earth orbit, based on the satellites of the Galileo constellation

SOYUS LAUNCHER

Russian launch vehicle launched from Kourou, French Guiana from 2011 until February 2023 in an adapted European version

TRITON-X

Modular microsatellite platform in the 50-250 kg class developed by LuxSpace Sàrl for low-earth-orbit missions

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 of the Vega-C variant into near-earth orbits

FINANCIAL CALENDAR FOR 2023

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

Event	Date
Annual report for 2022/ analyst conference	March 15, 2023
3-month report/ analyst conference	May 10, 2023
Annual general meeting	May 25, 2023
6-month report/ analyst conference	August 10, 2023
9-month report / analyst conference	November 9, 2023
Deutsches Eigenkapitalforum, Frankfurt am Main	November 27–29, 2023

TRADE FAIR DATES 2023

GOSATCOM Konferenz in Munich

March 27–29, 2023

gosatcom.et.unibw-muenchen.de/index.php

CYSAT in Paris

April 26–27, 2023

www.cysec.com

14th IAA Symposium on Small Satellites for Earth Observation in Berlin

May 7–12, 2023

www.iaaspace.org/event/14th-iaa-symposium-on-small-satellites-for-earth-system-observation-2023/

AFCEA trade exhibition in Bonn

May 10–11, 2023

www.afcea.de/fachausstellung

International conference on Space Exploration in Turin

May 10–12, 2023

www.academieairespace.com/space-exploration/presentation/

The Global Space Conference on climate change in Oslo

May 23–25, 2023

www.iafastro.org/events/global-series-conferences/gloc-2023/

BreakBulk Europe in Rotterdam

June 6–8, 2023

www.europe.breakbulk.com/Home

Paris Air Show in Le Bourget

June 19–25, 2023

www.siae.fr/en/

SmallSat Conference in Logan

August 5–10, 2023

www.smallsat.org

Railway Forum in Berlin

September 6–7, 2023

www.railwayforum.de

74th International Astronautical Congress in Baku

October 2–6, 2023

www.iac2023.org/

Intergeo in Berlin

October 10–12, 2023

<https://www.intergeo.de/en/>

Europort in Rotterdam

November 7–10, 2023

www.europort.nl/

Space Tech Expo Europe in Bremen

November 14–16, 2023

www.spacetecheppo-europe.com/

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