

ams OSRAM

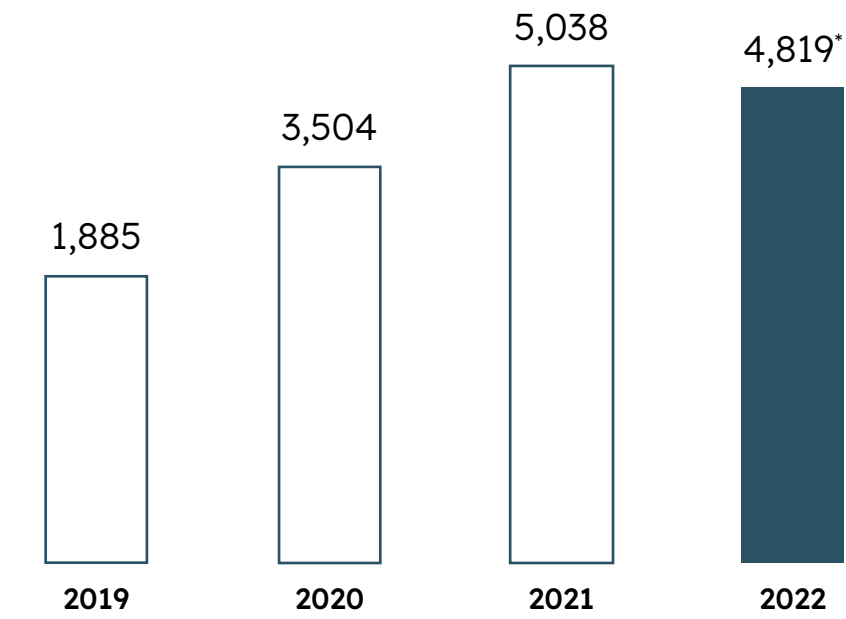
Sense
the next

Highlights

| In millions of EUR | 2022 | Changes to 2021 | 2021 | 2020 |
|---|--------------|-----------------|--------------|--------------|
| Revenues | 4,819 | -4% | 5,038 | 3,504 |
| Revenues on comparable portfolio basis | 4,819 | 2% | 4,731 | |
| Gross margin (adjusted) ¹ | 31% | | 34% | 33% |
| R&D expenses | 630 | -2% | 692 | 423 |
| Operating result (EBIT) (adjusted) ¹ | 407 | -19% | 502 | 463 |
| EBIT margin in % (adjusted) ¹ | 8% | | 10% | 13% |
| Net result (adjusted) ¹ | 124 | -55% | 273 | 237 |
| Earnings per share (adjusted) ¹ (in EUR, basic) | 0.47 | -55% | 1.05 | 1.07 |
| Earnings per share (adjusted) ¹ (in CHF, basic) ² | 0.47 | -59% | 1.14 | 1.15 |
| Operating Cash Flow | 599 | -24% | 792 | 702 |
| Free Cash Flow | 62 | -87% | 482 | 525 |
| Capital expenditures | 537 | 73% | 310 | 177 |
| Net debt (as of December 31) | 1,717 | -4% | 1,795 | 1,706 |
| Equity ratio | 32% | | 33% | 30% |
| Employees (average) | 23,322 | -11% | 26,130 | 30,031 |

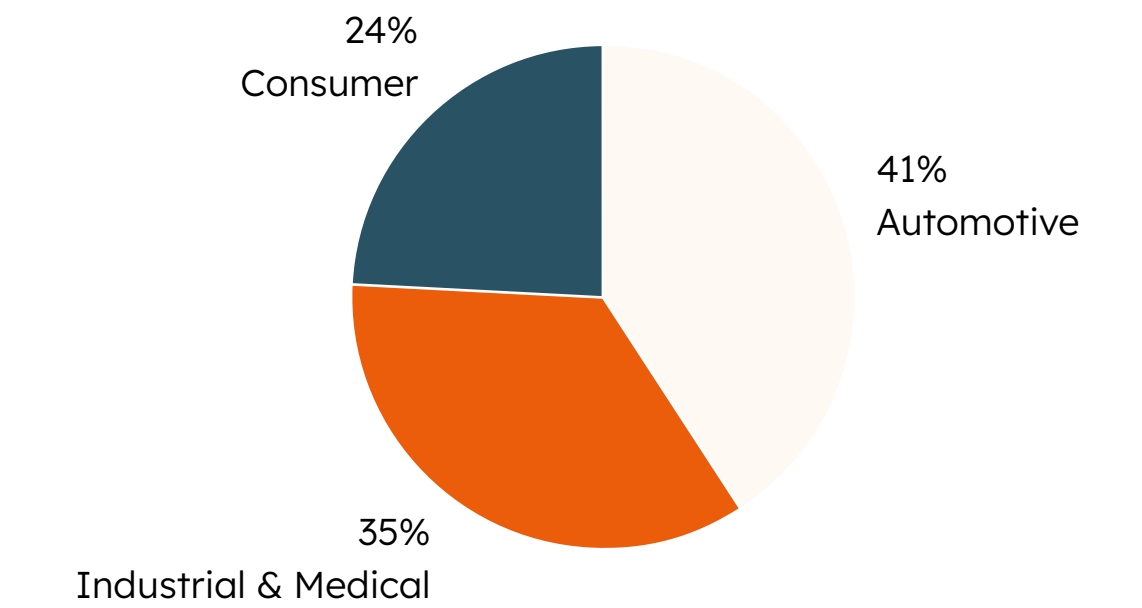
| Segment results | 2022 | Changes to 2021 | 2021 |
|---|-------|-----------------|-------|
| Revenues Semiconductors | 3,167 | -3% | 3,279 |
| EBIT margin Semiconductors (adjusted) ¹ | 10% | | 14% |
| Revenues Lamps & Systems | 1,652 | -6% | 1,760 |
| EBIT margin Lamps & Systems (adjusted) ¹ | 6% | | 3% |

Total revenues in EURm

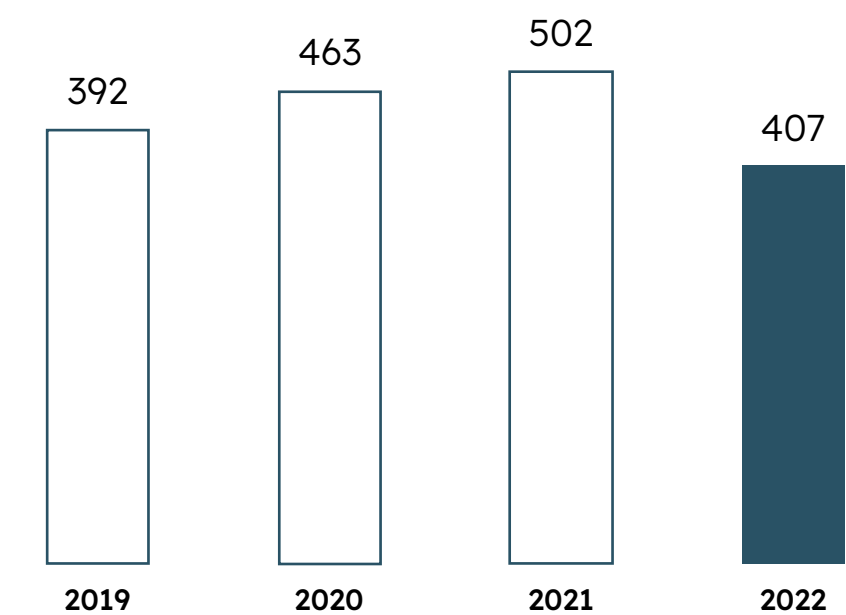


* Reflecting EUR 307m deconsolidation effects due to disposals

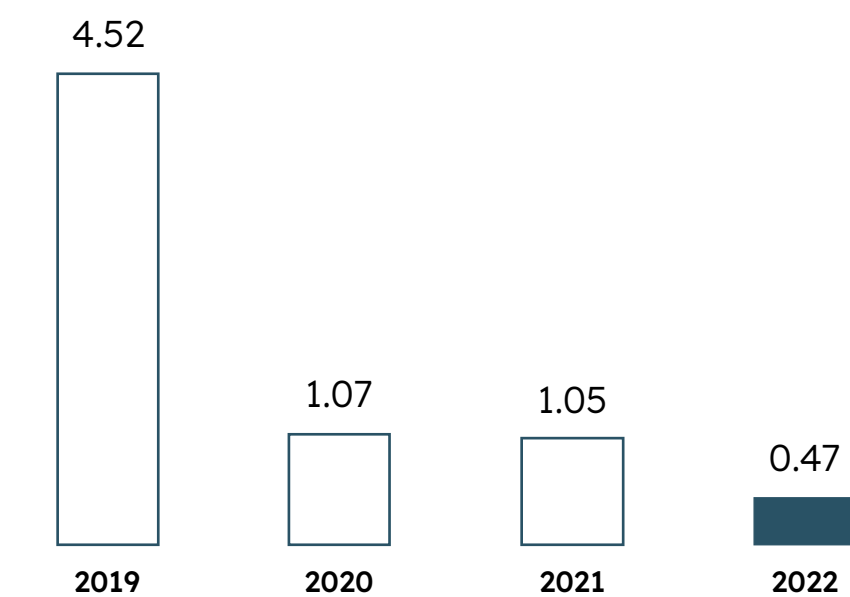
Revenues by market 2022



Operating result (EBIT) in EURm¹



Earnings per share (EPS) in EUR (basic)¹



¹ Excluding M&A-related, transformation and share-based compensation costs as well as results from investments in associates and sale of a business.

² Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.



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To our Shareholders

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Preface Management Board



Alexander Everke
(CEO, until 31 March 2023)



Ingo Bank
(CFO)



Thomas Stockmeier
(CTO)



Mark Hamersma
(CBO)

Dear Shareholders,

2022 was characterized by macro-economic and geopolitical developments that created exceptional challenges for economies worldwide. The war in Ukraine, distortions in global supply chains, cost inflation and the continued Covid-19 pandemic, in particular in China, led to significant uncertainties and new demands on our business, requiring special efforts from our company and our employees. Against this backdrop, we have been able to deliver overall solid results for 2022. Full-year group revenues were EUR 4,819 million, which includes deconsolidation effects. On a like-for-like portfolio comparison basis, revenues slightly increased by 2%, despite the headwinds mentioned above. We recorded an adjusted EBIT margin of 8.4% for the full year which was in line with our expectations.

The Semiconductors segment provided 66% of full-year revenues. The automotive semiconductor business recorded solid results, particularly in light of continued supply chain volatilities as we moved through the year and notable inventory adjustments in automotive supply chains in the second half of 2022. While managing unsupportive market dynamics, we confirmed our position as the global leader in automotive LED lighting and expanded our design pipeline in future applications. Our consumer business achieved full-year results which were in line with adjusted expectations, which reflected the less favorable market development over the course of the year, namely the lack of demand recovery in the China and Android markets. Overall, we underscored our position as a key supplier of optical solutions to the leading consumer OEMs last year for applications such as display management and camera enhancement sensing. Finally, the industrial and medical semiconductor business performed well last year on an overall basis as industrial markets provided attractive demand support through much of the year.

The Lamps & Systems (L&S) segment also recorded a solid performance last year, accounting for 34% of total revenues at an improved EBIT contribution year-on-year. Even in light of the demanding market environment, the L&S automotive business, which makes up the largest part of the L&S segment and includes legacy traditional lighting, showed an overall positive development and underlined its leading market position.

The accretion of synergies and savings from the integration of OSRAM continued in line with our plans in 2022. We were also very successful in advancing various integration programs across our combined business, including significant IT system and ERP harmonization, aligning the fiscal year for the group, streamlining corporate structures and aligning policies and processes. We are pleased to confirm that we achieved the full set of integration milestones we had set ourselves for 2022 and are focused on realizing further progress through 2023.

Fulfilling our promise to realign and focus our portfolio, we realized several further planned disposals last year and can now confirm that all communicated planned disposals have been closed. With this, the divestment process announced with the acquisition of OSRAM is completed. We achieved total proceeds from these disposals of well above EUR 550 million which is above our initial expectations. This is a strong achievement considering a less favorable environment for such transactions last year.

At fairs and customer events, we presented our enhanced capabilities as an innovator that combines leading expertise in light emitting and sensing. In automotive, for example, we showcased the newest generation of front lighting for dynamic forward lighting. In so-called highly pixelated matrix headlamps, our pioneering efforts create a solution that is a fully integrated light source/driver system with more than 25,000 addressable light points. It not only significantly improves adaptive headlight operation but also enables warning symbols to be projected onto the road. Next to this, we offer a range of solutions for interior cabin sensing. Our optical sensors can be combined with dedicated light emitters to create high performance systems monitoring driver alertness or the cabin space.

Another revolutionary emerging optical technology is microLED. This leading-edge display technology will power the next generation of displays which answer the needs of the display industry in terms of exceptionally brilliant colors, brightness and contrast at very low power consumption. Our deep customer engagement in this area confirms our strategic leadership position in true microLED with the smallest structure size as well as our clear frontrunner position for high-volume industrialization of this technology. Last year we continued to invest strongly into this area and underlined the partner engagement by making significant investments into our manufacturing capabilities to support future microLED demand.

Overall, the positive feedback that we receive from customers on our leading product and technology portfolio reassures us on our strategic path.

2022 also marked the groundbreaking of our new 8" LED production facility at our existing location in Malaysia. With this, we are the frontrunner in the industry in the move to state-of-the-art 8" manufacturing and we are adding this capacity to support expected growth in both microLED as well as advanced LED. The very significant strategic investment is in line with our commitment to growth and we expect to shape many different applications with this facility over the next 10 to 20 years. The construction of the facility building progressed fully in line with plans last year, despite a more demanding supply and cost situation and is nearing completion. Beyond this and reflecting last year's market situation, we focused on streamlining other investments in R&D and capital expenditures for future technologies.

With a view to our financial position, we were able to improve our debt position and balance sheet structure last year. We repaid well over EUR 400 million of outstanding debt, including the matured USD convertible bond, and saw our net debt position move lower at the end of 2022 compared to end of 2021.

In 2022, we also made measurable progress in the area of sustainability. Sustainability has been firmly anchored in the company across functions for a long time and we have now harmonized our related structures and processes. To steer our efforts, we have developed a comprehensive sustainability strategy built around the focus topics of climate protection, working conditions, diversity, human rights, integrity, and the circular economy. The progress we have made has already been reflected in external ESG analyses last year: we improved significantly year-on-year in several well-renowned sustainability ratings and were selected as one of few companies for S&P's Corporate Sustainability Assessment Yearbook. This validates our corporate strategy, which regards sustainability as an essential component of our long-term success. Aligned with these objectives, our products are designed for energy efficiency so that they can support customers in their sustainability goals and help create positive contributions to society.

We would like to thank our employees for their great commitment towards our vision during a demanding 2022. Their imagination, energy and dedication are the cornerstones of our worldwide success. We also thank our shareholders, customers and partners for their continuing support and trust in ams OSRAM and the Supervisory

Board for supporting decisions to advance our strategy. With our integration progressing as planned, we are now taking the next step as a leader in the optical arena. The focus will be even more on significant innovation and continuing to leverage our portfolio and engineering talent to benefit our customers.

Optical semiconductor solutions are a key enabling technology, making many other innovations possible across industries. Drawing on our strengths, we are excited to provide breakthrough optical technologies that offer our customers a competitive edge in a fast-changing world. Our theme for this report – "Sense the next" – reflects this commitment. As a trusted innovation partner, we will keep sensing the next technology trends and designing innovative products and solutions for sensing, visualization and illumination. We invite our customers to experience the possibilities of how our distinctive portfolio and expertise is creating the future of optical solutions.

Alexander Everke
Chairman of the Management Board
CEO (until 31 March 2023)

Ingo Bank
Member of the Management Board
CFO

Dr. Thomas Stockmeier
Member of the Management Board
CTO

Mark Hamersma
Member of the Management Board
CBO

Preface Supervisory Board

Ladies and Gentlemen,

The major geopolitical developments of 2022, particularly those related to the war in Ukraine, unfortunately created meaningful discontinuities and uncertainties for the world economy, including inflationary pressure. Additionally, noticeable impacts from Covid-19 continued in key regions of the world over a significant part of the year. The combination of these effects negatively influenced supply chains and market demand, resulting in a challenging macro-economic environment. This development also impacted the semiconductor industry, the high-tech industry and end markets for ams OSRAM last year.

Despite a more difficult market situation over the course of 2022, ams OSRAM steered course and remained focused on its strategic objectives and their implementation. ams OSRAM made further good progress in the integration of OSRAM and the re-alignment of the group's portfolio to focus on the core technology areas in sensing, illumination and visualization. This included announcing and implementing further planned disposals of businesses that are not part of this strategic core. The integration also remained an important aspect in the work of the Supervisory Board last year, following a number of significant steps taken in 2021.

In 2022, the Supervisory Board held six meetings, with and without Management Board participation, to analyze and discuss the business situation and strategic potential of the company and take relevant decisions. The meetings were held virtually at the beginning of the year due to Covid-19-related restrictions and precautions and in person in the latter part of the year. All members of the Supervisory Board participated in all of its meetings and the same applies to all meetings of its committees, with the exception of one member not participating in one Supervisory Board meeting. The meetings were complemented by ongoing direct interactions between Management Board and Supervisory Board members in which the Management Board added to the scope of its monthly reporting and provided details on the business and financial situation of the group, investment projects, the integration, and developments in technology, manufacturing operations and human resources. In this context, the Supervisory Board paid particular attention to the evolution of cash flows, the debt position and the balance sheet structure.

The Supervisory Board also continued to track efforts and strategies for strengthening or regaining market share in important business areas and end markets. Complementing these activities were detailed discussions with the Management Board on executing the group's strategy for long-term profitable growth. The Supervisory Board thus fulfilled its responsibility to monitor the business and financial development of the group as well as the Management Board's implementation of the corporate strategy.

2022's Supervisory Board decisions focused in particular on the annual accounts, the budget, the alignment of the corporate strategy, the General Meeting proposals regarding the Chairperson and Deputy Chairperson of the Supervisory Board, the approval of a more concise group structure with a reduced number of group companies, the approval of management appointments in subsidiaries and adjustments to the procedures and internal structure of the Supervisory Board. To further bolster the efforts to become the leader in optical solutions, an all-day strategy meeting with the management was held to discuss the mid- to longer-term development path for strategic business lines and the mid-term planning process underlying the annual budgets.

The Supervisory Board and Management Board again evaluated the economic success and implementation of major decisions taken in previous years. A majority of projects showed outcomes in line with or exceeding the assumptions made. For projects where this was not the case, a detailed analysis was conducted to inform and improve future decision-making. The Supervisory Board also once again evaluated its own activities in a structured process last year.

To underline the increasing relevance of sustainability and ESG topics for the group's business, strategy and stakeholders, the Supervisory Board created an ESG Committee in 2022. The Committee focuses on integrating sustainability and ESG parameters into the business strategy together with the management. This includes defining the group's sustainability strategy as well as steps to ensure sustainable business

management and resource use. ESG- and sustainability-related topics have been included in the Management Board's compensation targets since 2022.

The Nomination Committee worked extensively on the succession planning for both Supervisory Board and Management Board positions last year, including related to upcoming Supervisory Board elections. Beginning in the second half of 2022, succession planning for the Management Board became an important element of the Supervisory Board's overall activities. In the first quarter of the current year, the Supervisory Board and Alexander Everke agreed that he will hand over to a successor at the end of March 2023. The Supervisory Board's concurrent appointment of Aldo Kamper as new CEO of ams OSRAM starting 1 April 2023 ensures a seamless transition of leadership for the group. As Ingo Bank had decided not to renew his contract for personal reasons and is leaving the company, the Supervisory Board appointed Rainer Irle as new CFO of ams OSRAM starting 1 July 2023.

The other committees of the Supervisory Board fulfilled their responsibilities while actively engaging with the relevant members of company management over the course of 2022. Topics included the procedure for and audit of the annual accounts – mostly in collaboration with the auditor – the internal audit process, the monitoring of financial reporting and effective internal control and risk management for the Audit Committee and innovation management, key customer and development projects, the ongoing development and industrialization of microLED technology, the application strategy, optimized central development processes, and academic collaborations for the Technology Committee.

The Compensation Committee focused on updating and redefining the remuneration policy and long-term incentive program for the Management Board following a detailed analysis of the existing programs and evolving stakeholder expectations. The new remuneration policy which the Supervisory Board will propose for approval in this year's Annual General Meeting is designed to appropriately balance company and stakeholder objectives.

On behalf of the Supervisory Board, I would like to thank the Management Board and, in particular, the employees of ams OSRAM worldwide for their commitment and dedication to the group's strategic goals in the demanding environment of 2022. I would also like to thank Alexander Everke and Ingo Bank for their strong leadership over the last years, during which they realized the significant and complex acquisition of OSRAM in the CEO and CFO roles.

Moreover, I would like to thank the shareholders, customers, partners and other stakeholders of ams OSRAM for their continued support as the group pursues its strategy for leadership in optical solutions.



Dr Margarete Haase
Chairperson of the Supervisory Board

Investor Relations

ams OSRAM share price development



— ams OSRAM in CHF
— SOX – Semiconductor Sector Index (rebased)
— STOXX Europe 600 (rebased)

The extensive product and technology portfolio of ams OSRAM creates a range of opportunities for profitable growth which the group expects to realize over the coming years. Implementing its strategy for global leadership in optical solutions, the group continues to invest in future technologies to enable innovation, differentiation and growth in new markets as societal megatrends drive demand for optical technologies. At the same time, ams OSRAM is creating sustained value from substantial synergies as part of the integration of ams OSRAM. Combining these elements as a global industry leader, ams OSRAM offers meaningful potential for long-term appreciation of its shares.

The ams OSRAM share saw a volatile development through 2022 resulting in a negative performance for the year. This development reflected significant impacts on global semiconductor markets from last year's geopolitical and macro-economic developments as well as supply chain imbalances and inventory adjustments in key end markets. An attractive business outlook supported the share price development in the early part of the year, complemented by achieving further milestones in the planned portfolio re-alignment and disposal process while the integration and related synergy creation continued to progress. Towards the end of the first half, the war in Ukraine and resulting macro-economic and inflation effects led to increased share price volatility given higher levels of uncertainty.

The share price development in the second half of the year largely reflected negative demand trends and market dynamics in major end markets. The group's automotive business was negatively impacted by meaningful inventory adjustments in automotive supply chains while a lack of demand recovery in the China and Android markets drove year-on-year volume reductions in the consumer business. These factors resulted in a negative momentum of the share price through the second half of the year.

At the same time, ams OSRAM was successful in re-aligning and streamlining its portfolio in line with the group's long-term strategy, announcing and/or closing several disposal transactions in a more challenging environment. At the end of 2022, ams OSRAM had signed all planned disposals of non-core businesses as the group continues to focus on key areas for leadership in optical solutions. Against the backdrop of these impacts to the group's business and markets and a more unfavorable capital market environment, the ams OSRAM share showed a negative performance of 59% compared to the beginning of the year.

In April 2022, ams OSRAM held a global virtual Capital Market Day (CMD) to update investors and analysts on its strategy, its new aligned business portfolio and strong technology position. Several hundred stakeholders worldwide participated in the virtual event, which was presented by the complete Management Board as well as select business area leaders. In the context of the CMD, ams OSRAM defined a five pillar value proposition for investors and stakeholders which guides the implementation of the group's strategy: Commitment to growth, path to strong sustainable profitability, balanced and diversified business mix, prudent financial policy, and focus on long-term value generation.

In line with its emphasis on prudent financial policy, ams OSRAM repaid more than EUR 400 million of debt in 2022 which included the planned repayment of the matured USD convertible bond. ams OSRAM had previously decided to suspend its cash dividend policy for 2021 to focus on strengthening its business in the context of the acquisition of OSRAM. To further support the integration as well as investments in growth technologies, including the group's significant long-term oriented investment for an industry-first 8" LED manufacturing facility, ams OSRAM has decided to suspend its cash dividend policy for fiscal year 2022.

At the Annual General Meeting in June 2022, the agenda items subject to a vote were approved with significant majorities except for the agenda item on the remuneration report for 2021. As a consequence, ams OSRAM has updated and extended the remuneration report for 2022, which is included on [page 37](#) of this report, to meet the information expectations of various stakeholders.

ams OSRAM continued its extensive investor relations activities last year, based on its quarterly reporting and regular presentations to research analysts, institutional investors and press. As Covid-19 travel restrictions continued in major regions for the majority of the first half of the year, ams OSRAM held investor road shows covering Europe, North America and Asia/Pacific in a virtual format.

With travel restrictions decreasing in the second half, ams OSRAM returned to physical or hybrid formats for investor meetings last year. This included international investor conferences which were a further means to access existing shareholders and identify potential new investors in different regions.

Executive Bodies

Management Board

Aldo Kamper (CEO, since 1 April 2023)
Alexander Everke (CEO, until 31 March 2023)
Ingo Bank (CFO, until 30 April 2023)
Dr. Thomas Stockmeier (CTO)
Mark Hamersma (CBO)

Supervisory Board

Guido Klestil (Honorary Chairperson)

Dr. Margarete Haase (Chairperson)
Hans Jörg Kaltenbrunner (Former Chairperson, until 24 June 2022)
Dr. Wolfgang Leitner (Deputy Chairperson, since 24 June 2022)
Michael Grimm (Former Deputy Chairperson, until 24 June 2022)
Loh Kin-Wah
Tan Yen Yen
Dr. Monika Henzinger
Brian Krzanich
Brigitte Ederer
Andreas Gerstenmayer (since 24 June 2022)
Andreas Pein (employee representative)
Günter Kneffel (employee representative)
Sabine Radesey (employee representative)
Patrick Reinisch (employee representative)

As a result, ams OSRAM recorded increasing interest from investors outside of Europe, helped by the advanced stage of the integration and the increased global footprint of the group.

The “Investor” section of the company website ams-osram.com offers a comprehensive range of financial reports, press releases, presentations, audio releases, general meeting and corporate governance information and additional data on the ams OSRAM share.

ams-OSRAM AG

ISIN: AT0000A18XM4
Securities code: 24924656
Ticker symbol (SIX Swiss Exchange): AMS
Bloomberg: AMS SW
Reuters: AMS.S



Our Company

Our company

Automotive

Consumer

Industrial & Medical

Our talent

Sustainability

Our company

ams OSRAM is a global leader in optical solutions with a focus on lighting and sensing technologies. We are known for our imagination, deep engineering expertise and worldwide industrial manufacturing capacities. Our innovative products and technologies enable radically new applications that make life better for everyone. Using the full spectrum of light, we capture, analyze and visualize the information our environment provides. We enable humans and machines to comprehend and interact with the world around us: to make journeys safer, medical diagnoses more accurate and everyday moments of communication a richer experience.

Pursuing our vision to become the uncontested leader in optical solutions, we continuously advance our technologies in sensing, illumination and visualization. We offer what we believe to be an unparalleled portfolio of optical solutions and technologies: from high-quality light emitters and optical components to light sensors, micro-modules, ICs and the related software and algorithms.

Optical semiconductor solutions are a key enabling technology, making many other innovations possible across industries. Our deep system understanding, paired with our leading expertise in the areas of emitting, directing, sensing and processing light, makes us the partner of choice for many industries. We enable our customers in the automotive, consumer, industrial, and healthcare sectors to create innovative, market-changing applications and thus maintain their competitive edge.

With a view to creating technologies for growth markets, we continue to add to our innovation roadmap through significant R&D investments and strategic acquisitions, strengthening our excellent IP position with more than 15,000 patents. We continually invest in our leading semiconductor expertise and world-class manufacturing network to live up to our reputation of reliably bringing top quality to the world at scale.

Systematically executing our strategy for innovation and technology leadership, we move towards realizing our vision while pursuing long-term profitable growth for our company and its stakeholders.

Our business

As a global leader in optical technologies, we harness the full spectrum of light to make life better. From product idea to tangible design through to the manufacturing process, we enable our customers to create high performance optical applications for the automotive, consumer, industrial and healthcare markets. What differentiates us, is our broad technology spectrum covering the emission of light as well as its detection through sensing and intelligent processing. We serve the value chain of optical solutions with our innovative products and solutions, which are designed for best-in class performance, size, cost and energy efficiency.

We are experts in the development and integration of a wide range of optical technologies, from single components through to complex systems. This enables us to be a market and innovation leader, serve our customers as trusted partners and differentiate ourselves in the marketplace.

Automotive: Reliability drives innovation

The automotive industry is changing. New technologies and innovative mobility concepts are making vehicles continually safer and smarter. The rise of e-mobility places new demands on automotive design and requires new energy-efficient solutions. As a long-standing innovation leader in optical semiconductor technologies, we play an important role in redefining mobility. We turn ideas into tomorrow's technologies with the highest quality and reliability, proving our trusted partnership with the automotive sector.

Optical technologies are a key element of new mobility concepts. The combination of optical sensors and light emitters makes our product portfolio special. We offer real added value for safety and comfort in road traffic. Our innovative solutions for interior and exterior lighting and sensing complement each other in high quality and precision and are tailored to the requirements of the respective application areas. Based on our advanced highly-pixelated matrix LEDs we enable intelligent lighting and visualization solutions for dynamic headlights that can instantly adapt the light beam to the traffic situation. Advanced driver assistance systems are the backbone of automated and autonomous driving. With our innovative technologies, we enable reliable and highly efficient solutions to protect passengers and traffic participants.

The new mobility is transforming the car interior into a living space. High-resolution displays, smart surfaces, seamless human-machine interaction and adaptable ambient lighting solutions are gaining importance. Our optical solutions enable a high level of comfort and a more attractive user experience with high precision and energy efficiency.

We provide a spectrum of technologies to make automotive mobility safer, more comfortable and more sustainable.

Consumer: Performance enables experiences

We are closely connected to the world with smartphones, computers, tablets and wearables as constant companions. They make our lives easier and safer while allowing us to interact, capture moments and create fun and excitement.

Our advanced sensing and light-emitting technologies actively shape the way we capture and interact with the world. Our portfolio holds both parts of optical technologies: the emitting as well as the detecting and sensing technologies. These technologies play a key role for applications such as bright full-screen displays, health data sensing and brilliant images for mobile, portable and computing devices.

Together with our customers, we are involved in pioneering solutions for outstanding user experiences. We are a frontrunner in the industrialization of emerging innovation areas such as microLEDs for next-generation displays. MicroLEDs offer significant advantages over LCD and OLED displays in key performance aspects such as brightness, contrast, viewing angle and energy efficiency. We are in a strong position to become a clear leader in high resolution microLED technology. We have the capabilities and a focused roadmap to deliver this demanding technology with microLEDs in smallest structure size.

Our lighting and sensing technologies also improve the quality of images and their visualization in current applications. They enable accurate ambient light, color and proximity sensing solutions to operate behind OLED displays. Our miniaturized solutions help achieve outstanding picture quality for mobile device cameras and support emerging AR/VR functionalities in fields like proximity sensing, eye-tracking, and near-to-eye projection.

With our expertise, we create inspiring user experiences in next-generation applications, and make today's ideas tomorrow's reality.

Industrial: Making light work with reliable innovations

Digitalization and 5G are revolutionizing industrial automation by enabling machines to interact with each other as well as with humans. For machines to sense their environment, they need high-performance sensor and light-emitting solutions. Our comprehensive portfolio covers different market requirements: speed, power and accuracy coupled with form factors and cost efficiency.

Our products make industrial production faster and more efficient by enabling innovations ranging from advanced machine vision to predictive maintenance and secure human-machine interaction. From production lines to home appliances – our technologies make machines and robots smarter and thus more powerful, including safety solutions for collaborative human-machine environments.

As a market leader in horticultural lighting, we create the perfect light environment for indoor plant growth in indoor or vertical farming. We combine pioneering wavelength-optimized LEDs across the relevant color spectrum with spectral sensing technologies for cutting-edge growth stimulation and precise condition monitoring. Targeted lighting solutions also minimize fertilizer use and reduce energy costs.

Our highly efficient UV-C LED emitters, spectral sensors and accurate presence detectors are able to make our environment safer. We enable new functionalities for easy, safe and affordable UV treatment – for example, embedding in light sources to clean public areas or workplaces.

Our comprehensive lighting portfolio perfectly matches various industrial lighting needs with innovative LEDs alongside spectral and ambient light sensors. Miniaturized LED products provide our customers with endless design possibilities, greater cost efficiency, outstanding performance and maximum accuracy.

With our extensive portfolio and application expertise, we help make industrial processes and applications smart and efficient.

Medical: Delivering miniaturized solutions with high precision

Awareness of personal health and fitness is steadily growing. Increasing digitization is driving professional and personal healthcare and opening up completely new functionalities.

Co-creating with customers requires extensive experience and a deep understanding of medical and health application needs. We develop key technologies for accessible, precise and efficient diagnostics and healthcare systems. Our advanced sensing and lighting products offer the highest levels of accuracy, simplify processes and create new use cases, for example in medical imaging, where we enable best-in-class digital X-ray and CT images as well as micro-camera invasive examinations.

We bring together innovative light-emitting and optical sensor solutions for advanced fitness tracking and health data capture. As a leading supplier of vital sign monitoring solutions, we pioneer technologies spanning from innovative biometric optical sensor solutions to components for fitness and health monitoring, with and without medical supervision.

Our products make diagnostics less burdensome and healthcare more accurate, affordable and individual.

“The classic driving experience is transforming into a more holistic mobility experience.”



Driving the revolution in automotive and mobility

On the road to highly assisted and autonomous driving, the classic driving experience is transforming into a more holistic mobility experience – with optical solutions playing a key part in enhancing safety, comfort and driving pleasure.

Electrification, connectivity, assisted and autonomous driving – the automotive industry is undergoing a fundamental change. Which role do optical semiconductors play in this?

Gerald Broneske (Global Product Marketing Automotive): Over more than 100 years as a trusted partner for the automotive industry, we have witnessed and pioneered many groundbreaking trends in automotive technology. The most revolutionary, however, is happening right now. For a long time, in the driver’s perspective, the engine, chassis and driving experience came first. Today, with cars becoming increasingly electrified, automated, connected and shared, the user and driver focuses on a more holistic mobility experience: on safety and comfort, on connectivity and entertainment, on increased interaction with the vehicle’s functions and features. To bring this new automotive paradigm into reality, optical solutions play an essential role.

Can you give us some examples?

GB: For many years, traditional optical technologies provided essential functions for headlights, braking and turn signals, and in-cabin lighting. With LEDification many of these traditional technologies have already been replaced by LED light sources. In addition, we find many more optical products for smart illumination and visualization in modern or next generation cars – from highly-pixelated matrix headlamps, ambient lighting to C2X communications and display backlighting. And there are several promising new growth drivers in the field of sensing, such as in-cabin sensing and driver monitoring due to regulatory requirements, the upcoming use of LiDAR sensing for automated driving functions, or smart surfaces as the car develops into a third living room for the user. Based on our global leadership in automotive lighting and a strong sensing portfolio, ams OSRAM serves these applications with a broad spectrum of light emitters and sensing solutions.

What does this trend toward smart solutions mean for exterior lighting?

GB: One major trend is Dynamic Forward Lighting, which is about intelligent pixelated headlights with a number of light points. These adaptive headlights are becoming increasingly sophisticated as they allow adaptation to oncoming traffic, highlight traffic signs and even project information on the road. To solve the problem of glare,

for example, the highly pixelated LED headlights automatically switch off pixels that would interfere with the view of the driver of an oncoming vehicle. The more pixels, the more precisely the beam can be adjusted. Our EVIYOS technology raises the number of pixels from the current level of just a few dozen pixels to around 25,000 pixels, which not only enables a significant improvement in adaptive headlight operation but also the projection of warning symbols onto the road surface.

You mentioned smart surfaces. What is behind this concept?

GB: Car manufacturers today want to bring increasing functional complexity into the car interior. At the same time, the trend is moving toward tidy cockpits with smooth surfaces and intuitive controls. Physical buttons and knobs are becoming more and more outdated. And displays are limited to certain areas due to geometric restrictions and relatively high cost, while also suffering from reflections. A new human-machine interface is needed – which can be realized via so-called smart surfaces. They combine light sources, drivers, and sensors to allow novel applications inside the car. For example, interactive, decorative backside-illuminated animations and Shytech buttons that only appear when the user looks at them or moves his hand toward them. This will revolutionize interaction across the full car interior, including the middle console, center stack, overhead consoles, door panels or steering wheel.

Are all these new functionalities not impacting the distance range of electric vehicles?

GB: Of course, these functions need electrical power, and there are intense discussions in the industry about trade-offs between functionality and energy consumption. At the same time, our increasingly efficient semiconductor solutions help save energy in these functions. For example, our latest LED light sources for daytime running lights require 33% less power compared to six years ago, while providing more brightness at the same time. In the end, this will be a question of optimizing trade-offs for car manufacturers and buyers. Particularly as light and sensing features are becoming an increasingly more important differentiation factor for OEMs.

“microLED promises to combine some of the really important features that the industry desires.”



microLEDs revolutionize the way we see

We are surrounded by displays. They constantly provide us with information – from the latest news, the hottest movie and our current fitness level to the shortest traffic connection.

LED technology laid the foundation for high-quality, color-intensive video walls and screens. It was followed by OLED technology offering high color contrasts, wider viewing angles, and flexible designs. In future, microLED technology promises exceptionally brilliant colors at very low power consumption, extremely high brightness and resolution, great reliability, fast response time and flexibility.

What is a microLED display?

Julia Halasz (Head of Business Line): MicroLED displays are based on tiny LED devices that are used to directly generate the individual pixels from individual, independently controllable red, green and blue LEDs, so-called sub-pixels.

We are working on an ultra-small-scale microLED technology which would enable you to place more than four million microLEDs on a 1 Euro coin, that's four million individual and functioning LEDs.

In addition to the brilliant colors and all the benefits above, microLEDs also offer the potential to integrate sensors and infrared LEDs to enable touch, light, or motion sensing functions in future generations of the technology.

The extremely small dimensions make manufacturing very challenging. Why do we need this complex technology when we have other established display technologies?

JH: MicroLED promises to combine some of the really important features that the industry desires. High image quality and brilliant colors, for example, and being fully readable even in bright sunlight. For this you need wide color gamut, high contrast, wide viewing angles, high pixel density, and fast refresh rates – that is exactly what microLEDs can enable even better than incumbent technologies.

Energy efficiency is, of course, also very important. As micro LED based displays only draw power for lit pixels, their efficiency is high. Depending on the application, this offers significantly lower power consumption and longer battery life.

In applications such as automotive, displays need to be very robust and durable in extreme temperature conditions and humidity. MicroLEDs can rely on the underlying LED technology that offers a long lifetime and a wide temperature range.

Which aspect of the technology impresses you most?

JH: It's hard to choose one single answer. Once you have seen a microLED based display, you will be really impressed by the incredible difference in image quality and the pure and vivid colors. But there is also the aspect of a whole supply chain that must go new ways. Because the technology cannot rely on existing manufacturing processes or equipment, manufacturers of LEDs, equipment and displays must work together in close collaboration.

Our talent

In a year characterized by global challenges, we were able to rely on our employees as a source of continuous engagement and support. Once again, our team of around 22,000 employees worldwide showed their commitment to paving the way for new innovative products and solutions by combining our passion for innovation, our deep engineering expertise and our profound understanding of our customers' needs. As further factors in our success, we can count our truly global set-up, our diverse working style and our inventiveness.

In setting a benchmark, we rely on two essential assets. On the one hand, our unparalleled, decade-long expertise along the entire value chain of lighting and sensing technologies. And, on the other hand, our distinct capacity to anticipate tomorrow's world and translate it into today's technologies. Boasting these assets, we set out to attract and retain the best talent in the semiconductor industry. Our corporate culture is based on appreciative and respectful relationships, supported by a set of clear core values and leadership principles. To fulfill our responsibility along the entire value chain, we published a comprehensive [human rights policy](#) in 2022.

Trust and integrity, respect, and appreciation are integral parts of our business. They are reflected in fair working conditions and in a working atmosphere that is free of discrimination, and where diversity is seen as an opportunity. A global, group-wide policy sets binding standards on hiring, diversity and inclusion, talent acquisition, development, training, compensation and benefits.

Our teams bring together more than 83 nationalities in 43 countries. At the same time, we continued our efforts to increase gender diversity in all areas last year. Against the backdrop of meaningful transformation and reorganization throughout the group in 2022, the proportion of female colleagues in the engineering workforce stood at 20% last year, and the proportion of female leaders in the first two management levels remained stable at 21%.

With a variety of employee communities and self-managed networks, we are working to create a dynamic, engaged, and collaborative work environment: an environment where our employees can develop an entrepreneurial mindset, make quick decisions, and develop their skills. In addition, our regular dialog formats with management representatives give space to different ideas.

We have significantly increased our internal communications activities, adding quarterly virtual global town hall meetings, for example. We have also expanded and improved our communications via external channels, including our website, professional business networks and, in particular, social media.

Because every voice matters, we conducted the first global employee survey within the now combined ams OSRAM team. Supported by an encouragingly high participation rate of almost 80%, we analyzed the valuable and helpful results and initiated over 1,300 initiatives globally as a result. Most of the actions and initiatives address the topics "people development", "transformation", "organizational efficiency" and "engagement".

Committed to lifelong learning, we offer attractive opportunities for both personal and professional development. Direct, regular, and structured interchanges between employees and managers are supported by the extensive training program offered at our ams OSRAM University.

Our employees are the foundation and the driver of our long-term success. We strive to foster a culture of performance, engagement and retention throughout our organization that enables our team to be successful with customers and partners. As one company, one team, we can further advance what we have started together: making life better with technology.



“The move to photon counting is seen to be as significant as the transition from black-and-white to color television.”



With photons to the next revolution in computed tomography

The history of computed tomography (CT) has been defined by technology innovation, and the latest one is a breakthrough: photon-counting detectors. These novel devices count and analyze the energy of X-ray quanta on a photon level, providing better spatial resolution and lower radiation doses for patients.

What is this new computed tomography imaging method?

Roger Steadman (Head of System Solution Engineering): In general, computed tomography or CT is a special X-ray examination method acquiring 3D images of the body. With the help of an X-ray tube that rotates around the body, several thousand images of a region of the body or an organ are taken and then combined into one 3D volume.

Conventional CT detects a signal which is proportional to the total energy of the X-ray photons, neglecting that the attenuation of the body or tissue is in fact energy dependent. Photon counting removes that limitation. As it provides a measure of not only the number of photons, but also the energy of those photons, it ultimately allows us to discern which materials are present within the body at which position. In other words, photon counting provides information that can be used to resolve unknown variables. This improves image contrast – today each individual photon contributes equally to the image.

Another interesting aspect of photon counting is the significantly higher spatial resolution. Given the different sensors required for this technology, the spatial resolution can be up to 4 times better than in conventional CT depending on system parameters defined by the CT system manufacturer.

Why do you consider photon counting to be different from other innovations?

RS: It is the clear goal of all parties involved to further reduce the radiation dose and to improve early diagnosis by offering additional information. The move to photon counting is seen to be as significant as the transition from black-and-white to color television in terms of the additional information it provides. This leads to higher resolution at a much lower radiation dose, resulting in major benefits for the patient. As a key aspect of the technology, photon counting can reduce X-ray doses by 40 to 80% depending on the clinical protocol.

In your opinion, what exactly sets us apart here?

RS: We offer our customers a complete solution. Not only does our readout IC meet the stringent requirements of clinical photon-counting spectral CT with very low noise and power consumption, it also comes in an innovative system-in-package where multiple ICs and passive components are embedded in a single package. This system is “tileable”, meaning that it can be combined with adjacent devices in all directions to form a large detector area which is required for clinical CT. This advanced solution creates an unmatched winning combination for our customers, combining ease-of-implementation with state-of-the-art performance.

“Making a positive contribution to society is key to our company’s long-term success”



Sustainably successful

At ams OSRAM, we regard sustainability as an opportunity for long-term growth and success – as well as a mission to enhance people’s lives with our products.

What role does sustainability play at ams OSRAM?

Martin Bachler (Head of Corporate Sustainability): For us, sustainability stands for the long-term success of our company. This will be achieved by creating equal measures of added value for our company, our customers and society as a whole. We will enjoy long-term success if our products contribute to achieving our customers’ sustainability goals. We are attractive to investors if we create long-term value and make ourselves resilient to risks. And from a social perspective, we are successful when our products improve people’s lives.

In this sense, sustainability has important ramifications for our economic success, and our sustainability mission is closely interconnected with our company’s business operations: “Through our optical solutions, we create sustainable value and enrich people’s lives.”

How exactly do our products help customers reach their ESG targets?

MB: Firstly, by taking responsibility for our products, in terms of environmental compatibility, sustainable manufacturing and product safety. In addition, customers benefit in particular from the positive properties of our products. Due to their energy efficiency and small form factor, optical semiconductors are ideally placed to replace traditional technologies with a poorer ecological balance. The use of LEDs, for example, has led to significant energy savings in both general lighting and automotive applications. To illustrate the magnitude: simply by replacing all halogen daytime running lights with LED technology, around 1,900 metric tons of CO₂ could be saved every year, in Germany alone.

We also like to emphasize a key characteristic of our optical sensor solutions: they enable customers to capture the environment and generate data about the surrounding world. This, in turn, helps make processes more intelligent in terms of efficiency, safety and convenience. In the field of horticulture, our innovative LEDs and sensors contribute to reductions in the use of energy, water and fertilizers in greenhouses. On the road, our driver assistance solutions help avoid accidents and create a more pleasant driving experience. And our innovative solutions for computed tomography and digital radiography make it possible to reduce the radiation dose for patients. Optical solutions therefore enable us to live better and more sustainably in many different ways.

What is the current status of the company’s efforts with regard to sustainability?

MB: It is still only just over two years since the start of the integration of ams OSRAM, however we have achieved a lot in this timeframe. For instance, we harmonized a wide range of our processes, we carried out a materiality analysis and published our first joint sustainability report. We have also developed a sustainability strategy encompassing the entire group, with five focus areas. Our key goals have already been published: carbon neutrality in our own value-creation by 2030 as well as a 25 percent share of women in management positions by 2026. The Supervisory Board has also defined key points with regard to sustainability: the long-term compensation paid to members of the Management Board will be tied to specific ESG targets, and an ESG Committee has been set up within the Supervisory Board. These efforts have already been rewarded, as we have improved very significantly in important ESG ratings in this short time. In a sector comparison, we are now even ranked in the top third. In the S&P Global Corporate Sustainability Assessment, for example, we have improved our score from 18 to 72 points over the last two years. Nevertheless, we have no intention of resting on our laurels. All companies are facing increasing requirements from legislators, capital markets and customers. We want to actively address these – and use it as a competitive advantage for us.

Additional information about Sustainability at ams OSRAM, including our Sustainability Report, is available on our [website](#).



Corporate Governance

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Corporate Governance

ams-OSRAM AG (“ams OSRAM”) is a stock corporation under Austrian law listed on the SIX Swiss Exchange in Switzerland and subject to the compulsory regulations of the SIX Swiss Exchange’s directive concerning information on corporate governance (“[Swiss Corporate Governance Directive](#)”). All information provided in this Corporate Governance Report is based on the balance sheet date (31 December 2022), unless otherwise stated. This chapter also contains the Corporate Governance report information according to the stipulations of Austrian law as far as applicable to ams OSRAM.

In this context, ams OSRAM points out that Austrian Corporate Law differs from the Swiss model in terms of the structure of its corporate bodies, their duties and their accountability. Hereinafter, the Austrian terms for the corporate bodies will be used. Corporations that are not constituted according to the Swiss Code of Obligations are required correspondingly to meet the regulations of the Swiss Corporate Governance Directive, which is formulated in close correspondence with the Swiss Code of Obligations. Consequently, there follows a brief description of the particular features of the Austrian organizational structure:

- The Management Board is responsible for the management and representation of the company. It is not subject to instructions by the shareholders or the Supervisory Board, acting rather on its own responsibility and without instructions. Where the Swiss Corporate Governance Directive calls for information on the Executive Board, corresponding details on the Management Board are provided. Nevertheless, the function of the Management Board does not correspond exactly with that of the Executive Board under Swiss law.
- The Supervisory Board is in charge of appointing and dismissing the Management Board and, in particular, supervising it in its management of the business. Furthermore, specific legal transactions also require the Supervisory Board’s approval. Where the Swiss Corporate Governance Directive calls for information on the Administrative Board corresponding details on the Supervisory Board are provided. Nevertheless, the function of the Supervisory Board does not correspond exactly with that of the Swiss Administrative Board.

- The Annual General Meeting, functioning as the supreme means of decision-making body for a company, is responsible for appointing and dismissing the members of the Supervisory Board and the appointment of the auditor. Where the Swiss Corporate Governance Directive calls for information on the General Meeting corresponding details on the Annual General Meeting are provided. The Swiss and Austrian legal systems differ with regard to these two institutions.

1. Corporate structure and shareholders

1.1 Group structure

ams-OSRAM AG, with headquarters in Premstaetten, Austria, has been officially listed on the main segment of the SIX Swiss Exchange since May 17, 2004 (securities number 24924656, ISIN AT0000A18XM4). On the reporting date, the company had a market capitalization of approximately CHF 1.8 billion. ams OSRAM's business activities are organized into the Semiconductors and Lamps & Systems ("L&S") segments. The "Semiconductors" segment includes semiconductor-based products and solutions such as high-performance LEDs, lasers, and optical sensors for customers in the automotive, consumer, and industrial end markets. The "Lamps & Systems" segment includes traditional lamps and lighting systems with a focus on the automotive, industrial and medical end markets.

The company management of the ams OSRAM group is carried out by the Management Board of ams-OSRAM AG with the involvement of a Management Team, which includes managers responsible for managing the business areas within the framework of the strategy defined by the Management Board. The respective managers report directly to the Management Board of ams-OSRAM AG. Further information on the segments is provided in the Notes to the Consolidated Financial Statements under item 2 ([page 76](#) of this report).

The company has active, unlisted direct subsidiaries. There are no listed subsidiaries (direct or indirect). The following table lists the company's direct active subsidiaries:

| Company | Head office | Equity in EUR | Percentage of shares held |
|---------------------------------------|-------------------|---------------|---------------------------|
| ams Italy S.r.l. | Milan / IT | 1,894,246 | 100% |
| ams International AG | Rapperswil / CH | 201,438,059 | 100% |
| ams R&D UK Ltd. | Launceston / UK | 470,449 | 100% |
| ams Asia Inc. | Calamba City / PH | 28,550,413 | 100% |
| ams Semiconductors India Private Ltd. | Hyderabad / IN | -233,238 | 100% |
| ams Sensors Hong Kong | Hong Kong / HK | 931 | 100% |
| Applied Sensor Sweden Holding AB | Linköping / SE | 17,140,159 | 100% |
| ams Sensors Belgium | Berchem / BE | 48,472,113 | 100% |
| ams Sensors Germany GmbH | Jena / DE | 27,055,883 | 100% |
| ams Sensors Holdings Asia Pte. Ltd | Singapore / SG | 185,151,686 | 100% |
| ams Sensors Asia Pte. Ltd. | Singapore / SG | -254,842,992 | 100% |
| ams Offer GmbH | Munich / DE | 2,382,275,416 | 100% |
| ams Sensors Taiwan Pte. Ltd. | Taiwan / TW | 521,437 | 100% |

Additional information on all group entities is available the financial section of this Annual Report ([page 107](#)).

1.2 Significant shareholders

Since January 1, 2016 ams OSRAM is subject to article 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA) including the Ordinance of the Swiss Financial Market Supervisory Authority on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO-FINMA). Pursuant thereto, ownership interests in companies with registered office outside of Switzerland whose equity securities are mainly listed in whole or in part in Switzerland must also be notified to the issuer company and to SIX Swiss Exchange when the holder's voting rights reach, increase above or fall below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% of voting rights (exercisable or not).

On the reporting date, the following ownership interests had been notified to ams OSRAM:

| | |
|--|-------|
| FIL Limited Bermuda | 5.01% |
| ams-OSRAM AG (treasury shares) – Austria | 4.77% |
| BlackRock, Inc. – USA | 4.67% |
| UBS Fund Management (Switzerland) AG – Switzerland | 3.94% |
| Fidelity Funds SICAV – Luxembourg | 3.06% |

Information on significant shareholders or groups of shareholders filed with ams OSRAM and the Disclosure Office of SIX Exchange Regulation (SER) in accordance with article 120 FMIA is available on the [Disclosure Office's publication platform](#).

1.3 Cross shareholding

No cross shareholdings exist at this time.

2. Capital Structure

2.1 Capital

The table below provides details on the capital structure of ams-OSRAM AG according to the categories of ordinary, authorized, and conditional capital as of the reporting date of the last two financial years. All shares represent no-par value bearer shares with a nominal value of EUR 1.00 per share. Accordingly, the nominal value in EUR of the company's share capital corresponds to one share.

| Number of shares | December 31, 2022 | December 31, 2021 |
|---------------------|-------------------|-------------------|
| Ordinary capital | 274,289,280 | 274,289,280 |
| Authorized capital | 18,986,945 | 18,986,945 |
| Conditional capital | 35,870,910 | 35,870,910 |

Further information on the share capital can be found in the chapter "Equity" of the notes of this annual report as well as on the [company website](#). [Articles of Association](#) of ams-OSRAM AG are available on the company website in the section [Corporate Governance](#) and contain further information on company's share and authorized capital.

2.2 Authorized and Conditional Capital in particular

(The figures shown below reflect the situation at the time of authorization, unless stated otherwise.)

Authorized Capital

In June 2018 the Management Board was authorized by the Annual General Meeting to increase until June 5, 2023 – if required in several tranches - the share capital by up to EUR 8,441,982.00 by issuing up to 8,441,982 new shares with a nominal value of EUR 1.00 per share (no-par value shares) against cash and/or contribution in kind what represents around 3% of the existing share capital as of the reporting date. In doing so, the Management Board can determine, in agreement with the Supervisory Board, the terms of issue and further details of the implementation of the capital increase (Authorized Capital 2018). For the Authorized Capital 2018, subscription

rights may be excluded with the approval of the Supervisory Board. As of balance sheet date, no shares have been issued from the Authorized Capital 2018.

In June 2021 the Management Board was authorized by the Annual General Meeting to increase until June 1, 2026 – if required in several tranches - the share capital by up to EUR 10,544,963.00 by issuing up to 10,544,963 new shares with a nominal value of EUR 1.00 per share (no-par value shares) against cash and/or contribution in kind what represents around 4% of the existing share capital as of the reporting date. In doing so, the Management Board can determine, in agreement with the Supervisory Board, the terms of issue and further details of the implementation of the capital increase (Authorized Capital 2021). For the Authorized Capital 2021, subscription rights may be excluded with the approval of the Supervisory Board. As of balance sheet date, no shares have been issued from the Authorized Capital 2021.

Further information on the company's authorized capital can be found in the [Articles of Association](#) of ams-OSRAM AG.

Conditional Capital

The Management Board was authorized in June 2017 to conditionally increase the share capital until June 9, 2022 pursuant to § 159 paragraph 2 sub-par 1 Austrian Stock Corporation Act (AktG) in a manner that the share capital is increased by up to EUR 8,441,982 by issuance of up to 8,441,982 no-par bearer shares (Conditional Capital 2017). That represents 3% of the existing share capital as of the reporting date. In September 2017, the Management Board decided to place a convertible bond committing a portion of the Conditional Capital 2017 of 3,273,858 new ordinary no-par bearer shares (no-par value shares) as underlying for the possible conversion of the convertible bond (USD 2017). In February 2018, the Management Board decided to place another convertible bond committing a further portion of the Conditional Capital 2017 of 4,410,412 new ordinary no-par bearer shares (no-par value shares) as underlying for the possible conversion of the convertible bond (EUR 2018). Consequently, 7,684,270 shares of the Conditional Capital 2017 have been committed after the issuance of both convertible bonds. With the approval of the Supervisory Board, subscription rights have been excluded for the Conditional Capital 2017.

Due to the capital increase carried out in April 2020, the conversion prices of the USD 2017 and EUR 2018 convertible bond were adjusted based on the defined dilution protection, which consequently decreased the conversion price of both

convertible bonds and increased the number of shares underlying to cover a potential conversion. The USD 2017 convertible bond was repaid on schedule at maturity in September 2022. No shares from Conditional Capital 2017 were used to settle the convertible bond USD 2017. As of balance sheet date, there are 6,254,831 subscription rights from the above-mentioned and still outstanding convertible bond (EUR 2018), secured by Conditional Capital 2017. As of balance sheet date, no shares have been issued from the Conditional Capital 2017.

The Management Board was authorized in June 2020 to conditionally increase the share capital until June 3, 2025 pursuant to § 159 paragraph 2 sub-par 1 Austrian Stock Corporation Act (AktG) in a manner that the share capital is increased by up to EUR 27,428,928.00 by issuance of up to 27,428,928 no-par bearer shares (Conditional Capital 2020). That represents 10% auf the existing share capital as of balance sheet date. In October 2020, the Management Board decided to place a convertible bond committing 27,428,928 new ordinary no-par bearer shares (no-par value shares) of the Conditional Capital 2020 as underlying for the possible conversion of the convertible bond (EUR 2020). For Conditional Capital 2020, subscription rights of the shareholders were excluded with the approval of the Supervisory Board. As of balance sheet date, there are 27,428,928 subscription rights to shares from the above-mentioned convertible bond EUR 2020, secured by Conditional Capital 2020. As of balance sheet date, no shares have been issued from the Conditional Capital 2020.

2.3 Changes in Capital

In total, the ams OSRAM Group's shareholders' equity amounted to, EUR 3,027.15 million as of December 31, 2020, EUR 3,149.61 million as of December 31, 2021 (incl. non-controlling interests in the amount of EUR 8.10 million) and EUR 2,833.47 million as of December 31, 2022 (incl. non-controlling interests in the amount of EUR 6.99 million). The respective decrease of the Group's equity in 2022 was primarily based on the Group's negative net result.

Further information about the changes in shareholders' equity over the last two reporting years is provided in the section entitled "Consolidated Statement of Changes in Shareholders' Equity according to IFRS from January 1, 2022 until December 31, 2022" in the financial section of this Annual Report ([page 72](#)).

2.4 Shares and participation certificates

As of the reporting date, ams OSRAM AG's share capital amounted to EUR 274,289,280,00 and consisted of 274,289,280 common no par value shares issued to bearer. Every bearer of a common share has the right to vote and is entitled to receive dividends; there are no preferential rights. Each share grants one vote. All shares are equal in terms of the company's residual assets; all capital was paid in. There are also no participation certificates.

2.5 Dividend-right certificates

There are no dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

The company only has bearer shares outstanding. There are no restrictions on transferability or rules on nominee registration.

2.7 Convertible Bonds and option plans

Convertible Bonds

In September 2017, the Management Board passed a resolution to place a convertible bond (**USD 2017**, see also under item 2.2). Consequently, the company issued a convertible bond in an aggregate nominal amount of USD 350 million with a 5-year maturity until September 2022, an interest rate of 0.875% p.a. and a conversion premium of 50%, resulting in a conversion price of USD 106.91 per share.

In February 2018, the Management Board passed a resolution to place another convertible bond (**EUR 2018**, see also under item 2.2). Consequently, the company issued a convertible bond without coupon (0% interest rate) with an aggregate nominal amount of EUR 600 million as well as a 7-year maturity until 2025 and a conversion premium of 45%, resulting in a conversion price of EUR 136.04 per share. Based on a convertible bond buyback program in 2019, the outstanding amounts of the two aforementioned convertible bonds decreased to USD 320.4 million and EUR 524.4 million respectively. Due to a further buyback program in 2021, the outstanding amount of the EUR 2025 convertible bond decreased further to EUR 447.4 million as of the reporting date.

Due to the capital increase carried out in April 2020, the conversion prices of the USD 2017 and EUR 2018 convertible bonds were adjusted based on the defined dilution protection, which consequently decreased the conversion price of the respective convertible bonds and increased the number of shares underlying to cover a potential respective conversion. The new conversion prices were USD 65.88 for the USD 2017 convertible bond and EUR 83.84 for the EUR 2018 convertible bond.

The USD 2017 convertible bond was repaid as planned at maturity in September 2022.

In October 2020, the Management Board passed a resolution to place another convertible bond (**EUR 2020**, see also under item 2.2). Consequently, the company issued a convertible bond with an aggregate nominal amount of EUR 760 million and a 7-year maturity until October 2027, an interest rate of 2.125% p.a. and a conversion premium of 47.5%, resulting in a conversion price of EUR 27.72 per share. The convertible bond has 27,428,928 subscription rights to shares, secured by Conditional

Capital 2020; this corresponds to 10% of the existing share capital as of the reporting date.

An overview regarding the "Conditional Capital" is available in section 2.2.

The outstanding convertible bonds can be converted into shares of ams-OSRAM AG at any time and without further conditions by exercising the holder's option. Detailed information on the convertible bonds is available on the [company website](#).

Options Plans / Employee stock option programs

Long Term Incentive Plan 2014

The Supervisory and Management Boards decided to adopt a Long Term Incentive Plan in October 2014 (LTIP 2014). It comprises a maximum of 5,124,940 options which corresponded to approximately 7% of the share capital of the Company at the time. Each option granted entitles each participant (members of the Management Board, senior executives and selected employees) to purchase one share of the Company. The available options were to be granted in 2014 after prior resolution by the LTIP committee of the Supervisory Board. All options granted must be exercised ten years after granting date at the latest and the exercise price for the new shares is EUR 1.00. Issuance of the options is subject to the following criteria: a) approval of the plan by the Annual General Meeting; b) exercisability of 50% of the options depends on an increase of earnings per share, measured over a period of three years compared to the earnings per share of the year prior to the respective grant; c) exercisability of the remaining 50% of the options depends on the comparison of total shareholder return over a period of three years to a defined benchmark group of semiconductor companies. The earliest date for exercise of options is three years after grant and the LTIP committee's decision about fulfilment of the above criteria. The granting of stock options under the 2014 LTIP ended in 2019. As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 0.68 per share and additional options amounting to 549,324 were granted. In total, 3,455,594 options (incl. dilution measures) have been distributed from LTIP 2014 what represents 1.3% of the existing share capital as of the reporting date. Of these, 680,510 options were exercised and 1,571,437 options were expired as of the reporting date.

Special Stock Option Plan 2017

In June 2017, the Supervisory and Management Boards adopted a Special Stock Option Plan (SSOP 2017). The SSOP 2017 comprised a maximum of 2,400,000 options at the time of the issuance which corresponded to approximately 3% of the share capital of the Company at the time. Each option granted entitles each participant (members of the Management Board, senior executives and selected employees) to purchase one share of the Company for an original exercise price of EUR 27.56. The available options were granted once in 2017 after prior resolution by the LTIP committee. All granted options must be exercised by June 30, 2027. In each case, 17% of the associated options can be exercised at the earliest one, two, three, four and five years after grant. The remaining 15% of the options may be exercised six years after grant. As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 18.63 per share and further options were granted in the amount of 915,406. In total, 3,277,406 stock options (incl. dilution measures) were granted from SSOP 2017 what represents 1.2% of the existing share capital as of the reporting date. Of these, 340,540 options were exercised and 143,432 options were expired as of the reporting date.

Special Long Term Incentive Plan 2018

The Supervisory Board and the Management Board adopted a Special Long Term Incentive Plan (SLTIP 2018) during the financial year 2018, which became effective in October 2018. The SLTIP comprised a maximum of 350,000 options. This corresponded to approximately 0.5% of the share capital of Company at the time. Each option granted entitles each participant (members of the Management Board, senior executives and selected employees) to purchase one share of the Company for an exercise price of EUR 43.41. The available options have been granted once in 2018 after prior resolution by the LTIP committee. All granted options must be exercised by October 11, 2028. One-third of the options can be exercised after one, two and three years after the grant. During the fiscal years 2019 and 2020 no new options were granted from SLTIP 2018 (2018: 321,730 options). As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 29.34 per share and further options were granted in the amount of 143,909. In total, 465,639 stock options (incl. dilution measures) were granted from SLTIP 2018 what represents 0.2% of the existing share capital as of the reporting date. Of these, no options were exercised and 54,393 options were expired as of the reporting date.

Special Stock Option Plan 2019

In 2019 the Supervisory Board and the Management Board adopted a Special Stock Option Plan (SSOP 2019), which became effective in February 2019. The SSOP 2019 comprised a maximum of 660,510. This corresponded to 0.8% of the Company's share capital at that time. Each option granted entitles each participant (members of the Management Board, senior executives and selected employees) to purchase one share of the Company for an exercise price of EUR 20.63. The available options have been granted once in 2019 following a resolution of the LTIP Committee. All options granted must be exercised by February 5, 2029. As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 13.94 per share and additional options were granted in the amount of 263,722. In total, 924,232 stock options (incl. dilution measures) were granted from SSOP 2019 what represents 0.3% of the existing share capital as of the reporting date. Of these, 221,840 options were exercised and 31,222 options were expired as of the reporting date.

Long Term Incentive Plan 2019

In June 2019, the Supervisory Board and the Management Board adopted a new Long Term Incentive Plan (LTIP 2019) that replaced the LTIP 2014. The LTIP 2019 became effective in September 2019. Under this plan, options on shares amounting to a total of up to 7.5% of the Company's share capital at the time can be granted over a period of five years (2019-2023), with a maximum of up to 1.5% of the share capital being granted per year. The LTIP 2019 includes three different categories of options: Performance Share Units (PSUs), Restricted Share Units (RSUs) and Special Performance Share Units (SPSUs). The PSUs are dependent on the performance of the price of ams-OSRAM AG shares relative to a peer group and the achievement of certain earnings per share targets; they vest no earlier than three years after they are granted. RSUs and SPSUs vest within four years of the grant date, with one quarter of the total tranche of RSUs or SPSUs granted vesting each year. One PSU or RSU entitles the participant (members of the Management Board, senior executives, and selected employees) to acquire one no-par value share of the Company at an exercise price of EUR 1.00. The participant is entitled to acquire one no-par value share of ams-OSRAM AG at an exercise price of EUR 1.00 per share. An SPSU entitles the participant to purchase one no-par value share at a price calculated on the basis of the share price during the 60 days preceding the grant date. All options granted can be exercised within a period of ten years after granting. As part of the capital increase in April 2020, anti-dilution measures were also taken for the LTIP

2019. As a result, the exercise price for the SPSUs issued in 2019 under the LTIP 2019 was reduced to EUR 22.69 and for the RSUs and PSUs to EUR 0.68 per share, and 557,878 additional options were granted. In January 2023, the Management Board and Supervisory Board resolved a partial adjustment of the plan conditions. This provides for plan participants in active, non-terminated employment as of January 1, 2023 that 50% of the PSUs granted in each of the years 2020, 2021 and 2022 under the LTIP 2019 are only dependent on the achievement of the EPS target; this change does not apply to members of the Management Board. A total of 14,164,419 stock options (including dilution measures) have been granted under the LTIP 2019 to date, corresponding to 5.2% of the existing share capital as of the reporting date. Of these, 87,927 options had been exercised and 1,897,589 options had been expired as of the reporting date.

Additional information on stock option plans is available the financial section of this Annual Report ([page 77](#)).

3. Supervisory Board

As of the reporting date, the company's Supervisory Board (SB) consisted of twelve members, eight of whom were elected by the Annual General Meeting (Shareholder representatives) and four of whom were delegated by the works council (Employee representatives). No members of the Supervisory Board were either employed as members of the company's or a subsidiary's Management Board over the last four years and are therefore non-executive.

3.1/3.2/3.3/3.4 Members of the Supervisory Board, other activities, vested interests, cross-involvement, election and terms of office

Insofar as nothing to the contrary is mentioned below, no material activities, vested interests or cross-involvements exist between the Company and the members of the Supervisory Board (SB). Under the Corporate Governance Directive and the relevant guideline by SIX Swiss Exchange regulations, activities and vested interests are only indicated in listed Swiss and foreign organizations or ones that operate in the same or a related industry sector as the company.

The information below shows committee memberships as of the reporting date, as well as former members, which were part of the SB during the year under review.

The Supervisory Board members have been classified as independent or non-independent members according to the article 14 of the Swiss Code of Best Practice for Corporate Governance. The SB adopted new "Principles for the Composition and Diversity of the Supervisory Board" at its meeting on December 16, 2022, including criteria for the independence of Supervisory Board members.

In this context, the Supervisory Board has established the following independence criteria when assessing the independence of its members:

- No member of the SB may have been a member of the Management Board or the management team of the company within the last five years.

- No member of the SB is allowed to maintain or have maintained in the past year any business relationship with the company or one of its subsidiaries, to an extent of significance for such Member. It also applies to transactions with companies a member has a significant economic interest in. The approval of individual transactions by the SB does not mean that the respective member is not considered as independent.
- No member is allowed to have served as an auditor of the company or have held an interest in the auditing company or have worked there as an employee in the last three years.
- No member is allowed to be a member of the Management Board of another company, in which a member of the company's MB is a member of the Supervisory Board.
- A member cannot be reelected after serving for 12 years.
- No member is allowed to be a close relative of a member of the MB or the management team.

The complete version of the guideline on independence criteria as well as on the composition of the Supervisory Board is available on the [company website](#).

The current composition of the Supervisory Board, including corresponding curricula vitae, is available on the [company website](#).

Dr. Margarete Haase, female, born in 1953, Austrian citizen, independent member. Chairperson, Member of the SB since 2021, current term of office until 2024. Margarete Haase began her career in 1979 in the key account business of Raiffeisenbank, followed by a management position. From 1987 to 2009, she held various global management positions in the Daimler Group in the areas of finance, strategy, controlling, corporate audit, human resources and production, including member of the Management Board of Daimler Financial Services. From 2009 until her retirement in 2018, she was a member of the Management Board and CFO of Deutz AG, a listed engine manufacturer in Germany. Until 2018, she was a member of the Supervisory Board and Chairperson of the Audit Committee at ZF Friedrichshafen and until 2015 at ElringKlinger. She has been a member of the German Commission for the Corporate Governance Code since 2016 and Chairperson of the employers' association koelnmetall since 2014. She was also a member of the Supervisory Board of OSRAM Licht AG. She graduated from the Vienna University of Economics and Business and holds a degree from Harvard Business School.

Other SB mandates at publicly listed companies:

- Fraport AG (Germany)
- ING Bank NV (Netherlands)

Dr. Wolfgang Leitner, male, born in 1953, Austrian citizen, independent member, Deputy Chairperson, Member of the SB since 2022, current term of office until 2026. Wolfgang Leitner started his career as a researcher for an Austrian subsidiary of Hoechst AG before working as a management consultant with McKinsey & Company in Munich and New York from 1981 to 1985. In 1985, he was a founding member of a pharmaceutical company, where he led the successful IPO of a group of subsidiaries. Wolfgang Leitner joined the management board of Andritz AG (Andritz) in 1987 as CFO. He became CEO and president of Andritz in 1994 and held the position until spring 2022. In 1999, Wolfgang Leitner together with financial investors acquired Andritz and took the company public in 2001. Under his leadership, revenues grew significantly from EUR 200m to EUR 6,500m in 2021, both organically as well as through more than 70 acquisitions. Today, Andritz employs around 27,000 employees worldwide. Since April 2022 Wolfgang Leitner is Deputy Chairperson of the Supervisory Board of Andritz while remaining a major shareholder in the company via an Austrian private foundation. He holds a Chemistry degree and a doctorate from the University of Graz, Austria. In 2022, he was awarded an honorary doctorate from the Technical University of Lappeenranta/Finland.

Other SB mandates at publicly listed companies:

- Andritz AG (Austria) (Deputy Chairperson of the SB)

Brian Matthew Krzanich, male, born in 1960, U.S. citizen, independent member. Member of the SB since 2019, last election in 2022, current term of office until 2023. Brian Matthew Krzanich joined Intel in 1982 as an engineer and held different management positions in numerous departments, such as SVP and GM of Manufacturing and Supply Chain and EVP & COO (Chief Operating Officer) responsible for global manufacturing, supply chain, human resources and information technology. In 2013 Brian Krzanich was appointed as the CEO of Intel. He led Intel's corporate strategy and operations, including development of Intel's business model and identifying emerging technologies. While serving in this role, Mr. Krzanich was credited for diversifying Intel's product offerings and workforce. From 2018 to 2022, Brian Krzanich was President and CEO of CDK Global, a leading supplier of integrated software along with digital marketing and advertising solutions to the retail automotive industry worldwide. He has served the Boards of Deere & Company and the

Semiconductor Industry Association. Brian Krzanich holds a bachelor's degree in chemistry from San Jose State University.

Other SB mandates at publicly listed companies:

- Electric Last Mile Solutions, Inc. (USA)

Kin Wah Loh, male, born in 1954, Malaysian citizen, independent member, Member of the SB since 2016, last election in 2022, current term of office until 2025.

Kin Wah Loh has over 40 years of management experience in world leading semiconductor enterprises. He was formerly Executive Vice President, Global Sales and Marketing of NXP Semiconductors, President and Chief Executive Officer of Qimonda AG, and Executive Vice President, Communication Group of Infineon Technologies AG. He is currently Independent Director of AEM Holdings Ltd. and Non-Executive Chairperson Director of Kinergy Corporation Ltd. Kin Wah Loh holds an Honors degree in Chemical Engineering from the University of Malaya, Kuala Lumpur, and a postgraduate certified diploma in accounting and finance from ACCA (UK).

Other SB mandates at publicly listed companies:

- AEM Holdings Ltd. (Singapore)
- Kinergy Corporation Ltd. (Singapore)

Yen Yen Tan, female, born in 1965, Singapore citizen, independent member. Member of the SB since 2018, last election in 2022, current term of office until 2023.

Yen Yen Tan's current non-executive board roles include Director of OCBC Bank, Director of Jardine Cycle & Carriage Ltd, Director of Barry Callebaut AG, Director of InCorp Global and Chairperson of Singapore Science Centre. Yen Yen Tan held several different senior level positions in the technology and telecom sector, such as, President, Asia Pacific for Vodafone Global Enterprise, Senior Vice President of Applications for Oracle Asia Pacific, Vice President and Managing Director for HewlettPackard Singapore (HP) and Regional Vice President and Managing Director of Asia Pacific (South) for SAS Institute. She has a degree in Computer Science from National University of Singapore and an Executive MBA degree with Helsinki School of Economics Executive Education.

Other SB mandates at publicly listed companies:

- OCBC Bank (Singapore)
- Barry Callebaut AG (Switzerland)
- Jardine Cycle & Carriage Limited (Singapore)

Univ. Prof. Dr. Monika Henzinger, female, born in 1966, Austrian citizen, independent member, Member of the SB since 2018, last election 2022, current term of office until 2025

Monika Henzinger received her PhD from Princeton University and was working as a Director of Research for Google. From 2005 until 2009, she was a professor at the School of Computer & Communication Sciences of EPFL (École polytechnique fédérale de Lausanne), heading the Laboratory of Theory and Applications of Algorithms. In 2013 she was awarded a Dr. h. c. degree from the Technical University of Dortmund, Germany. She has published over 150 scientific articles, is the co-inventor of over 80 patents, is a fellow of the ACM as well as the EATCS and is a member of the Austrian Academy of Science. Currently Monika Henzinger is a Professor at the Institute of Science and Technology (ISTA), Austria, heading the research group on algorithms.

Other SB mandates at publicly listed companies: None

Mag. Brigitte Ederer, female, born in 1956, Austrian citizen, independent member, Member of the SB since 2021, current term of office until 2024.

After studying at the Vienna University of Economics and Business Administration, she began her political career in 1983 as a member of the Austrian Parliament. From 1992 to 2005, she was, among other positions, Minister of State for European Integration in Austria and Secretary General of the Social Democratic Party Austria, as well as City Councilor for Finance, Economics and Public Enterprises of the City of Vienna. In the period 2005 to 2013, she moved to the private sector and took on management positions at Siemens Austria (including CEO from 2005 to 2010). She then served as a member of the Management Board of the Group's parent company Siemens AG until 2013. From 2014 to 2018, she was Chairperson of the Supervisory Board at Austrian Federal Railways.

Other SB mandates at publicly listed companies:

- Marinomed Biotech AG (Austria)
- Schoeller Bleckmann Oilfield Equipment AG (Austria)

DI (FH) Andreas Gerstenmayer, male, born in 1965, German citizen, independent member, Member of the SB since 2022, current term of office until 2026.

Andreas Gerstenmayer started his career at Siemens AG in 1990 at its Lighting Systems business unit in Germany and held various management positions within the Siemens Group in the following years. In 2003 he was appointed Managing Director of Siemens Transportation Systems GmbH Austria and CEO of the Drive Technology

business unit in Graz, the global headquarters of the business unit. Having joined business consulting firm FOCUSON in 2009 he was appointed CEO of AT&S Austria Technologie & Systemtechnik AG (AT&S) in 2010. Under his leadership AT&S achieved substantial revenue growth recording around EUR 1.6 billion revenues in the fiscal year 2021/2022, together with an expansion of the group's global manufacturing footprint. During his thirteen years as CEO he has also held the interim CFO function for several periods with a cumulative term of over 3 years. His current term as CEO of AT&S runs until 2026. He is currently the Chairperson of the Styrian Research Council and Board Member of the Federation of Industry for Austria as well as Styria. Andreas Gerstenmayer holds a degree in Production Engineering from Rosenheim University of Applied Sciences (Germany).

Other SB mandates at publicly listed companies: None

Current board memberships: CEO of AT&S Austria Technologie & Systemtechnik AG (Austria)

Andreas Pein, male (Employee Representative, delegated by the Works Council), born in 1964, Austrian citizen. Member of the SB since February 2016, current term of office until 2023. Member of the Employee Council since 1998 and Chairperson of the Employee Council from February 2016 to August 2016. Andreas Pein joined the company in 1986 as a data preparation technician in the mask lithography department. In 2002, he moved to the IT department where he worked as an automation engineer. Since 2018 he has been employed full-time as the deputy Chairperson of the Works Council.

Other SB mandates at publicly listed companies: None

Sabine Radesey, female (Employee Representative, delegated by the Works Council), born in 1974, Austrian citizen. Member of the SB since October 2020, current term of office until 2023. Sabine Radesey joined the company in 1994 and started her career in the foundry business. She acquired a profound knowledge in the business area "Foundry" over a period of more than 25 years and recently supports the Foundry Support Office Team as Tape Out Engineer. Sabine Radesey has been a part of the Works Council since 2018.

Other SB mandates at publicly listed companies: None

Ing. Mag. Günter Kneffel, male (Employee Representative, delegated by the Works Council), born in 1968, Austrian citizen. Member of the SB from 1999 to 2017. Re-delegated since October 2020, current term of office until 2023. Günter Kneffel is Chairperson of the Works Council of ams-OSRAM AG. After completing his studies in RF Engineering and Electronics, Günter Kneffel gained more than 15 years of professional experience as a process engineer for photolithography and received a law degree in 2010.

- Other SB mandates at publicly listed companies: None

Patrick Reinisch, male (Employee Representative, delegated by the Works Council), male, born in 1991, Austrian citizen. Member of the SB since June 2021, term of office until 2023. Patrick Reinisch has worked continuously since joining the company in 2012 as a test operator in the backend in Premstaetten. Since June 2018, Patrick Reinisch has been involved as a member on the Workers' Council.

Other SB mandates at publicly listed companies: None

Former members:

Mag. Hans Jörg Kaltenbrunner, male (former Chairperson), born in 1957, Austrian citizen, independent member, Member of the SB since 2009, Chairperson since 2013, last reelection 2018, term of office until 2022. Mr. Kaltenbrunner retired from the SB of the Company effective after the Annual General Meeting in June 2022. Having studied at the Vienna University of Business and Economics, Hans Jörg Kaltenbrunner began his professional career at the Austrian Trade Delegation in Taipei, Taiwan as Deputy Trade Delegate in 1982. From 1985 to 1994, he assumed management positions at the Hong Kong branch and in the asset management group of Creditanstalt-Bankverein. Following appointments to the management boards of RHI AG and Austria Mikro Systeme AG (ams-OSRAM AG), he has been a partner of Andlinger & Company since 2002 and has served as a member of management and supervisory boards of international industrial companies in this capacity.

Other SB mandates at publicly listed companies (until the end of the function period): None

Dipl. Kfm. Michael Grimm, male (former Deputy Chairperson), born in 1960, German citizen, independent member, Member of the SB since 2009, last reelection 2018, term of office until 2022. Mr. Grimm retired from the SB of the Company effective after the Annual General Meeting in June 2022.

Michael Grimm studied Management at the University of Frankfurt and worked as a tax consultant, auditor and partner at Arthur Andersen Wirtschaftsprüfungsgesellschaft. From 1997 until 2001 he was at Hoechst AG and was involved in the transformation of Hoechst AG to Aventis. From 2002 until 2005 Michael Grimm was director of finance, accounting and investments at Grohe Water Technology AG & Co. KG, then Managing Director of Triton Beteiligungsberatung GmbH. From 2008 until 2020 he was Commercial Director of Dr. Johannes Heidenhain GmbH. From January 2019 until March 2020, Michael Grimm was a member of the Management Board of Diadur SE and held positions in the Supervisory Board of Dr. Johannes Heidenhain GmbH and Elektronik GmbH. He has been CFO of camera manufacturer Leica Camera AG since May 2022.

Other SB mandates at publicly listed companies (until the end of the function period): Amadeus Fire AG, Deputy Chairperson (Germany)

Unless decided otherwise by the Annual General Meeting, election periods for members of the Supervisory Board are for the longest period admissible acc. to § 87 subsect. 7 of the Austrian Stock Corporation Act, i.e. until the end of the Annual General Meeting that decides on their discharge for the fourth business year after the election. For this purpose, the business year in which they were elected is not included in the calculation. In accordance with the Austrian Stock Corporation Act, elections to the Supervisory Board must be voted on each candidate individually. The Articles of Association do not stipulate any staggering of the Supervisory Board members' terms of office.

3.5 Internal organization

3.5.1 Allocation of tasks in the Supervisory Board (SB)

Both the Management Board (MB) and the SB have rules of procedures and by-laws. The SB has a Chairperson and a Deputy Chairperson. The SB can appoint one or more committees from its midst for the purpose of preparing its negotiations and resolutions or monitoring the implementation of its resolutions. The SB of ams has formed the following committees: Compensation Committee, Audit Committee, Nomination Committee, Technology Committee, Long Term Incentive Plan Committee as well as (since December 2022) a Committee for Environmental, Social and Governance Affairs (ESG Committee).

3.5.2 Members list, tasks and area of responsibility for all committees of the Supervisory Board

The information below shows committee memberships as of the reporting date.

- Audit Committee

The Audit Committee is in charge of examining the annual financial statements, the management report and the proposal on the appropriation of profits. It monitors the process to select the company's auditor and issues its recommendation to the SB and the Annual General Meeting. It is instrumental to prepare the annual audit, supervises the process and prepares the reports to be submitted to the Annual General Meeting. The Audit Committee specifies the key areas to be examined in audit activities jointly with the auditor. In addition, the Audit Committee monitors the accounting process and makes recommendations for its improvement. It monitors the internal controls, risk management system and internal audit. Together with management it sets the annual priorities of the work of the internal audit.

The members of this committee are Andreas Gerstenmayer (since June 2022, Chairperson / Financial Expert), Yen Yen Tan, Brigitte Ederer (since June 2022) Andreas Pein and Günter Kneffel.

- Nomination Committee

The Nomination Committee is responsible for preparing proposals to the SB to appoint executive members to the MB and strategies for succession planning. In addition, the shareholder representatives of the committee prepare proposals to the Annual General Meeting to elect new members to the SB. In certain instances, the Committee works with international recruitment consultants to find and evaluate qualified candidates.

The members of this committee are Brian Krzanich (Chairperson), Margarete Haase (since June 2022), Wolfgang Leitner (since June 2022), Monika Henzinger, Andreas Pein and Patrick Reinisch.

- Remuneration Committee

The Remuneration Committee is responsible for preparing the remuneration policy and negotiates as well as monitors the contractual relationship between the company and the members of the Management Board (MB). It sets the compliance standards for the management and supports the SB to pass its resolutions on the appointment and dismissal of members of the MB and is in charge of the respective documentation. The Remuneration Committee prepares the remuneration report of

the MB and SB remuneration on behalf of the SB as well as other relevant parts in the context of the annual report. It sets the annual target of the short-term incentives and reviews the achievements and pay-outs, based on the audited financial report. The Remuneration Committee actively follows the development of the management compensation systems in comparable companies and liaises with compensation advisors, shareholders and their representatives to harmonize the remuneration system of the company with international standards and expectations. The members of this committee are Margarete Haase (since June 2022, Chairperson) and Wolfgang Leitner (since June 2022).

- Technology Committee

The Technology Committee is responsible for reviewing and assessing the company's technological strategy and evaluating the achievement of short- and long-term R&D goals and the associated economic results. It advises on important technology strategies, including R&D developments, as well as the protection of the company's intellectual property and evaluates future trends in technology. The members of this committee are Kin Wah Loh (Chairperson), Brian Krzanich, Monika Henzinger, Sabine Radesey and Günter Kneffel.

- Long Term Incentive Plan Committee

The long-term incentive plan committee (the "LTIP Committee") is responsible for preparing the general policy and parameters of the long-term incentive plan (the "LTIP") of the ams-OSRAM Group for final decision by the SB and the Annual General Meeting to the extent required by law. Furthermore, it (i) periodically commissions an external expert to review the general market conditions and advise on changes to the LTIP, (ii) decides on behalf of the SB regarding the approval and granting of long-term remuneration instruments to employees of the ams OSRAM Group and (iii) the Committee decides on and approves the annual granting of remuneration instruments to members of the Management Board. The LTIP Committee consists of at least three members. The Chairperson of the Supervisory Board and his or her deputy are always members of the LTIP Committee and the Chairperson of the Supervisory Board also chairs the LTIP Committee. The members of this committee are Margarete Haase (since June 2022, Chairperson), Wolfgang Leitner (since June 2022, Deputy Chairperson) and Günter Kneffel.

- ESG Committee

Ensuring the sustainable development of the company is of key importance in all management decisions at ams OSRAM. In order to achieve this strategic group goal, the SB has established a committee for environmental, social and governance matters ("ESG Committee") at the end of 2022. The ESG Committee consists of at least three members, whereby it must include the Chairperson of the Audit Committee and an expert from the area of sustainability. The ESG Committee shall, among other things, monitor the development and implementation of the Company's ESG strategy, including related governance structures and integration into the corporate strategy. Furthermore, the ESG Committee supervises the development of ESG-related key performance indicators (KPIs), including periodic measurement of the corresponding target achievement. In addition, the ESG Committee monitors compliance with statutory and other regulatory requirements in the area of ESG, including relevant auditing and reporting obligations; in this area, the ESG Committee cooperates closely with the Audit Committee in particular. Members of the committee are Brigitte Ederer (Chairperson), Yen Yen Tan, Andreas Gerstenmayer, Andreas Pein and Günter Kneffel.

| Committee | Chairperson | Other members |
|------------------------|----------------------|---|
| Audit Committee | Andreas Gerstenmayer | Yen Yen Tan, Brigitte Ederer, Andreas Pein, Günter Kneffel |
| Nomination Committee | Brian Krzanich | Margarete Haase, Wolfgang Leitner, Monika Henzinger, Andreas Pein, Patrick Reinisch |
| Remuneration Committee | Margarete Haase | Wolfgang Leitner |
| Technology Committee | Kin Wah Loh | Brian Krzanich, Monika Henzinger, Sabine Radesey, Günter Kneffel |
| LTIP-Committee | Margarete Haase | Wolfgang Leitner, Günter Kneffel |
| ESG-Committee | Brigitte Ederer | Yen Yen Tan, Andreas Gerstenmayer, Andreas Pein, Günter Kneffel |

3.5.3 Working procedures of the Supervisory Board and its committees

The meetings of the SB are presided over by the Chairperson and, in his or her absence, by the Deputy Chairperson. Resolutions are passed by simple majority of the votes cast. In case of equality of votes, the Chairperson's vote is decisive. The SB is entitled to request written reports on corporate affairs and managerial issues from the Management Board at any time. In principle, the Management Board attends the meetings of the SB and the audit, technology, LTIP- and ESG-committees in an

advisory capacity. Seven to ten days in advance of a SB meeting, the members of the SB receive the meeting agenda, which has been aligned with the Chairperson, and extensive information on each agenda item. The members of the SB can pose questions to the Management Board and request additional information via an internal communications tool in advance. In the SB meeting the Management Board provides details on the development of the business human resources, on the financial performance, solvency, capital expenditures and on the progress of longer-term technical, and commercial projects. Extensive time is allocated to discussions with the MB and within the SB, without the MB. In accordance with the MB by-laws, resolutions on investments, acquisitions and other proposals by the Management Board are a further important element of each SB meeting.

The SB committees are entitled to adopt resolutions which are binding for the SB only in cases where the committee has been granted such decision-making power by the SB. The SB appoints a committee member as Committee Chairperson. Committee resolutions are passed by simple majority of the votes cast. In case of equality of votes, the Committee Chairperson's vote is decisive.

In general, the SB holds five scheduled meetings a year. During 2022, the SB convened a total of six meetings given after the Annual General Meeting 2022, the Supervisory Board was reconstituted and the new Chairperson was elected. In addition, as in previous years, the Supervisory Board conducted one additional strategy session. The respective six SB meetings convened lasted an average of four hours, the additional strategy meeting lasted eight hours. Next to the discussions on the current business situation and pursuing its statutory responsibilities, additional important topics of the SB included next to the nomination of a candidate for the Chair of the Supervisory Board, the progress of the integration of ams OSRAM (in particular the portfolio streamlining through divestment of the former Digital business unit), the construction of the new production facility in Kulim/Malaysia, the implementation of the joint group-wide production strategy and the consistent realization of the targeted cost savings. In addition, the SB discussed the efficiency of its working methods as well as structures and concluded on certain adjustments within the by-laws of the SB, adopted principles for its composition and diversity as well as established a new ESG-Committee. After the covid pandemic subsided, meetings were again held as face-to-face sessions starting in spring 2022.

The Compensation Committee convened a total of seven times with sessions lasting an average of around one hour, to evaluate and determine the targets and parameters of the annual variable management compensation, among other topics. In addition, the Compensation Committee discussed terms and conditions of MB contracts and potential adjustments to the remuneration policy of the MB.

The Audit Committee convened six times with an average meeting duration of around two hours. In addition to its regular duties, the Audit Committee dealt in particular with the quality and independence of the audit, the audit approach as well as internal audit events. The Committee also received reports on the compliance system and on material legal disputes.

The Nomination Committee convened two times, each meeting lasting around one hour. The Nomination Committee evaluated potential future candidates for the SB, in particular for the Chairperson, as well as the the long-term succession planning of the MB and SB.

The Technology Committee convened four times, with meetings lasting an average of two and a half hours. The committee's work mainly focused on technology development in the field of microLED and optical components, the group's innovation and product development process, and the development of technology experts and knowledge holders within the company.

The LTIP Committee convened two times, for about one hour each to assess the fulfillment of the established performance criteria of the long-term compensation plans, to decide on the granting of stock options to the members of the MB, and to approve the granting of stock options to additional beneficiaries by the MB in accordance with the terms of the LTIP 2019. In addition, the Committee discussed the adjustment of the LTIP 2019 for beneficiaries below the Management Board as well as outlines for a new Long Term Incentive Plan from 2023 (LTIP 2023).

In the past year, all members of the SB, with the exception of one member, attended all meetings of the SB and the committees. The Chairperson and Deputy Chairperson of the SB held scheduled monthly telephone conferences with all members of the Management Board and frequent one-one telephone conferences with individual members of the Management Board to discuss day-to-day business development and strategic issues. The Chairperson of the Audit Committee was in regular contact

with the CFO, members of the financial departments and the auditors of the company. The Chairperson and members of the Technology Committee undertook various expert sessions with members of the management and technology board.

Attendance of Supervisory Board (SB) members in meetings and committees in 2022 in %

| SB member | Attendance SB meetings | Attendance committee meetings |
|---|------------------------|-------------------------------|
| Margarete Haase (Chairperson) | 100% | 100% |
| Wolfgang Leitner (Deputy Chairperson, since June 2022) | 100% | 100% |
| Hans Jörg Kaltenbrunner (Former Chairperson, until June 2022) | 100% | 100% |
| Andreas Gerstenmayer (since June 2022) | 100% | 100% |
| Michael Grimm (Former Deputy Chairperson, until June 2022) | 100% | 100% |
| Yen Yen Tan | 100% | 100% |
| Monika Henzinger | 100% | 100% |
| Kin Wah Loh | 100% | 100% |
| Brian Krzanich | 83% | 100% |
| Brigitte Ederer | 100% | 100% |
| Sabine Radesey | 100% | 100% |
| Günter Kneffel | 100% | 100% |
| Andreas Pein | 100% | 100% |
| Patrick Reinisch | 100% | 100% |

3.6 Definition of area of responsibility

The Management Board of ams OSRAM acts on its own responsibility and is not subject to instructions from the shareholders or the Supervisory Board. In accordance with the Austrian Stock Corporation Act, the SB has defined a catalog of transactions and measures that require the approval of the SB. In addition to other responsibilities including succession planning and the appointment and compensation of

the members of the MB, the SB monitors the management of the company by the MB. This includes discussing regular updates on the company's financial and business development within the SB as well as within the MB and approving the company's budget for the following year. The MB clears the company's strategic orientation with the SB and discusses the status of strategy implementation with the SB at regular intervals. Both the MB and the SB have rules of procedure. The SB's decisions on investments, acquisitions and other significant transactions or measures in accordance with the Rules of Procedure of the MB are another focus of the cooperation between the SB and the MB.

3.7 Information and control instruments vis-à-vis the Management Board

The group implements a Risk Management System (ERM), a Management Information System (MIS) and an internal audit function. ams OSRAM applies systematic enterprise risk management (ERM) to identify, assess, and manage risks. Risks that could threaten the going concern of the ams OSRAM group or the achievement of its strategic, operational, financial, and compliance-related objectives should be identified at an early stage to initiate risk-limiting measures. The central risk management function is part of the Corporate Audit department and coordinates the risk management process and risk reporting. The head of the Corporate Audit department reports directly to the Management Board (MB) and also has a direct reporting line to the Audit Committee of the Supervisory Board, which monitors the effectiveness of the risk management system.

Within the framework of the Risk Management System, recognizable risks in numerous areas of the company are compiled and assessed at least twice a year. The principal results are subsequently evaluated by the MB and brought to the attention of the Audit Committee by the head of internal audit. In addition, the effectiveness of the internal control system is reviewed annually. The MB of the ams OSRAM Group determines whether the risks individually or collectively pose a material threat to the group overall as well as if there is a substantial threat to the company's ability to continue as a going concern.

If necessary, the internal controls are revised to eliminate any weaknesses identified. Through continuous and group-wide audits, ams OSRAM's internal audit department ensures that group-wide guidelines are complied with and that the reliability and functionality of the control system is given. The audit plan of the internal audit is approved by the Audit Committee. Regular reporting to the MB and the Audit Committee takes place at least every six months and is supplemented by ad hoc reporting as required, in order to ensure that the MB and the Supervisory Board are kept fully and promptly informed about significant risks.

The company's MIS compiles a multitude of performance indicators from various areas of the company as well as comprehensive financial information and promptly makes them available to management as processed files in electronic form. The Supervisory Board receives monthly and quarterly reports based on information from the MIS.

Further details on the group's risk management system are provided in item 8 of the Group Management Report. In addition, the group's risk management is referred in detail in chapter 3.2. of the company's Sustainability Report (available on the [company website](#)).

In addition, the company pursues an integrated compliance management system. The system is based on the elements prevent, detect and respond. It comprises regulations, measures and processes to prevent legal infringements in the areas of anti-corruption, competition and antitrust law, money laundering prevention, data protection and export controls. The compliance management system is organized by experts at various locations around the world. The Head of Compliance reports directly to the Chief Technology Officer (CTO), who is responsible for compliance within the Management Board. The Management Board receives quarterly and ad hoc reports on relevant compliance issues. As part of the MB's control of the corporate management function, the Supervisory Board also monitors the functionality and capability of the compliance management system. The Audit Committee is responsible for this function within the Supervisory Board, the Head of Compliance reports to the Audit Committee on a quarterly basis on current issues and potential risks, as well as on an ad hoc basis.

3.8 Gender guidelines/composition of the SB

The Guideline on the Composition and Diversity of the SB contains the basic principles of the SB of the Company with regard its competence profile, its approach to diversity, as well as the aspired personal requirements and individual capabilities for the composition of the group of the shareholder representatives on the SB. Within the framework of this guideline, the SB strives for a balanced composition in terms of diversity criteria. Accordingly, it was stipulated that at least 30% of the seats on the SB of the shareholder representatives should be held by women and at least 30% by men. This quota was met in the reporting year. The Guideline on the Composition and Diversity of the SB also contains further information on the desired competence profile of the members, which is based on the three pillars "Common Body of Knowledge", "Skillset" and "Diversity Criteria". In addition, it is noted that at least 30% of the members should have international experience, in accordance with the global structure of the group. The complete guideline on the composition of the SB is available on the [company website](#).

4. Management Board

4.1/4.2 Members of the Management Board, other activities and vested interests

Insofar as nothing to the contrary is mentioned below, no material activities or vested interests exist regarding the members of the Management Board.

The current composition of the Management Board, including corresponding curricula vitae, is available at any time on the [corporate website](#).

The Management Board of the group composed of the following members in fiscal year 2022:

Alexander Everke, born in 1963, German citizen. Member of the Management Board since October 2015 and Chairperson of the Management Board (CEO) since March 2016. In January 2023, it was announced that Alexander Everke will hand over the position of CEO to his successor Aldo Kamper. He will continue to advise ams OSRAM until the end of 2023 and actively support the handover of his duties.

Alexander Everke started his career in the semiconductor industry in 1991 with Siemens as Marketing Manager and Director. In 1996 he joined the Siemens spinoff Infineon as Vice President Sales responsible for the Memory Products Division. In 2001 he became Senior Vice President Sales responsible for the Global Sales Organization of Infineon. His final position with Infineon was Senior Vice President and General Manager for the Chip Card & Security ICs Business Unit before joining NXP Semiconductor UK as General Manager in 2006. In 2007 Alexander Everke became a Member of the NXP Management Team and served as Executive Vice President and General Manager for the Business Units Multimarket Semiconductors, High Performance Mixed Signal and Infrastructure & Industrial reporting in all roles directly to the CEO of NXP. Alexander Everke holds a Master diploma in Electrical Engineering and a Master's degree in Business Administration.

The CEO is responsible for the overall company strategy, business development and performance of the ams OSRAM group and its business segments and heads the following business areas & functions: Global Sales & Marketing (GSM), Commercial, technical and organizational aspects (incl. Product R&D and Product Marketing)

of the Business Units, Operations & Supply Chain Management (OSC); Human Resources (HR); Investor Relations (IR); Public Relations (PR).

Other supervisory board mandates or management board positions at listed companies: ASML (The Netherlands)

More information on the current Chairperson of the Management Board of ams OSRAM, Aldo Kamper, in office since April 1, 2023, is available on the [company website](#).

Ingo Bank, born in 1968, German citizen. Member of the Management Board responsible for Finance as Chief Financial Officer (CFO) since May 2020. Contract term until 2023. At the end of April 2023, Mr. Bank will step down as CFO and from the Management Board of the Company at the end of his contract. As of July 1, 2023, Rainer Irle will assume the function of CFO.

Ingo Bank joined the former ams AG from OSRAM Licht AG where he held the position of CFO as a Management Board member. He started his career at Philips, where he spent 18 years in various senior leadership positions, including Chief Financial Officer and Executive Vice President of Philips Healthcare and Chief Financial Officer of divisions within Philips Lighting. In 2013 he joined PAREXEL International Corporation, a provider of biopharmaceutical services, where he held the position of CFO. In 2016 he joined OSRAM Licht AG as the CFO. Since February 2021, he has also been CEO of OSRAM Licht AG. Ingo Bank has lived in Europe, Asia and the United States during his more than 25-year career. Ingo Bank holds a degree in Economics from Witten-Herdecke University, Germany, as well as a degree as Registered Controller from University Amsterdam/Maastricht, the Netherlands.

The CFO heads the following business areas & functions: Global Finance incl. Accounting, Controlling, Tax and Treasury; Legal and Intellectual Property; Internal Audit incl. Risk Management and Group Sustainability Management; Information Technology incl. Cyber-security

Further information on the Company's sustainability activities is described in a dedicated sustainability report, which is available [here](#).

Additional information on the internal organization and activities in the area of cybersecurity and IT risks is part of the Management Report ([page 60](#)) of this report.

Other supervisory board mandates or management board positions at listed companies: None

Further information on Ingo Bank's successor and future CFO of the company, Rainer Irle, who will take up his position on July 1, 2023, will also be published on the [company's website](#) after he takes over the position.

Dr. Thomas Stockmeier, born in 1958, German citizen. Member of the Management Board responsible for Technology as Chief Technology Officer (CTO) since October 2014. Contract term until the end of 2023.

Thomas Stockmeier joined ams in April 2013 as Executive Vice President and General Manager of the Industrial & Medical business. Afterwards, he was appointed Executive Vice President and General Manager of the Division Sensors and Sensor Interfaces as well as Corporate Technology. Dr. Thomas Stockmeier has more than 30 years of broad experience in the electronics industry, gained with ABB in Switzerland and the U.S. where he spent 13 years holding various positions in R&D and management. Before joining ams, he worked at SEMIKRON for 13 years as Member of the Management Board and Chief Technology Officer (CTO) responsible for R&D, Operations, and Quality. Since December 2019, he has also been Chairperson of the Supervisory Board of OSRAM Licht AG. Dr. Thomas Stockmeier received a Diploma Degree in Material Science and a Doctorate Degree in Electrical Engineering from the University of Erlangen-Nuremberg.

The CTO heads the following business areas & functions: Corporate Quality Management (Q); Corporate Research & Development (CRD); Innovation Office; Division Research & Development; Coordination of Software Development; Compliance incl. export control and corporate data protection.

Other supervisory board mandates or management board positions at listed companies: None



Mark Hamersma, MSc MBA, born in 1968, Dutch citizen. Member of the Management Board responsible for Business Development (CBO) since January 2018. Contract term until the end of 2023. Mark Hamersma joined ams in early 2016 as General Manager for the Division Environmental and Audio Sensors and head of Strategy and M&A. Mark Hamersma has more than 25 years of experience in the high-tech industry in strategy and business development, M&A and general management roles. Since joining ams he helped formulate ams' sensor solutions strategy and closed more than fifteen M&A and partnership deals. Before joining ams, Mark Hamersma was a Senior Vice President at NXP Semiconductors where over a period of 11 years he was responsible for Corporate Strategy, M&A, Strategic Marketing and Corporate Communications, and was General Manager of Emerging Businesses. Prior to that, he was a partner at McKinsey & Company focused on clients in the high-tech, telecoms and private equity sectors. Mark Hamersma holds a Master of Science in Physics from Leiden University and an MBA from INSEAD, Fontainebleau.

The CBO heads the following business areas & functions: Organizational Development (CD); Mergers & Acquisitions and Partnerships (M&A); Post-Merger Integration (PMI).

Other supervisory board mandates or management board positions at listed companies: None

4.3 Number of permissible activities

There are no rules in the Articles of Association regarding the number of permissible activities of the members of the Management Board.

4.4 Management Contracts

There are currently no management contracts.

5. Compensation, shareholdings and loans

5.1 Content and method of determining compensation and share ownership programs

The responsibility and process for determining the remuneration of the MB and SB are regulated separately in Austrian Stock Corporation Act (AktG):

The Annual General Meeting is responsible for determining the compensation of the Company's Supervisory Board.

The most recent resolution on remuneration was passed by the company's Annual General Meeting on June 2, 2021. This remuneration regulation applies as long as the Annual General Meeting does not pass any other resolution. No resolution is planned for the Annual General Meeting on June 23, 2023.

The Supervisory Board is responsible for the remuneration of the members of the Management Board (MB). The Compensation Committee, as part of the SB, determines the fixed compensation and the criteria for the variable remuneration of the individual MB members for the term of the respective contract. The targets for the variable remuneration on an annual basis are also determined by the Compensation Committee at the beginning of each year. It also carries out the target measurement after the end of the fiscal year and determines the amounts to be paid out as variable compensation to the MB. The targets and parameters for the stock option programs for the members of the MB are set by the Supervisory Board on the basis of proposals by the LTIP Committee. This Committee also resolves the annual grants of share-based compensation instruments to the individual members of the MB. The Supervisory Board is regularly informed about the work of the Compensation Committee and the LTIP Committee.

The remuneration of the Management Board and Supervisory Board was documented in a remuneration policy adopted by the Annual General Meeting on June 2, 2021. Detailed information on the principles and amount of remuneration of the MB and SB can be found in the Remuneration Report starting on [page 37](#) and in the Remuneration Policy, which is available on the [company's website](#).

5.2./5.3 Remuneration report in keeping with Arts. 14 to 16 of the Swiss Ordinance against excessive compensation at listed joint-stock companies (OaEC)

For detailed information on the basis and amount of the Management Board's remuneration, please refer to the Remuneration Report starting on [page 37](#). Regarding clauses on changes of control please refer to section 7.2

Management board shareholdings and options as of Dec. 31, 2022

| Name | Function | Number of shares held | Number of options held |
|-------------------|----------|-----------------------|------------------------|
| Alexander Everke | CEO | 40,000 | 3,202,130 |
| Ingo Bank | CFO | 0 | 1,490,950 |
| Thomas Stockmeier | CTO | 10,825 | 1,124,464 |
| Mark Hamersma | CBO | 43,000 | 955,560 |
| Total | | 93,825 | 6,773,104 |

Management board shareholdings and options as of Dec. 31, 2021

| Name | Function | Number of shares held | Number of options held |
|-------------------|----------|-----------------------|------------------------|
| Alexander Everke | CEO | 40,000 | 2,671,488 |
| Ingo Bank | CFO | 0 | 659,630 |
| Thomas Stockmeier | CTO | 10,825 | 1,285,022 |
| Mark Hamersma | CBO | 43,000 | 918,536 |
| Total | | 93,825 | 5,534,676 |

For conditions, criteria, objectives and valuations of the call options for shares of ams-OSRAM AG based the respective stock options programs please refer to the Remuneration Report on [page 37](#) or Note 4 "Expenses" of the Notes to the Consolidated Financial Statements ([page 77](#) of this report). Persons related to the Management Board members held 4,750 shares and 0 options to purchase shares of

ams-OSRAM AG as of December 31, 2022 (4,750 shares and 0 options as of December 31, 2021).

Detailed information on the structure and amount of Supervisory Board compensation is available as part of the Remuneration Report starting on [page 37](#).

Supervisory Board shareholdings and options as of Dec 31, 2022

| in thousands of EUR | Function | Number of shares held as of Dec. 31 | Number of options held as of Dec. 31 |
|----------------------|--|-------------------------------------|--------------------------------------|
| Name | | | |
| Margarete Haase | Chairperson, Capital representative | 0 | 0 |
| Wolfgang Leitner | Deputy Chairperson, Capital representative (since June 2022) | 0 | 0 |
| Yen Yen Tan | Capital representative | 0 | 0 |
| Monika Henzinger | Capital representative | 0 | 0 |
| Kin Wah Loh | Capital representative | 0 | 0 |
| Brian Krzanich | Capital representative | 0 | 0 |
| Brigitte Ederer | Capital representative | 0 | 0 |
| Andreas Gerstenmayer | Capital representative (since June 2022) | 0 | 0 |
| Patrick Reinisch | Employee representative | 0 | 0 |
| Sabine Radesey | Employee representative | 0 | 74 |
| Günter Kneffel | Employee representative | 0 | 0 |
| Andreas Pein | Employee representative | 0 | 340 |
| | | 0 | 414 |

As of December 31, 2022, persons related to members of the SB held 2,041,650 shares and no options to acquire shares of ams-OSRAM AG (3,500 shares and 0 options as of December 31, 2021). This mainly relates to shares held indirectly by SB member Wolfgang Leitner via an asset management entity.

6. Shareholders' right of participation

6.1 Voting rights and representation restrictions

All shareholders of ams-OSRAM AG hold common bearer shares. Every share entitles its bearer to one vote at the Annual General Meeting. There are no voting right restrictions. Voting by proxy is only possible with a written power of attorney which remains with the company.

must have been in possession of the shares for at least three months prior to making their proposal. The agenda as well as further information on the Annual General Meeting are available on the [company website](#).

6.2 Statutory quorums

The resolutions passed by the Annual General Meeting require the majority of the votes cast (simple majority) insofar as the Austrian Stock Corporation Act or the Articles of Association do not foresee a larger majority or additional requirements. The Articles of Association of ams-OSRAM AG do not call for greater majority requirements than those required by the Austrian Stock Corporation Act.

6.5 Inscriptions into the share register

The company only has bearer shares outstanding and therefore does not keep a share register.

6.3 Convocation of the Annual General Meeting

Pursuant to the Austrian Stock Corporation Act, the Annual General Meeting is convened by the Management Board. In accordance with the company's Articles of Association, the Annual General Meeting must be convened no later than the 28th day prior to the scheduled date. The convocation is published in the "Wiener Zeitung" (Austria). Further information on the Annual General Meeting is available on the [company website](#).

6.4 Agenda

In compliance with the Austrian Stock Corporation Act, the agenda proposed for the Annual General Meeting shall be published in connection with the convocation of said meeting. No later than the 21st day before the Annual General Meeting, a minority of at least 5% of the ordinary capital may demand that the agenda of a previously convened Annual General Meeting shall be supplemented. Those proposing

Supervisory Board shareholdings and options as of Dec 31, 2021

| in thousands of EUR | Function | Number of shares held as of Dec. 31 | Number of options held as of Dec. 31 |
|-------------------------|--|-------------------------------------|--------------------------------------|
| Name | | | |
| Hans Jörg Kaltenbrunner | Chairperson, Capital representative | 100,000 | 0 |
| Michael Grimm | Deputy Chairperson, Capital representative | 35,000 | 0 |
| Yen Yen Tan | Capital representative | 0 | 0 |
| Monika Henzinger | Capital representative | 0 | 0 |
| Kin Wah Loh | Capital representative | 0 | 0 |
| Brian Krzanich | Capital representative | 0 | 0 |
| Brigitte Ederer | Capital representative (since June 2021) | 0 | 0 |
| Margarete Haase | Capital representative (since June 2021) | 0 | 0 |
| Patrick Reinisch | Employee representative (since June 2021) | 0 | 0 |
| Sabine Radesey | Employee representative | 0 | 74 |
| Günter Kneffel | Employee representative | 0 | 0 |
| Andreas Pein | Employee representative | 0 | 340 |
| | | 135,000 | 414 |

7. Changes of control and defense measures

7.1 Duty to make a public offer

Since ams OSRAM is an Austrian corporation mainly listed in Switzerland, the regulations of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA) regarding public takeover offers apply at the reporting date. Under article 135 para. 1 FMIA, anyone acquiring equity securities with 33 1/3% or more of all voting rights must mandatorily make a public tender offer. The Articles of Association of ams OSRAM contain neither an opting-up clause (in other words, they do not raise this percentage threshold) nor an opting-out clause (i.e., they do not waive the requirement of a tender offer). At the same time, the regulations of Austrian takeover law relating to offer obligations do not apply to ams-OSRAM AG.

7.2 Clauses on changes of control

Generally, there are no specific entitlements of the Management Board members related to possible changes of control or comparable structural changes of the Company. However, equity-based instruments may be subject to an accelerated vesting in case of a change of control given that the conditions for key metrics under the long-term incentive plans typically materially change and measurement of target values may become impossible in such a scenario.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The existing auditing mandate was assumed by KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, in 2005. Its election as auditor for the year under review was confirmed at the Annual General Meeting on June 24, 2022. The audit partner responsible for this mandate, Johannes Bauer, took office for the fiscal year 2020 and was already responsible for auditing the named ams Group in the past.

8.2 Auditing fees

The auditing firm charged auditing fees amounting to EUR 0.5 million during the reporting year for the audit of the Group and the parent company. For further audits of individual financial statements for consolidated subsidiaries, audit fees of approximately EUR 2 million were incurred across the entire Group.

8.3 Additional fees

The audit firm did not charge any material fees for additional consulting services during the reporting year.

8.4 Supervisory and control instruments pertaining to the audit

The auditor reports to the Supervisory Board's Audit Committee both orally and in writing on a regular basis, typically several times over the course of the year. In the period under review, the auditor reported in five Audit Committee meetings, which were held in February, March, April, October, and December 2022.

As part of the advanced integration of the ams OSRAM Group, a public selection process was conducted for the audit of the Group's financial statements for fiscal year 2022, which was monitored by the Audit Committee. The proposals of the audit firms were evaluated on the basis of five criteria using a scoring model. This scoring model included the following criteria: the auditor's global network, audit strategy and methodology such as the use of IT tools, audit team and communication strategy, independence of the audit firm and audit fee. The project team of the ams OSRAM group as well as the audit committee evaluated the audit firms based on the formal proposal through a multi-stage process. In addition, extensive physical presentations and workshops were held with the audit firms up for selection. Based on the selection process carried out and the corresponding evaluation result, the Audit Committee as well as the Supervisory Board recommended the selection of KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, as auditor.

The auditor is monitored and evaluated by the Supervisory Board's Audit Committee at regular intervals. The Supervisory Board's proposal to the Annual General Meeting for the election of an auditor is determined on the basis of a tender process that takes into account a broad range of criteria. The auditor's remuneration is regularly evaluated against prevailing market fees. The lead auditor for the company rotates every five years.

9. Information policy

ams OSRAM is committed to an open and transparent information policy towards the stakeholders. Important information on the development of business and the share price (financial news, annual reports, quarterly reports, financial calendar, presentations and share price data) is available on the company website in the section “[Investor Relations](#)”.

The financial calendar is available on the [company website](#). The company’s ad-hoc notifications pursuant to Art. 53 KR of the SIX Swiss Exchange concerning share-price-relevant events are available on the [company website](#) (pull-system), can be subscribed via the [contact form](#) (push-system) and are published promptly through the appropriate media in accordance with applicable regulations of the SIX Swiss Exchange. ams OSRAM issues quarterly reports regarding the development of its business. The publications on the quarterly results as well as the annual report are made available in [digital form](#).

In addition, ams OSRAM focuses on extensive Investor Relations activities, including in particular regular presentations to equity analysts, the press and in-depth meetings with institutional investors. Information on the Annual General Meeting is available on the [company’s website](#). For the company’s contact details, refer to the publishing information at the end of the Annual Report ([page 116](#) of this report). The Investor Relations department of ams OSRAM can also be contacted at investor@ams-osram.com.

Financial calendar (preliminary, at time of publication)

| | |
|------------------|--|
| February 7, 2023 | Publication of full year and fourth quarter 2022 results |
| February 7, 2023 | Annual Press Conference full year 2022 results |
| April 27, 2023 | Publication of Annual Report 2022 |
| May 2, 2023 | Publication of first quarter 2023 results |
| June 23, 2023 | Annual General Meeting 2023 |
| July 28, 2023 | Publication of second quarter 2023 results |
| July 28, 2023 | Publication of first half 2023 results |
| October 31, 2023 | Publication of third quarter 2023 results |

10. Quiet periods/Blackout periods

ams OSRAM has implemented comprehensive guidelines for employees in connection with trading in ams OSRAM shares, other securities of the Company, or derivatives related thereto. In addition, ams OSRAM has established a clear set of rules specifying trading blackout periods or trading windows for the members of the executive bodies and certain groups of employees. The members of the governing bodies as well as affected employees are informed of this in writing at least quarterly and are also required to sign a corresponding one-time declaration.

Employees of the ams OSRAM Group who, by virtue of their work or function, have access to financial results or other material information that is not yet public must not, in principle, enter into transactions in ams OSRAM securities during the period from seven trading days before the end of a quarter or fiscal year until two calendar days after the publication of quarterly, half-yearly, or fiscal year results.

The trading blocking periods for the aforementioned group of employees were as follows in fiscal year 2022: January 1, 2022 until incl. February 9, 2022; March 23, 2022 until incl. May 4, 2022; June 22, 2022 until incl. August 1, 2022; September 22, 2022 until incl. November 3, 2022; December 21, 2022 until incl. December 31, 2022.

Even shorter trading periods (three weeks after publication of the quarterly or fiscal year results) apply to the SB, the MB, and the extended management team of the ams OSRAM Group.

There are no exceptions to the trading blackout periods.

Remuneration Report

[Introduction](#)

[Principles and objectives](#)

[Key elements of the Management Board remuneration](#)

[Management Board remuneration](#)

[Setting of targets](#)

[Total remuneration of the Management Board](#)

[Share-based compensation](#)

[Change in remuneration of the Management Board compared to the workforce](#)

[Supervisory Board remuneration](#)

[Principles for the remuneration of the Supervisory Board](#)

[Total remuneration of the Supervisory Board](#)

I. Introduction

The remuneration of the members of the Management Board and the Supervisory Board of ams-OSRAM AG is based on the remuneration policies adopted by the Annual General Meeting of the company on June 2, 2021.

Based on the general principles determined in the remuneration policy, the remuneration report summarizes the principles used to determine the remuneration of the members of the Management Board for fiscal year 2022 and explains the structure and amount of the remuneration paid to the members of the Supervisory Board. In addition, the remuneration of each member of the Management Board and the Supervisory Board for fiscal year 2022 is presented on an individual basis.

In fiscal year 2022, consolidated revenue decreased by 4% to EUR 4,819 million, compared to EUR 5,038 million in 2021. The decrease was primarily due to portfolio effects from business disposals with a total sales effect of EUR 307 million. On a like-for-like portfolio basis (adjusted for this business disposals), Group sales increased by approximately 2% compared to the previous year.

The result from operations (EBIT), adjusted for M&A-related expenses, transformation costs, expense for share-based compensation, and the result from investments in associates and from the sale of businesses, decreased by EUR 95 million year-on-year to EUR 407 million. Unadjusted EBIT decreased by EUR 358 million to EUR -161 million. This negative development was in particular driven by a one-off non-cash impairment charge of EUR 335 million in the IFRS based (unadjusted) results in the third quarter, in line with IFRS requirements.

The results reflected an overall solid corporate development in an increasingly difficult industry and economic environment during the year. In this context, the fiscal year was characterized by the significant impact of geopolitical and economic developments on the demand and market situation in the semiconductor industry, and additionally by considerable inflationary pressure.

The remuneration report for fiscal year 2022 is based on the requirements of § 78c Austrian Stock Corporation Law, respective rules of the Suisse stock exchange (SIX Swiss Exchange) and additional best practice standards for remuneration disclosure. In addition, it considers comments and recommendations received from proxy advisors, which shareholders received in the course of the Annual General Meeting on June 24, 2022, for the vote on the report for fiscal year 2021. This report was largely

rejected by the Annual General Meeting. Compared to last year's disclosure, the following changes in the remuneration report for fiscal year 2022 have been implemented:

- Detailed disclosure of the share-based compensation targets for the for the members of the Management Board, including a comprehensive breakdown of the targets and ranges set for the last fiscal year.
- Detailed disclosure of individual target achievement and allocation of options regarding the respective share-based compensation plans for the Management Board
- Disclosure of base salary of board members compared to the workforce

Based on the discussion with shareholders and shareholder representatives, the Supervisory Board has also fundamentally reviewed the remuneration policy for the Management Board with the support of an independent external remuneration expert. The Supervisory Board will propose a new remuneration policy for the Management Board to the Annual General Meeting on June 23, 2023. This includes the following significant adjustments:

- The overall level of contractually agreed remuneration for the members of the Management Board will be significantly reduced, by reducing the grants of share-based compensation instruments a maximum of 300% of the basic remuneration for the CEO (instead of up to 750%) and to a maximum of 250% of the basic remuneration (instead of up to 500%) for the other members of the Management Board. Together with minor adjustments to the other compensation elements, this results in an overall reduction in target compensation of around 45%.
- The company will introduce a new long-term share-based compensation plan (LTIP 2023), where all LTI instruments for the Management Board will be linked to the achievement of defined performance criteria and are therefore fully performance-based (Performance Stock Units or PSUs). Market value options (Special Performance Share Units or SPSUs) are no longer intended to be issued. The pay-for-performance relationship of the compensation to the Management Board will be significantly increased.
- Overachievement of long-term targets is strongly incentivized to create additional performance incentives (range 0-150% of target amount).

- The vesting period of the PSUs shall be four years (three-year performance period and one-year waiting period). The vesting of the PSUs shall also depend on the achievement of a long-term ESG target (weighting 20%) derived from the group wide ESG strategy.
- The opportunity to reclaim Management Board remuneration by applying claw back clauses is extended.
- In the event of a change of control, any unvested share-based compensation instruments are settled pro rata temporis (no "accelerated vesting").

Further details of the new remuneration policy for the Management Board can be found in the proposed resolutions for the Annual General Meeting of the Company on June 23, 2023, published in advance.

II. Principles and objectives

The Supervisory Board decides on the remuneration system for the Management Board by determining a respective remuneration policy to be submitted to the Annual General Meeting of ams OSRAM's shareholders for approval. This policy shall ensure that the Management Board remuneration is aligned with the performance of the company and with usual remuneration in comparable positions of the worldwide semiconductor and technology industry, so that it supports the business strategy and long-term development of the company.

On February 2, 2023, the Supervisory Board decided to prepare adjustments to the remuneration system and establish a new remuneration policy. This policy will be presented at the Annual General Meeting on June 23, 2023.

The Supervisory Board established a Remuneration Committee to prepare decisions in this regard, which includes of the Chairperson of the Supervisory Board, his deputy and up to one further member of the Supervisory Board. This committee is responsible for passing resolutions on conclusion, amendment and termination of employment contracts with Management Board members, and in particular for determining their remuneration. As part of this responsibility, the committee regularly evaluates the appropriateness of the remuneration paid to members of the Management Board and the remuneration system in general, taking account of the statutory requirements and developments in corporate governance standards and investor expectations regarding executive remuneration. An external independent consultant regularly supports the committee. Based on this evaluation, the committee recommends adjustments to the Management Board remuneration system or policy. It also sets targets for the annual variable remuneration at the beginning of each fiscal year and determines target achievements after the end of the respective period.

In addition, the Supervisory Board sets up a Long-term Incentive Plan Committee (LTIP Committee) which is responsible for preparing the general policy and parameters of the long-term incentive plans for final decisions of the Supervisory Board and the Annual General Meeting to the extent required by law. The objective of the long-term incentive plan is to increase the value of the company in the interest of the shareholders and are generally based on share-based compensation. Furthermore, the LTIP Committee (i) periodically commissions an external expert to review the general market conditions, (ii) advises on changes to the LTIP, and (iii) decides, reviews, changes and approves the Management Board's proposal to award long-term incentives to senior managers and employees of the company.

When designing the remuneration system and setting the remuneration for the Management Board, the Supervisory Board is guided, in particular, by the following principles (as established in the remuneration policy):

- **Supporting the strategic development of ams OSRAM:** Overall objective of the executive remuneration at ams OSRAM is to promote the business strategy and long-term development of the company in the interests of its shareholders. The remuneration is reflecting the ongoing development of the ams OSRAM group by setting ambitious targets for the Management Board and adapting them to the current business situation as well as to the dynamic requirements of the ecosystem. ams OSRAM group pursues the goal of becoming the world's leading provider in the fast-growing market of optical solutions. In order to achieve this leadership position ams OSRAM invests extensively in forward-looking innovations and continuous transformation. At the same time, it is important that the long-term interests of shareholders are always considered in the business strategy. As part of our remuneration policy we therefore ensure that long-term and strategic decisions are appropriately incentivized.
- **Considering the overall situation of the company:** The Supervisory Board takes the economic situation as well as the company's success and future prospects into consideration when deciding on the structure and measurement of remuneration.
- **Offering competitive conditions for managers:** As ams OSRAM is operating in a highly competitive environment, executive remuneration should be attractive in comparison to what is offered by competitors, and thus be an incentive for best qualified executives from across the globe to join and contribute to the company's success.
- **Reflecting different experiences, skills and responsibilities of board members:** The remuneration of the members of the Management Board reflects the responsibility as lawful representatives of ams OSRAM and the scope of activities of the respective member as determined by the assignment of functions. In addition, relevant professional experience and the skills profile is considered to a significant extent.

- **Linking remuneration strictly to performance:** To ensure a clear focus on performance, the compensation focuses on variable elements for which performance targets are set at the beginning of each fiscal year which cannot be amended subsequently. The base-salaries of Management Board members are comparably moderate, i.e. on average below those of comparable companies in the peer group defined below, and additional benefits like pension schemes are not granted. Thereby, the remuneration system for the Management Board strongly emphasizes on both, the (financial) long-term performance and the sustainable strategic development of the company.
- **Considering Peer Group companies, comparing vertical compensation and retaining expert advice:** When regularly reviewing remuneration to be at a competitive level, the Remuneration Committee analyses structure and level of remuneration in peer companies. To define the relevant peer group, an independent expert analyzed data of key competitors in the relevant semiconductor and optical component markets and considered sales, the number of employees, market capitalization, as well as the company's registered office in Austria and the listing of ams OSRAM shares in Switzerland. In addition, the peer groups used by proxy advisors, where available, were used for guidance. The resulting peer group consisted of the following companies in fiscal year 2022:
 - Aixtron
 - ASM International
 - BE Semiconductor
 - Infineon Technologies AG
 - Melexis Technologies N.V.
 - Nordic Semiconductor
 - REC Silicon
 - SMA Solar
 - Soitec
 - Baloise Holding AG
 - Barry Callebaut AG
 - Clariant AG
 - Dufry AG
 - Galenica AG
 - Georg Fischer AG
 - Helvetia Holding AG

III. Key elements of the Management Board remuneration

- Logitech International S.A.
- OC Oerlicaon Corporation AG
- The Swatch Group AG

This group is regularly updated based on independent expert advice. In this context, structural changes by M&A transactions, delisting etc. affecting peer companies are considered. Further information can be found in the remuneration policy.

In addition, the Remuneration Committee considers the Management Board's remuneration in relation to the remuneration of relevant parts of the ams OSRAM workforce (vertical comparison). For this purpose, worldwide employee data is analyzed. Additional information can be found in chapter IV.4.

The Remuneration Committee regularly seeks advice from external remuneration experts. In the last years, such advisors were involved in preparing the Long-Term Incentive Plan 2019 (LTIP 2019) and the remuneration policy adopted by the Annual General Meeting in June 2020. When engaging these experts, the established independence requirements for compensation consultants are strictly adhered to.

The remuneration policy applied in the fiscal year is fully in line with the current remuneration policy for the Management Board and consists of three main elements:

- Fixed base remuneration,
- Short-term variable remuneration (annual Performance Bonus) and
- Share-based compensation based on equity incentive plans.

Regarding weighing of these elements, the fixed base remuneration (together with other contributions in kind) shall account for app. 10-30% of the overall remuneration, whereas the variable components (short term variable remuneration and fair value of share-based compensation at grant date) are targeted to reach app. 70-90% of the overall remuneration. A clear focus on variable, performance-related components shall set a strong incentive for value creation through continuous profitable growth and a dynamic, strategic and technological development of the company.

1. Fixed base remuneration

The fixed base remuneration is not performance related and typically paid in 14 installments (twelve at the end of each month and two additional installments every six months as it is common practice in Austrian companies). The Supervisory Board decided to establish the base remuneration which is in line with international peer group companies. The chairman of the Management Board (CEO) receives a higher base salary due to his special responsibility and importance for managing the ams OSRAM group.

The amount of the base remuneration for the members of the current Management Board in fiscal year 2022 was reviewed and redetermined following the acquisition of the OSRAM Group in 2021. Therefore, the Supervisory Board considered the increased size of the company and the higher complexity of the Group. The amount of the base remuneration determined in this way was reviewed by the Supervisory Board with the support of an external remuneration expert as part of the revision of remuneration policy for the Executive Board at the end of 2022. It was moderately reduced for new Management Board contracts to be concluded.

2. Short-term annual variable remuneration (performance bonus)

The short-term annual variable remuneration (Performance Bonus) incentivizes the successful execution of the strategy broken down to annual financial and non-financial targets in each fiscal year. At the beginning of each fiscal year the Remuneration Committee sets clearly defined quantifiable targets for certain performance indicators. The target categories and their weighting shall ensure that the annual focus supports profitable growth, a well-balanced financial structure as well as short-term milestones for important strategic projects. Further, the targets consider key commitments to investors and are aligned with the long-term strategic development of the company.

Being convinced of the importance of sustainability for the success of the company, the Supervisory Board decided to use ESG performance indicators as part of the annual targets for members of the Management Board for the first time in fiscal year 2022. The Supervisory Board decided to support this process by including an initial ESG-related target in the remuneration system for fiscal 2022.

Target achievement is measured after the end of the fiscal year. The target bonus for each Management Board member amounts to one annual base salary. With an overall target achievement of 100% the payout is 100% of the target bonus. The Performance Bonus is not payable if the target achievement is 0%. The maximum bonus payout is generally 200%.

All payouts are subject to clawback provisions (see chapter III. sub 4 lit. c).

Further information is available in chapter IV.

3. Share-based compensation

The share-based compensation consists of several equity incentive plans and represents a significant portion of the medium- and long-term remuneration of the members of the Management Board. Within these plans, the Management Board as well as selected employees and executives are given the opportunity to participate in the success of ams OSRAM. The objectives of these equity incentive plans are to strengthen the alignment of interests between shareholders and employees, to provide an incentive for the generation of enhanced value, to ensure long-term commitment of employees and to maintain a motivating remuneration system that offers additional income opportunities.

The vesting of stock options under the respective plans is generally linked to the achievement of performance criteria of KPIs, such as EPS (earnings per share) /-growth or TSR (total shareholder return) in comparison to a defined peer group (for the composition of this group see above). The respective stock options generally vest over an extended time period throughout the duration of the stock options plans. The capital increase in 2020 in connection with the OSRAM transaction has led to an increased number of outstanding shares, which has been reflected in the stock options plans accordingly.

For fiscal year 2022, only stock options under the Long-Term Incentive Plan 2019 (LTIP 2019) have been awarded to members of the Management Board. This plan, which replaced LTIP 2014, became effective on 9 September 2019 and is applicable until the end of 2023. There are various limitations for the grant of stock options under this scheme: Overall, the LTIP 2019 plan comprises of approximately 7.5% of the company's share capital over the course of five years (2019-2023) so that each annual tranche is limited to 1.5% of the total share capital. In addition, the total amount of outstanding options and awards under all plans that can be converted into shares may at no point in time exceed 10% of the total share capital.

LTIP 2019 includes the following types of options for the members of the Management Board:

- **Performance Share Units (PSUs):**
PSUs are options subject to performance conditions. The performance indicators for the PSU are the relative Total Shareholder Return and the Earnings

per Share. The peer group for the relative TSR consists of key semiconductor companies (for details see above). An additional threshold is the fulfillment of the performance criteria under ams OSRAM Profit Sharing Program. PSUs will become exercisable 3 years after grant date (vesting period) if the LTIP Committee determines that the performance criteria have been met and provided that the price of the shares at the time of exercise exceed the average weighted price of the shares three months prior to the date of grant (exercise threshold). Each granted PSU entitles the participants to purchase one share of the Company at an exercise price of EUR 1.00.

- **Special Performance Share Units (SPSUs):**
SPSUs are market value options. Over a four-year period, each year one quarter of the total tranche of SPSUs becomes exercisable. Each granted SPSU entitles the participants to purchase one share of the Company for a strike price, which results from the weighted average price of the Shares within the last sixty (60) trading days prior to the respective date of grant, converted into a Euro amount and payable for each share acquired upon the exercise of an award.

For members of the Management Board the following maximum award limit applies: The fair value of the annual grant to the chairman of the Management Board must not exceed 750%, for all other members of the Management Board 500% of their respective annual fixed base compensation. In addition, the annual grant for all beneficiaries under the LTIP 2019 is limited to 1.5% of the share capital which may also cap the number of options to be granted to members of the Management Board. Due to this limitation the Chairman of the Management Board was granted 314% and the members of the Management Board 210% of the fixed base compensation. This cap amounted to 42% of the planned grant volume.

As a standard, members of the Management Board receive 65% of their respective total grant value as PSUs and 35% as SPSUs. The vesting of PSUs, which represent the major part of options to be granted, requires fulfillment of performance-related criteria, namely Earnings per Share (EPS) exceeding the budget approved by the Supervisory Board and Total Shareholder Return (TSR being defined change to the share price plus reinvested dividends over the performance period) of ams OSRAM group relative to those of peer companies. While SPSUs do not have to meet these criteria, their value is dependent on share price increases since the date of grant.

Consequently, both instruments put a strong emphasis on long-term value creation and alignment with shareholder interests.

The future remuneration policy for the Management provides that only PSUs will be granted to the Management Board.

Options will be vested only for members of the Management Board if they are still in a valid employment relationship with ams OSRAM during the vesting period. All granted options must be exercised within ten years after grant.

4. LTIP as of fiscal year 2023

Considering comments received from shareholders and in view of the overall development of corporate governance standards for share-based compensation plans, the LTIP Committee of the Supervisory Board developed a new LTI plan (LTIP 2023) for ams OSRAM to replace the LTIP 2019. This was done with the support of an independent external compensation consultant. LTIP 2023 provides that only performance-based share-based payment instruments (PSUs) will be granted to members of the Management Board. The amount of the annual grant is capped at 300% for the Chief Executive Officer and at 250% of their fixed remuneration for the other members of the Management Board.

Share-based compensation is linked to external and internal targets, also taking into account sustainability aspects. The Supervisory Board sets financial targets for relative TSR and average operating profitability at the time of grant. These targets are each included in the target measurement with a weighting of 40%. Furthermore, the Supervisory Board defines one or more ESG targets derived from the company's current sustainability strategy (weighting of 20%).

Target achievement is measured after every three years, whereby the target achievement level can vary between 0% and 150%. The vesting period is followed by a one-year holding period, so that all share-based compensation elements of the Management Board vest no earlier than four years after they are granted. The instruments that can be exercised are generally serviced by transferring treasury shares; in exceptional cases, a cash settlement may be granted.

5. Other elements of the remuneration system

a) Term and termination of the mandate

The employment contracts of the members of the Management Board are concluded for the duration of their mandate. Members of the Management Board are appointed for a period of three years by resolution of the Supervisory Board, reappointments are permitted. In accordance with section 75 (4) of the Austrian Stock Corporation Act (AktG), members of the Management Board may be dismissed from their position for good cause or may be dismissed if there is a reason for dismissal within the meaning of section 27 of the Austrian Employees Act (AngG). Consequently, the employment contract is terminated at the time of dismissal. In these cases, or in the event of resignation from office without the consent of the Supervisory Board, the Management Board member concerned is not entitled to any remuneration for termination or other form of compensation in connection with the termination of the employment relationship.

In the absence of good cause or in the event of illness or accident, whereas the Management Board member is unable to perform his duties for three months and the reason for the impediment is not expected to be settled within the next three months, as well as in the event of occupational disability within the meaning of Section 273 of the Austrian General Social Insurance Act (ASVG), any termination compensation in connection with the termination of the employment relationship is due. This compensation for termination is limited in total to the compensation due pro rata temporis for the remaining period of the mandate and limited at 200% of the annual remuneration of the last fiscal year of service. Granted long-term incentive plans that remain in existence do not stipulate a general compensation for the termination of the respective mandate but allow for good leavers to maintain parts of their instruments (depending on the individual case).

Further, within the scope of the Austrian Corporate Staff and Self-Employment Provision Act (BMSVG), ams OSRAM makes contributions to an employee provision fund in the statutory amount.

Generally, there are no specific entitlements of the Management Board members related to possible changes of control or comparable structural changes of the Company. However, share-based instruments may be subject to an accelerated vesting in case of a change of control given that the conditions for key metrics under the

long-term incentive plans typically materially change and measurement of target values may become impossible in such a scenario. The future remuneration for the Management Board no longer provides such accelerated vesting.

No loans or similar commitments are granted to members of the Management Board.

b) Shareholding requirements

Management Board members are obliged to have a qualifying interest in shares of the company. The amount of this qualifying interest is measured by the average weighted price of the shares over a period of the previous 12 (twelve) months is 300% of the base salary for the Chairman of the Management Board and 200% of the base salary for the other members of the Management Board. Half of the qualifying interest may be held in shares obtained through share-based compensation and half in vested options.

c) Claw-back provisions

Under the rules of the LTIP 2019 the LTIP Committee is entitled to cancel or claw back some or all of a participant's awards under predefined circumstances ("Claw-back"). Especially in but not limited to the case the Committee

- determines that financial results of the company were materially misstated,
- forms the view that in assessing any performance conditions imposed on an award assessment was based on an error, or on inaccurate or misleading information or assumption, or
- the individual ceases to be a director or employee of an ams group member as a result of material misconduct on the part of the individual.

Such Claw-back may be applied through direct repayment or a reduction in unvested awards of future grants, or a reduction in such other payments as might otherwise be due from the company to the individual (including outstanding bonus payments).

Comparable stipulations have been part of all long-term incentive plans since 2014.

There were no withdrawals of share-based payment instruments under the claw-back provisions in the fiscal year 2022.

The future remuneration policy for the Management Board provides that a claw-back should also be generally possible in the event of a material breach of duty, in case of at least slight negligence. Moreover, if administrative penalties or fines have been imposed on the company and the conduct of the board member has demonstrably contributed to this. In general, a claw-back should also cover all remuneration components.

d) Other benefits

There is no pension or early retirement scheme for members of the Management Board.

Management Board members are entitled to an upper-middle class passenger car for business and private purposes. Alternatively, board members can opt for a car allowance.

The company may conclude D&O insurance contracts for members of the Management Board for the duration of their respective Management Board function. In addition, ams-OSRAM AG may under certain circumstances take out a private accident insurance policy for the benefit of the members of the Management Board or for the benefit of a third party named by the respective member of the Management Board. To safeguard compliance with complex tax regulations, the company may bear the cost of tax consulting for Management Board members, especially if there are different tax legislation involved.

IV. Management Board remuneration

1. Setting of targets

At its meeting on April 6, 2023, the Remuneration Committee on behalf of the Supervisory Board decided on the amounts of short-term variable remuneration (performance bonus) based on achievement of the targets agreed in fiscal year 2022.

When setting the targets for fiscal year 2022, the Remuneration Committee placed the focus on the development of strategic growth, shareholder return and sustainability of the organization. Therefore, when defining the annual targets for the members of the Management Board, the Supervisory Board gave high priority to profitability and revenue growth, as well as, for the first time, to the achievement of an ESG-related target.

Consequently, the targets for fiscal year 2022 focused on adjusted EBIT with a weight of 65% and revenue with a weight of 20%. Furthermore, the preparation of a sustainability report in accordance to the GRI and a report to achievement of climate neutrality by 2030 with a weight of 15% were defined as additional performance indicators.

This also reflected the achievement of key commitments to shareholders for fiscal year 2022 which creates the basis for future profitable growth of the ams OSRAM group.

In detail, the following annual performance targets for receiving the short-term variable remuneration were set for the Management Board for fiscal year 2022:

| Targets and target values ¹ | 0% | 100% | 150% | 200% | Weighting of target |
|---|-------------------|--------------------|---------|----------------------|---------------------|
| Revenues (excluding divestments in FY 2022) ² | 4,215 € | 4,315 € | 4,565 € | 4,815 € | 20% |
| EBIT (excluding divestments in FY 2022) ² | 103 € | 111 € | 182 € | 253 € | 65% |
| Qualitative targets (weighted equally): Creation of a Sustainability report according to GRI and a report for the achievement of climate neutrality by 2030 ³ | | | | | |
| Achievement of the “Ready for Equipment” milestone in the construction of a new factory in Kulim by January 31, 2023 | No target reached | one target reached | - | both targets reached | 15% |

Based on the results of fiscal year 2022, the following target achievement was determined:

| Targets ¹ | Result at the end of the target period | Target achievement | Weighting of target | Contribution to overall target achievement |
|---|--|--------------------|---------------------|--|
| Revenues (excluding divestments in FY 2022) ² | 4,388 € | 115% | 20% | 23% |
| EBIT (excluding divestments in FY 2022) ² | -286 € | 0% | 65% | 0% |
| Qualitative targets (weighted equally): Creation of a Sustainability report according to GRI and a report for the achievement of climate neutrality by 2030 ³ | | | | |
| Achievement of the “Ready for Equipment” milestone in the construction of a new factory in Kulim by January 31, 2023 ⁴ | both targets reached | 200% | 15% | 30% |
| Overall target achievement | | | | 53% |

¹ All values in EUR million

² Net-revenue and EBIT are based on audited and consolidated figures for ams OSRAM before the sale of business units. As defined by the Supervisory Board at the beginning of the fiscal year, disposals and deconsolidations of business units in fiscal 2022 were adjusted for target and actual values in the target measurement. Revenue in US dollars is adjusted using the budgeted exchange rate of 1.15 EUR/USD.

³ Target achievement for fiscal year 2022 for the preparation of a report on achieving climate neutrality by 2030 is measured against a plan to reduce carbon dioxide emissions and energy consumption by at least 50% between 2021 and 2029.

⁴ The milestone “Ready for Equipment” for the new factory building in Kulim (Malaysia) was reached as of December 31, 2022.

2. Total remuneration of the Management Board

Members of the Management Board received the following remuneration:

Table 1: Total remuneration granted¹

| In kEUR | Fixed remuneration | | | | | | | Variable remuneration ³ | | | | | | Total Remuneration | |
|-----------------------------|--------------------|--------------|-----------------------------|--------------------|--------------------|------------|--------------|------------------------------------|--------------|---------------------------------------|--------------|---------------|---------------|--------------------|------|
| | Base Salary | | Other benefits ² | | Severance payments | | Subtotal | Performance Bonus | | Share-based compensation ⁴ | | | | | |
| | Name (Position) | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Alexander Everke (CEO) | 1,035 | 1,035 | 27 | 27 | - | - | 1,062 | 1,062 | 521 | 2,053 | 3,823 | 10,387 | 5,406 | 13,502 | |
| Ingo Bank (CFO) | 650 | 650 | 34 | 1,666 ⁵ | - | 124 | 686 | 2,440 | 327 | 1,289 | 1,600 | 4,346 | 2,611 | 8,075 | |
| Dr. Thomas Stockmeier (CTO) | 600 | 600 | 9 | 10 | - | - | 609 | 610 | 302 | 1,190 | 1,476 | 4,012 | 2,388 | 5,812 | |
| Mark Hamersma (CBO) | 600 | 600 | 51 | 29 | - | - | 651 | 629 | 302 | 1,190 | 1,476 | 4,012 | 2,429 | 5,831 | |
| Total | 2,885 | 2,885 | 121 | 1,732 | - | 124 | 3,006 | 4,741 | 1,453 | 5,722 | 8,375 | 22,756 | 12,835 | 33,219 | |

Table 2: Total remuneration paid

| In kEUR | Fixed remuneration | | | | | | | Variable remuneration ³ | | | | | | Total Remuneration | |
|-----------------------------|--------------------|--------------|-----------------------------|--------------------|--------------------|----------|--------------|------------------------------------|--------------|---------------------------------------|----------|----------|--------------|--------------------|------|
| | Base Salary | | Other benefits ² | | Severance payments | | Subtotal | Performance Bonus | | Share-based compensation ⁴ | | | | | |
| | Name (Position) | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Alexander Everke (CEO) | 1,035 | 1,035 | 27 | 27 | - | - | 1,062 | 1,062 | 1,951 | 1,101 | - | - | 3,013 | 2,163 | |
| Ingo Bank (CFO) | 650 | 650 | 36 | 1,666 ⁵ | - | - | 686 | 2,316 | 1,225 | 682 | - | - | 1,911 | 2,998 | |
| Dr. Thomas Stockmeier (CTO) | 600 | 600 | 9 | 10 | - | - | 609 | 610 | 1,131 | 629 | - | - | 1,740 | 1,239 | |
| Mark Hamersma (CBO) | 600 | 600 | 51 | 29 | - | - | 651 | 629 | 1,131 | 629 | - | - | 1,782 | 1,258 | |
| Total | 2,885 | 2,885 | 121 | 1,732 | - | - | 3,006 | 4,617 | 5,438 | 3,041 | - | - | 8,444 | 7,658 | |

¹ Total remuneration granted includes - regardless of the time of payment - all remuneration components that were granted to a member of the Management Board in the fiscal year, at least in principle, and whose (future) amount can at least be estimated.

² Other benefits comprise an upper-middle class passenger car for business and private purposes and car allowance, D&O insurance, and under certain circumstances a private accident insurance policy for the benefit of the members of the Management Board or for the benefit of a third party named by the respective member of the Management Board. Other benefits are recognized at their taxable value.

³ The variable compensation depicts the amounts accrued (table 1) or paid (table 2).

⁴ The share-based compensation (LTI) is determined with the fair value of the options granted in each fiscal year and presented within the remuneration accrued. The options that can be exercised are only determined after the end of the vesting period based on target achievement. Options exercised, are presented as remuneration paid.

⁵ Thereof kEUR 1,645 cash settlement of long-term incentives (OSRAM Stock Awards) which Ingo Bank received in his capacity as member of the Management Board of OSRAM Licht AG and which were settled in cash according to a resolution of the Supervisory Board of OSRAM Licht AG.

Table 1a: Fixed and variable remuneration granted in relation to total remuneration

| Name (Position) | Fixed remuneration | | | | Variable remuneration | | | |
|-----------------------------|--------------------|--------------|-------------|-------------|-----------------------|---------------|-------------|-------------|
| | In kEUR | in % | In kEUR | in % | In kEUR | in % | In kEUR | in % |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Alexander Everke (CEO) | 1,062 | 1,062 | 20% | 8% | 4,344 | 12,440 | 80% | 92% |
| Ingo Bank (CFO) | 686 | 2,440 | 26% | 30% | 1,927 | 5,635 | 74% | 70% |
| Dr. Thomas Stockmeier (CTO) | 609 | 610 | 26% | 10% | 1,779 | 5,202 | 74% | 90% |
| Mark Hamersma (CBO) | 651 | 629 | 27% | 11% | 1,779 | 5,202 | 73% | 89% |
| Total | 3,006 | 4,741 | 23% | 14% | 9,828 | 28,478 | 77% | 86% |

Table 2a: Fixed and variable remuneration paid in relation to total remuneration

| Name (Position) | Fixed remuneration | | | | Variable remuneration | | | |
|-----------------------------|--------------------|--------------|-------------|-------------|-----------------------|--------------|-------------|-------------|
| | In kEUR | in % | In kEUR | in % | In kEUR | in % | In kEUR | in % |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Alexander Everke (CEO) | 1,062 | 1,062 | 35% | 49% | 1,951 | 1,101 | 65% | 51% |
| Ingo Bank (CFO) | 686 | 2,316 | 36% | 77% | 1,225 | 682 | 64% | 23% |
| Dr. Thomas Stockmeier (CTO) | 609 | 610 | 35% | 49% | 1,131 | 629 | 65% | 51% |
| Mark Hamersma (CBO) | 651 | 629 | 37% | 50% | 1,131 | 629 | 63% | 50% |
| Total | 3,006 | 4,617 | 36% | 60% | 5,438 | 3,041 | 64% | 40% |

3. Share-based compensation

Under the LTIP 2019, Management Board members are entitled to PSUs and SPSUs to be granted in July of the year following the respective fiscal year.

In the reporting year, a total of 1,549,509 options (2021 1,913,293 options) to acquire shares in ams-OSRAM AG were granted to members of the Management Board. All of these awards were granted from the LTIP 2019, thereof 995,900 PSUs and 553,609 SPSUs (2021: 1,186,243 PSUs and 727,050 SPSUs). The strike price for PSUs is EUR 1.00 (2021: EUR 1.00) and for SPSUs EUR 10,75 (2021: EUR 16,15). For terms and valuation of the options to acquire shares in ams-OSRAM AG from the LTIP 2014, SSOP 2017 and SLTIP 2018, SSOP 2019 and LTIP 2019 and also for anti-dilution measures please refer to Note 4 of the financial statements.

In the reporting period, 370,051 SPSUs were vested under the LTIP 2019 for current members of the Management Board. A total of 311,081 PSUs were forfeited under the LTIP 2019 because the relative TSR target for awards granted in 2019 was not met. In fiscal year 2022, 253,276 options vested due to the achievement of the grant period. These options were granted in 2017 under the SSOP 2017. The members of the Management Board held 93,825 shares and 6,773,104 options to acquire shares as of December 31, 2022 (93,825 shares and 5,534,676 options to acquire shares as at December 31, 2021).

The further exercise conditions of the individual stock option plans are shown in Tables 3a and 3b.

The vesting of PSUs under LTIP 2019 is subject to the achievement of the EPS and TSR performance criteria. For further information on the determination of these performance criteria, please refer to Chapter III. sub 3.

The EPS performance criteria for achieving vesting of the PSUs from the LTIP 2019 program has been budgeted at EUR 2.20. The reported basic EPS of 3.73 EUR in fiscal year 2019 has been adjusted for the expense from share-based compensation and in particular the result from business unit transactions. The target achievement for adjusted EPS compared to budget 2019 is 205%.

The TSR (Total Shareholder Return) is based on the performance of the share price of ams-OSRAM AG compared with a peer group of its major competitors (see Chapter II. for further information). The target achievement for fiscal year 2022 is measured by the TSR in the period of the quarter before the grant (Q2 2019) and the quarter before the vesting (Q2 2022). The TSR is a multiplier to determine the final allocation. As the TSR is 50% below the peer group, the target achievement is 0%. Any impact on the valuation of the TSR from the 2020 capital increase has been adjusted. The TSR performance criteria is determined annually by an independent auditor.

In detail, the following targets for share-based compensation were set for the Management Board for the 2022 fiscal year within LTIP 2019.

| Target setting ¹ | TSR | | | |
|-----------------------------|-----|---------|-------|-------|
| | 50% | 100% | 150% | 200% |
| EPS | 50% | 100% | 150% | 200% |
| 90% | 0% | 50 % | 75 % | 100 % |
| 100% | 0% | 66,67 % | 100 % | 100 % |
| 120% | 0% | 100 % | 100 % | 100 % |

Based on the results of fiscal year 2022, the following target range was determined:

| Targets ¹ | Target achievement |
|----------------------------|--------------------|
| EPS | >120% |
| TSR | <50% |
| Overall target achievement | 0% |

At the time of granting, the fair value is determined based on the defined number of options granted and accounted as equity-settled plan and accrued over the respective vesting period according to IFRS 2. The number of options based on target achievement at the end of the vesting period. The following table shows the fair value at grant date. The accrued expense recognized in the respective performance period is shown in Table 3b.

Fair Value at grant date

| Name (Position) | Options granted | | Fair Value in EUR | |
|-----------------------------|------------------|------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Alexander Everke (CEO) | 707,247 | 873,290 | 3,822,685 | 10,386,800 |
| Ingo Bank (CFO) | 295,930 | 365,407 | 1,599,508 | 4,346,106 |
| Dr. Thomas Stockmeier (CTO) | 273,166 | 337,298 | 1,476,467 | 4,011,780 |
| Mark Hamersma (CBO) | 273,166 | 337,298 | 1,476,467 | 4,011,780 |
| Total | 1,549,509 | 1,913,293 | 8,375,127 | 22,756,465 |

¹ The target achievement for the vesting of LTIP2019 in the fiscal year 2022 is based on the targets for the tranche granted in fiscal year 2019.

Table 3a: Equity Incentive Plans - Main conditions

| Equity Incentive Plan | LTIP 2014 (2015) | SSOP 2017 | LTIP 2014 (2017) | LTIP 2014 (2018) | SLTIP 2018 | SSOP 2019 | LTIP 2019 (2019) | LTIP 2019 (2020) | LTIP 2019 (2021) | LTIP 2019 (2022) |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Performance period | 30.06.2015 – 30.06.2018 | 24.01.2017 – 24.01.2024 | 30.06.2017 – 30.06.2020 | 30.06.2018 – 30.06.2021 | 11.10.2018 – 11.10.2021 | 05.02.2019 – 05.08.2019 | 30.06.2019 – 30.06.2023 | 30.06.2020 – 30.06.2024 | 30.06.2021 – 30.06.2025 | 30.06.2022 – 30.06.2026 |
| Grant date | 30.06.2015 | 24.01.2017 | 30.06.2017 | 30.06.2018 | 11.10.2018 | 05.02.2019 | 09.09.2019 | 27.08.2020 | 19.08.2021 | 22.08.2022 |
| Vesting date | 30.06.2018 | 1/6 each year on 24.01. | 30.06.2020 | 30.06.2021 | 1/3 each year on 11.10. | 05.08.2019 | 30.06.2023 | 30.06.2024 | 30.06.2025 | 30.06.2026 |
| End of holding period | 30.06.2025 | 24.01.2023 | 30.06.2027 | 30.06.2028 | 11.10.2028 | 05.02.2029 | 30.06.2029 | 30.06.2030 | 30.06.2031 | 30.06.2032 |
| Exercise period | 30.06.2018 – 30.06.2025 | 24.01.2018 – 30.06.2027 | 30.06.2020 – 30.06.2027 | 30.06.2021 – 30.06.2028 | 11.10.2019 – 11.10.2028 | 05.08.2019 – 05.02.2029 | 30.06.2020 – 30.06.2029 | 30.06.2021 – 30.06.2030 | 30.06.2021 – 30.06.2031 | 30.06.2023-30.06.2032 |
| Strike price | 0.68 | 18.63 | 0.68 | 0.68 | 29.34 | 9.66 | 0.68 – 22.69 | 1.00 – 11.74 | 1 – 16.15 | 1-10.75 |

Table 3b: Equity Incentive Plans - Information regarding the reported fiscal year 2022

| Alexander Everke (CEO) | LTIP 2014 (2015) | SSOP 2017 | LTIP 2014 (2017) | LTIP 2014 (2018) | SLTIP 2018 | SSOP 2019 | LTIP 2019 (2019) | LTIP 2019 (2020) | LTIP 2019 (2021) | LTIP 2019 (2022) | Total |
|-------------------------------------|------------------|-----------|------------------|------------------|------------|-----------|------------------|------------------|------------------|------------------|-----------|
| Stock options outstanding at 1.1 | 0 | 631,219 | 25,694 | 18,895 | 0 | 123,205 | 284,846 | 714,339 | 873,290 | 0 | 2,671,488 |
| Stock options awarded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 707,247 | 707,247 |
| Anti Dilution measure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options lost | 0 | 0 | 0 | 0 | 0 | 0 | 176,605 | 0 | 0 | 0 | -176,605 |
| Stock options expired | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options exercised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options outstanding at 31.12. | 0 | 631,219 | 25,694 | 18,895 | 0 | 123,205 | 108,241 | 714,339 | 873,290 | 707,247 | 3,202,130 |
| Thereof exercisable at 31.12. | 0 | 517,084 | 25,694 | 18,895 | 0 | 123,205 | 54,124 | 135,724 | 82,963 | 0 | 957,689 |
| Expense in fiscal year (EUR) | 0 | 607,166 | 0 | 0 | 0 | 0 | 687,362 | 2,186,340 | 4,131,713 | 358,414 | 7,970,994 |

Table 3b: Equity Incentive Plans – Information regarding the reported fiscal year 2022 (continued)

| Ingo Bank (CFO) | LTIP 2014 (2015) | SSOP 2017 | LTIP 2014 (2017) | LTIP 2014 (2018) | SLTIP 2018 | SSOP 2019 | LTIP 2019 (2019) | LTIP 2019 (2020) | LTIP 2019 (2021) | LTIP 2019 (2022) | Total |
|-------------------------------------|------------------|-----------|------------------|------------------|------------|-----------|------------------|------------------|------------------|------------------|-----------|
| Stock options outstanding at 1.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 294,223 | 365,407 | 0 | 659,630 |
| Stock options awarded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 295,630 | 295,630 |
| Anti Dilution measure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options lost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options expired | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options exercised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options outstanding at 31.12. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 294,223 | 365,407 | 295,930 | 955,560 |
| Thereof exercisable at 31.12. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 55,902 | 34,714 | 0 | 90,616 |
| Expense in fiscal year (EUR) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 900,513 | 1,728,815 | 149,970 | 2,779,298 |

| Dr. Thomas Stockmeier (CTO) | LTIP 2014 (2015) | SSOP 2017 | LTIP 2014 (2017) | LTIP 2014 (2018) | SLTIP 2018 | SSOP 2019 | LTIP 2019 (2019) | LTIP 2019 (2020) | LTIP 2019 (2021) | LTIP 2019 (2022) | Total |
|-------------------------------------|------------------|-----------|------------------|------------------|------------|-----------|------------------|------------------|------------------|------------------|-----------|
| Stock options outstanding at 1.1 | 45,807 | 421,225 | 15,123 | 12,599 | 0 | 72,559 | 108,447 | 271,964 | 337,298 | 0 | 1,285,022 |
| Stock options awarded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 273,166 | 273,166 |
| Anti Dilution measure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options lost | 0 | 0 | 0 | 0 | 0 | 0 | -67,238 | 0 | 0 | 0 | -67,238 |
| Stock options expired | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options exercised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options outstanding at 31.12. | 45,807 | 421,225 | 15,123 | 12,599 | 0 | 72,559 | 41,209 | 271,964 | 337,298 | 273,166 | 1,490,950 |
| Thereof exercisable at 31.12. | 45,807 | 334,950 | 15,123 | 12,599 | 0 | 72,559 | 20,607 | 51,674 | 32,044 | 0 | 595,513 |
| Expense in fiscal year (EUR) | 0 | 340,311 | 0 | 0 | 0 | 0 | 261,691 | 832,386 | 1,595,825 | 138,433 | 3,168,647 |

Table 3b: Equity Incentive Plans – Information regarding the reported fiscal year 2022 (continued)

| Mark Hamersma (CBO) | LTIP 2014 (2015) | SSOP 2017 | LTIP 2014 (2017) | LTIP 2014 (2018) | SLTIP 2018 | SSOP 2019 | LTIP 2019 (2019) | LTIP 2019 (2020) | LTIP 2019 (2021) | LTIP 2019 (2022) | Total |
|-------------------------------------|------------------|-----------|------------------|------------------|------------|-----------|------------------|------------------|------------------|------------------|-----------|
| Stock options outstanding at 1.1 | 0 | 135,383 | 5,076 | 13,154 | 26,308 | 20,906 | 108,447 | 271,964 | 337,298 | 0 | 918,536 |
| Stock options awarded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 273,166 | 273,166 |
| Anti Dilution measure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options lost | 0 | 0 | 0 | 0 | 0 | 0 | -67,238 | 0 | 0 | 0 | -67,238 |
| Stock options expired | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options exercised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options outstanding at 31.12. | 0 | 135,383 | 5,076 | 13,154 | 26,308 | 20,906 | 41,209 | 271,964 | 337,298 | 273,166 | 1,124,464 |
| Thereof exercisable at 31.12. | 0 | 113,189 | 5,076 | 13,154 | 26,308 | 20,906 | 20,607 | 51,674 | 32,044 | 0 | 282,958 |
| Expense in fiscal year (EUR) | 0 | 160,188 | 0 | 0 | 0 | 0 | 261,691 | 832,386 | 1,595,825 | 138,433 | 2,988,524 |

4. Change in remuneration of the Management Board compared to the workforce

Comparison of the remuneration is possible starting as of fiscal year 2021, as the Group was subject to a significant structural change due to the Osram acquisition in fiscal year 2020.

For the presentation of the average remuneration of the employees, the average number of employees worldwide is used based on full-time equivalents.

In the fiscal year 2022, these comprised 23,322 employees (2021: 26,130).

The following table shows the annual change of base remuneration of the members of the Management Board compared to the change of the average base remuneration of employees worldwide.

The average base remuneration of the Management Board and employees is defined by wages and salaries (excluding special payments, bonus and share-based compensation).

Table 4: Comparison of average base remuneration of Management Board and employees

| In kEUR | 2022 | 2021 | Change in % |
|--|-------|-------|-------------|
| Alexander Everke (CEO) | 1,035 | 1,035 | 0.0% |
| Ingo Bank (CFO) | 650 | 650 | 0.0% |
| Dr. Thomas Stockmeier (CTO) | 600 | 600 | 0.0% |
| Mark Hamersma (CBO) | 600 | 600 | 0.0% |
| Employees | 39 | 36 | 9.1% |
| Net result – adjusted in mio. EUR | 124 | 272 | -54.4% |
| Basic adjusted earnings per share (in EUR) | 0.47 | 1.05 | -54.4% |

Table 5: Average base remuneration of the Management Board in relation to the average base remuneration of the employees

| | 2022 | 2021 | Change in % |
|--|-------|-------|-------------|
| CEO in relation to employees | 26.5x | 28.8x | -7.7% |
| Management Board (on average) in relation to employees | 18.5x | 20.0x | -7.7% |

The following table provides an overview of the total remuneration granted to the Management Board and the average total remuneration of employees worldwide. The average total remuneration of employees includes base compensation, special payments, bonus and share-based compensation.

Table 6: Comparison of total remuneration of the Management Board and average total remuneration of employees

| In kEUR | 2022 | 2021 | Change in % |
|------------------|--------|--------|-------------|
| Management Board | 12,835 | 33,219 | -61.4% |
| Employees | 65 | 49 | 33.4% |

Table 7: Average total remuneration of the Management Board in relation to the average total remuneration of the employees

| | 2022 | 2021 | Change in % |
|--|-------|--------|-------------|
| CEO in relation to employees | 82.7x | 275.6x | -70.0% |
| Management Board (on average) in relation to employees | 49.1x | 169.5x | -71.0% |

V. Supervisory Board remuneration

1. Principles for the remuneration of the Supervisory Board

The compensation of the Supervisory Board is based on the respective remuneration approved by the Annual General meeting on June 2, 2021. The remuneration is commensurate with the performance of the company and designed to promote the long-term development and business strategy of ams OSRAM. Moreover, the remuneration policy takes into account the size as well as the development of the business of the ams OSRAM group. It appropriately reflects the responsibility and scope of activities of each individual member of the Supervisory Board. Furthermore, it represents a market-conform and attractive remuneration in order to attract and retain qualified members for the Supervisory Board. It provides sufficient incentives for members of the Supervisory Board to act in accordance with the long-term development and business strategy of ams OSRAM. In addition, it facilitates a professionally and personally balanced composition of the board, especially regarding diversity and internationality of the body.

The remuneration of the Supervisory Board generally consists of a uniform base remuneration. In view of the extended scope of activities and the higher level of responsibility, the Chairperson of the Supervisory Board, the Deputy Chairperson, and the chairpersons of committees are granted a higher base remuneration than ordinary members of the Supervisory Board.

Supervisory Board members do not receive any form or variable or share-based compensation for their services. The Annual General Meeting may resolve that the members of the Supervisory Board receive an attendance fee for attending meetings of the Supervisory Board or a committee. The Annual General Meeting may also resolve the granting of a special remuneration for extraordinary activities of one of its members that go beyond the general duties expected from members of the Supervisory Board.

The company enters into D&O insurance contracts for members of the Supervisory Board. The employee representatives on the Supervisory Board perform their functions on an honorary basis in accordance with section 110 (3) of the Austrian Labour Constitution Act (ArbVG) and do not receive any remuneration. Each member of the Supervisory Board, including the employee representatives on the Supervisory

Board, is entitled to reimbursement of reasonable cash expenses. Employee representatives have not received any reimbursement for cash expenses for fiscal year 2022 or 2021.

No loans or similar commitments are granted to members of the Supervisory Board.

2. Total remuneration of the Supervisory Board

The remuneration for the members of the Supervisory Board was determined by the Annual General Meeting on June 2, 2021 with the following basic remuneration: Chairperson EUR 150 thousand, Deputy Chairperson EUR 125 thousand, each additional member of the Supervisory Board EUR 90 thousand. In addition, the chairperson of a Supervisory Board committee is remunerated with an additional EUR 20 thousand, although the chairperson of the Supervisory Board and her deputy are not granted such additional remuneration. The remuneration is due to the members of the Supervisory Board for one year of their activities on the Board, whereby the period begins with the election by the Annual General Meeting. If a member joins or leaves the Supervisory Board during the year, remuneration is paid pro rata temporis. Supervisory Board compensation is paid annually after the Annual General Meeting. This compensation arrangement applies unless the Annual General Meeting adopts a different resolution. The Annual General Meeting on June 23, 2023 is not planned to pass a resolution to this respect.

In fiscal year 2022, the remuneration of the Supervisory Board amounted to kEUR 855 (2021: kEUR 600). All remuneration was paid directly by the company. None of the members of the Supervisory Board provided consulting services in the year under review (2021: EUR 0). The remuneration for the Supervisory Board members presented shows the amounts actually paid during the fiscal year.

Members of the Supervisory Board held no shares and 414 options to purchase shares of ams-OSRAM AG as of December 31, 2022 (135,000 shares and 414 options to purchase shares as of December 31, 2021).

Table 8. Total remuneration of the Supervisory Board members

| in kEUR Name (Position) | Base remuneration | | Other benefits ³ | | Total remuneration | |
|--|-------------------|------------|-----------------------------|----------|--------------------|------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Dr. Margarete Haase (Chairwoman since June 24, 2022) ² | 90 | - | - | - | 90 | - |
| Dr. Wolfgang Leitner (Deputy Chairman since June 24, 2022) ² | - | - | - | - | - | - |
| Mag. Hans Jörg Kaltenbrunner (Chairman until June 24, 2022) ² | 150 | 125 | - | - | 150 | 125 |
| Dipl.-Kfm. Michael Grimm (Deputy Chairman until June 24, 2022) ² | 125 | 105 | - | - | 125 | 105 |
| Mag. Brigitte Ederer (Board Member) | 90 | - | - | - | 90 | - |
| Dr. Monika Henzinger (Board Member) | 90 | 85 | - | - | 90 | 85 |
| Brian Krzanich (Board Member) ¹ | 110 | 100 | - | - | 110 | 100 |
| Kin Wah Loh (Board Member) ¹ | 110 | 100 | - | - | 110 | 100 |
| Yen Yen Tan (Board Member) | 90 | 85 | - | - | 90 | 85 |
| Andreas Gerstenmayer (Board member since June 24, 2022) | - | - | - | - | - | - |
| Total | 855 | 600 | - | - | 855 | 600 |

¹ Brian Krzanich (as Chairman of the Nomination Committee) and Kin Wah Loh (as Chairman of the Technology Committee) received a higher base remuneration.

² The Supervisory Board mandates of Hans Jörg Kaltenbrunner (Chairman) and Michael Grimm (Deputy Chairman) expired at the end of the Annual General Meeting on July 24, 2022. Dr. Margarete Haase (Chairwoman, previously member), Dr. Wolfgang Leitner (Deputy Chairman) and Andreas Gerstenmayer (member and Chairman of the Audit Committee) were appointed as their successors by the Annual General Meeting on July 24, 2022.

³ Reimbursements of cost incurred by Supervisory Board members are not reported under "other benefits" because they do not constitute remuneration to Supervisory Board members.



Management Report

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

1.1 Development of the semiconductor sector

The war in Ukraine, high inflation rates, and rising interest rates negatively impacted demand in many end markets in 2022. Although the global semiconductor market still showed 3% growth last year to USD 574 billion, up from USD 556 billion the year before, monthly growth rates have been negative since August 2022. Excluding the very volatile metal oxide semiconductor (MOS) memory market (which fell by 16%), the semiconductor market grew by 10%. This growth was driven by sensors, MOS logic, analog integrated circuits (ICs), and discrete semiconductors, whose growth rates were well above the 3% market average for the semiconductor sector. Growth for optoelectronic semiconductors was only 1%, however, down from 7% in the previous year.

ams OSRAM's most important end markets are the automotive market, consumer devices such as smartphones and wearables, and industrial and medical technology. Shipments in the global smartphone market fell by 8% in 2022, following an increase of 3% in the previous year. In the global wearables market, shipments decreased by 3% (2021: increase of 20%). Auto production, meanwhile, recorded growth of 6% in 2022, following an increase of 3% in the previous year.¹

1.2 Structure and development of the segments

The business activities of the ams OSRAM group are presented in two segments, Semiconductors and Lamps & Systems. The business segment Semiconductors comprises the group's semiconductor-related business in the automotive, consumer, and industrial and medical technology market areas. The business segment Lamps & Systems comprises the group's business related to lamps and lighting systems, with a focus on the automotive market, and including traditional lighting technologies, as well as the industrial and medical technology market areas.

Semiconductors

The Semiconductors segment contributed the majority of group revenues last year from its automotive, consumer, and industrial business areas. The Semiconductors automotive business is positioned as global leader in automotive LED lighting for a wide range of exterior and interior lighting applications. This includes differentiated

LED solutions for head lamps and other front lighting, signaling/rear lighting and other exterior lighting, and interior ambient lighting. In addition, the segment's automotive business comprises interior sensing, safety systems such as ADAS, and visualization technologies. High-performance solutions and innovations for exterior and interior applications form the basis of the group's success and strong customer penetration in all key regions. The automotive market environment in 2022 was characterized by continued supply chain volatility for most of the year as well as notable inventory adjustments in automotive supply chains in the second half. In light of this continued demanding market situation, the segment's automotive business recorded solid full-year results for 2022. Overcoming unfavorable market conditions, the segment's automotive area confirmed its strong market position last year and expanded its design pipeline for the future.

The Semiconductors consumer business serves leading global OEMs as a major supplier of advanced sensing and optical solutions for smartphones, wearables, and other consumer devices. The business includes solutions for display management, proximity sensing, world-facing camera enhancement, 3D technologies, spectral and bio-sensing, and other optical applications. The segment's consumer business recorded an overall mixed performance for 2022. At the same time, the group underscored its leading position in key markets, which was evident in positive market feedback and successful designs for future devices. Although major segments of the smartphone and consumer market held up well through most of 2022, a lack of demand recovery in China and in the Android market from the late first half through the second half had a negative impact on the Group's consumer markets. The fourth quarter saw additional negative volume effects in the smartphone market due to COVID 19-related production cutbacks in China.

The segment's industrial and medical business showed an overall good performance. In the segment's industrial area, ams OSRAM's end markets provided attractive demand support for a large part of the year. Next to the company's LED lighting solutions for industrial and outdoor lighting, industrial imaging offered a healthy contribution. Demand momentum for horticulture lighting applications remained positive into the second half of the year. In the fourth quarter, increasingly negative demand effects driven by the macro-economic environment and regional dynamics in China as well as higher energy costs impacted the segment's industrial business in several areas including horticulture solutions as well as industrial and outdoor lighting. The Semiconductors medical technology business offered a very solid

performance, largely driven by its leading position in medical imaging solutions for computed tomography and digital X-ray systems.

Lamps and Systems

The Lamps & Systems (L&S) segment provided the remaining contribution to total group revenues last year. The automotive business of L&S comprises automotive lamps and illumination products including traditional automotive lighting technologies. As a leader in automotive lighting, L&S serves OEMs as well as the automotive aftermarket in major geographic regions. Like the Semiconductors automotive business, the L&S automotive business was negatively affected by supply chain imbalances and inventory adjustments in the global automotive market. Despite these effects, the L&S automotive business showed a good performance for the year overall. The OEM-related business performed well in light of these market developments. Demand in the automotive aftermarket recorded positive seasonal effects in the second half, which supported segment results. The other areas of the L&S business encompass a range of lighting products for diverse industrial, building-related and medical applications. These areas saw overall solid results last year as demand in a number of industrial markets, including entertainment, developed positively for most of the year.

ams OSRAM is nearing the completion of the planned and announced strategic re-alignment of its business portfolio. As part of this portfolio re-alignment, the group announced the disposal of four businesses in the L&S segment that belonged to the former OSRAM Digital (DI) division: Fluence for horticulture lighting systems, Digital Systems Eurasia for electronic lighting modules and components such as drivers and ballast, Traxon Technologies for architectural outdoor lighting, and Clay Paky for entertainment lighting fixtures. The sale transactions for Fluence and Traxon Technologies were concluded in the second quarter and fourth quarter, respectively. In addition, the group announced the disposal of the automotive lighting systems activities that had remained at ams OSRAM after dissolution of the joint venture with Continental AG. This transaction was concluded in the third quarter of 2022.

In its operations, ams OSRAM was able to ensure high production volumes across its global manufacturing network, despite supply chain challenges and COVID-19 effects and restrictions in certain regions. The group's protective and risk-reduction

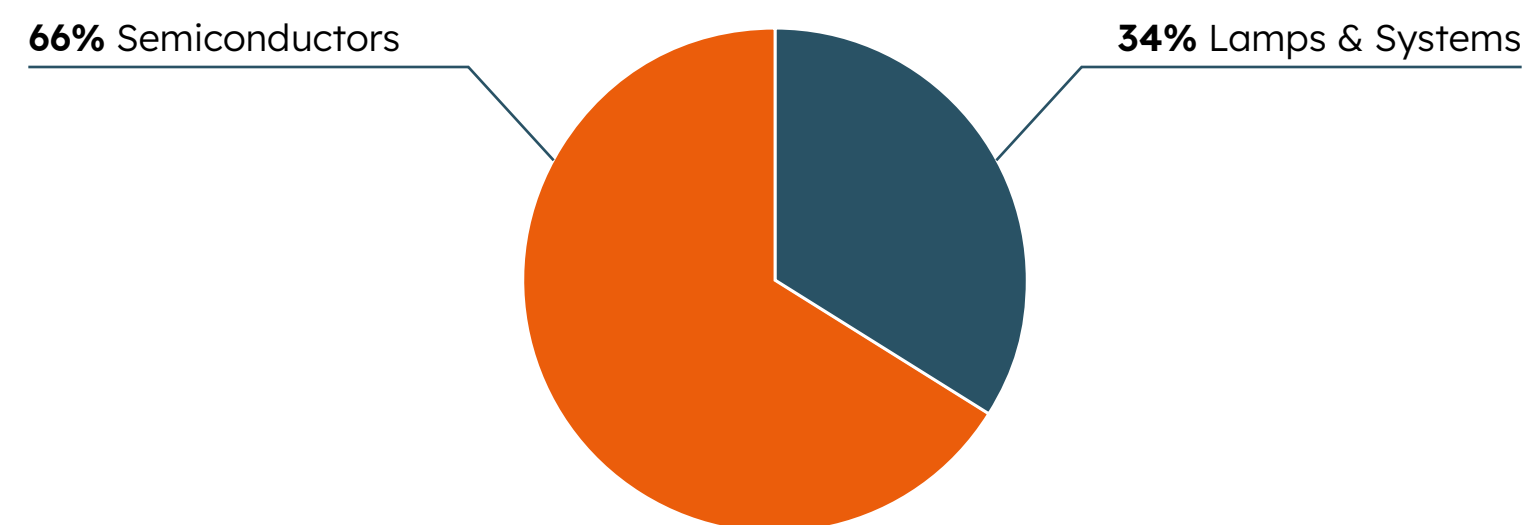
¹ Sources: WSTS, OMDIA, IDC.

2. Business results

2.1 Revenue

In fiscal year 2022, consolidated revenue decreased by 4% to EUR 4,819 million, compared to EUR 5,038 million in 2021. The decrease was primarily due to portfolio effects from business disposals of EUR 307 million, i.e. sales that divested businesses contributed to consolidated revenue in fiscal 2021 and which ceased to exist in 2022. These include in particular the sale of the business with Automotive Lighting Systems (AMLS), Fluence Bioengineering, Inc., Digital Systems (DS) North America, Connected Building Applications (CBA), and Traxon Technologies. The Semiconductors segment contributed EUR 3,167 million (2021: EUR 3,279 million), which equates to a share in sales of 66% (2021: 65%). The Lamps & Systems (L&S) segment contributed EUR 1,652 million (2021: EUR 1,760 million) to consolidated revenue, which equates to a share in sales of 34% (2021: 35%).

Revenue breakdown by segment

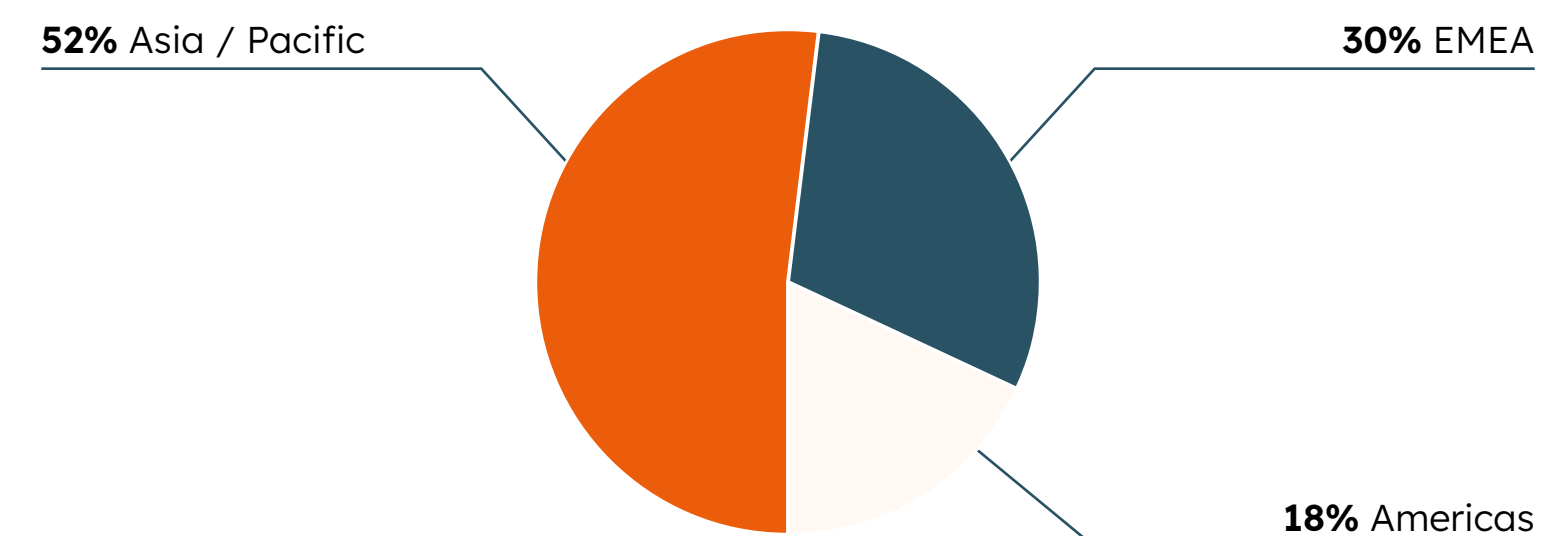


| in millions of EUR | 2022 | % of revenues | 2021 | % of revenues | Change in % |
|--------------------|--------------|---------------|--------------|---------------|-------------|
| Semiconductors | 3,167 | 66% | 3,279 | 65% | -3% |
| Lamps & Systems | 1,652 | 34% | 1,760 | 35% | -6% |
| | 4,819 | | 5,038 | | |

measures helped ams OSRAM to avoid significant negative impacts from COVID-19 and ensured the health and safety of its employees globally. ams OSRAM's robust operational infrastructure and its highly committed employees once again played a key role in managing volatile market and supply chain developments in 2022.

The breakdown of revenue by region does not reflect the demand situation in the Company's target markets, but rather the location of the invoice recipient. Revenue in the Americas region declined due to portfolio effects from business divestments.

Revenue breakdown by region



| in millions of EUR | 2022 | % of revenues | 2021 | % of revenues | Change in % |
|--------------------|--------------|---------------|--------------|---------------|-------------|
| EMEA | 1,455 | 30% | 1,413 | 28% | 3% |
| Americas | 849 | 18% | 962 | 19% | -12% |
| Asia / Pacific | 2,515 | 52% | 2,663 | 53% | -6% |
| | 4,819 | | 5,038 | | |

2.2 Earnings

Gross profit decreased to EUR 1,258 million in fiscal year 2022, compared with EUR 1,449 million in the previous year.

Adjusted for M&A-related expenses, transformation costs, and expense for share-based compensation, the gross profit margin for the full fiscal year 2022 decreased to 31%, compared to 34% in the previous year. The unadjusted gross profit margin reported in accordance with IFRS fell to 26%, compared to 29% in the previous year. The change in margin was influenced by lower capacity utilization at our

semiconductor plants as compared with the previous year. In the year under review, the gross profit margin was further burdened by impairment losses on property, plant, and equipment in the amount of EUR 97 million, which were incurred as a result of reorganizing our manufacturing sites. In the previous year, impairment losses on property, plant, and equipment of EUR 151 million were recognized in connection with the loss of market share for certain consumer applications.

Expressed as a percentage of revenue, research and development expenses decreased to 13%, down from 14% in the previous year. The absolute amount decreased to EUR 630 million, down from EUR 692 million in the previous year. The long-term target for research and development expenses is 11-14% of revenue.

Selling, general, and administrative expenses decreased to EUR 608 million, down from EUR 697 million in the previous year due to the reduction in the number of employees. Expressed as a percentage of revenue, they fell from 14% to 13%.

The result from operations (EBIT), adjusted for M&A-related expenses, transformation costs, expense for share-based compensation, and the result from investments in associates and from the sale of businesses, decreased by EUR 95 million year-on-year to EUR 407 million. Unadjusted EBIT decreased by EUR 358 million to EUR -161 million. In fiscal year 2022, M&A-related expenses and transformation costs included in particular impairment losses on goodwill of EUR 287 million and on other intangible assets and property, plant and equipment totaling EUR 143 million. A positive one-off effect of EUR 151 million was realized from the sale of Fluence Bioengineering, Inc. In fiscal year 2021, transformation costs included impairment losses on property, plant, and equipment totaling EUR 151 million. Positive one-off effects totaling EUR 191 million were recognized in fiscal year 2021 in connection with the liquidation of OSRAM Continental, the appreciation in the carrying amount of LeddarTech Inc., and with respect to the sale-and-leaseback transaction concerning a property in Berlin.

EBITDA amounted to EUR 857 million, compared with EUR 957 million in the previous year. Adjusted EBITDA decreased by EUR 105 million year-on-year to EUR 853 million. Adjusted EBITDA is further adjusted for M&A and transformation-related depreciation, amortization, and impairment losses in addition to the effects adjusted in EBIT.

The net financial result remained almost unchanged at EUR -201 million in the year under review, compared to EUR -198 million in the previous year. Higher interest expenses, particularly due to the greater use of supply chain financing programs than in the previous year, combined with a higher interest rate level, were half offset by higher interest income. Negative currency translation effects in the previous year were EUR 70 million, compared to positive currency effects of EUR 2 million in the year under review. Accordingly, income from derivatives, which are mainly foreign currency derivatives for hedging purposes, was lower in the year under review, at EUR 8 million, than in the previous year, at EUR 32 million. A negative effect of EUR 25 million resulted from the valuation of an option for the early redemption of bonds (senior notes), which had no positive fair value as of December 31, 2022.

Income tax expense increased to EUR 82 million in fiscal year 2022, up from EUR 31 million in the previous year. The current taxes for the year under review of EUR 84 million (2021: EUR 48 million) resulted mainly from foreign companies that were profitable due to the global transfer pricing system and includes one-off tax expenses of EUR 32 from the disposal of Fluence Bioengineering, Inc. The current taxes were offset by deferred taxes with a net positive effect totaling EUR 2 million (2021: EUR 17 million).

In 2022, the net result amounted to EUR -444 million, compared to EUR -32 million in the previous year. As described above, this development was partly caused by non-recurring one-off effects, in particular impairment losses on goodwill and property, plant, and equipment. The return on equity was -16% (2021: -1%), while the return on revenue was -9% (2021: -1%).

| in millions of EUR | 2022 | 2021 reclassified* | Change in % |
|---|-------|-----------------------|-------------|
| Gross profit | 1,258 | 1,449 | -13% |
| Gross margin – IFRS reported | 26% | 29% | |
| Gross margin – adjusted | 31% | 34% | |
| EBITDA (IFRS) | 857 | 957 | -10% |
| EBITDA – adjusted | 853 | 958 | -11% |
| Result from operations (EBIT) – IFRS reported | -161 | 197 | -182% |
| EBIT margin – IFRS reported | -3% | 4% | |
| Result from operations (EBIT) – adjusted | 407 | 502 | -19% |
| EBIT margin – adjusted | 8% | 10% | |
| Financial result | -201 | -198 | -1% |
| Result before income taxes | -361 | -1 | |
| Net result | -444 | -32 | |
| Return on equity | -16% | -1% | |
| Return on revenues | -9% | -1% | |

The gross margin (adjusted) is based on gross profit adjusted for M&A-related expenses, transformation costs, and expense for share-based compensation.

The result from operations (EBIT, adjusted) and EBIT margin (adjusted) are additionally adjusted for the result from investments in associates and from the sale of a business, which are included in the result from operations (EBIT, IFRS).

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

M&A-related expenses include depreciation, amortization and impairment losses on assets from purchase price allocations, as well as integration, carve-out, and acquisition costs. Transformation costs result mainly from measures needed to strengthen our competitiveness (changes to manufacturing capacity, improvement of cost position, etc.).

* 2021 figures reflect the reclassification within the functional cost categories, see Note 1. General principles in the notes to the consolidated financial statements.

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

| in millions of EUR | 2022 | 2021 reclassified* |
|---|---------------|--------------------|
| Gross profit - adjusted | 1,470 | 1,714 |
| Acquisition-related expense / Asset restructuring | -184 | -238 |
| Share-based compensation | -2 | -2 |
| Transformation costs | -25 | -24 |
| Gross profit - IFRS reported | 1,258 | 1,449 |
| Operating expenses - adjusted | -1,063 | -1,211 |
| Acquisition-related expense / Asset restructuring | -421 | -94 |
| Share-based compensation | -38 | -41 |
| Result from the sale of businesses | 155 | 162 |
| Transformation costs | -48 | -36 |
| Results from investments accounted for using the equity method, net | -4 | -33 |
| Operating expenses - IFRS reported | -1,419 | -1,252 |
| Result from operations (EBIT) - adjusted | 407 | 502 |
| Acquisition-related expense / Asset restructuring | -605 | -180 |
| Share-based compensation | -40 | -43 |
| Transformation costs | -73 | -59 |
| Result from the sale of businesses | 155 | 162 |
| Result from investments in associates | -4 | -33 |
| Result from operations (EBIT) - IFRS reported | -161 | 197 |
| Result from operations (EBIT) - adjusted | 407 | 502 |
| Amortization, depreciation and impairment (excluding acquisition-related expense) | 446 | 456 |
| EBITDA - adjusted | 853 | 958 |

* 2021 figures reflect the reclassification within the functional cost categories, see Note 1. General principles in the notes to the consolidated financial statements.

2.3 Assets and financial position

The balance sheet has a high ratio of non-current assets to total assets, which is common in the semiconductor industry. At the same time, the intangible assets reflect the significant acquisitions carried out in recent years. At 62%, the proportion of total assets accounted for by property, plant, and equipment and by intangible assets was slightly higher than the prior-year figure of 58%.

Capital expenditure on non-current assets (CAPEX) amounted to EUR 537 million, or 11% of revenue (2021: 6%). Depreciation, amortization and impairments of EUR 1,018 million included scheduled amortization and depreciation totaling EUR 446 million (2021: EUR 456 million), i.e. amortization and depreciation that were not M&A and transformation-related. The ratio of non-current assets to equity decreased to around 52% at the end of fiscal year 2022, compared to 56% in the previous year. Non-current assets include deferred tax assets of EUR 69 million (2021: EUR 182 million).

Inventories decreased to EUR 864 million, down from EUR 938 million in the previous year, in particular due to reclassifications in the balance sheet item assets held for sale in the amount of EUR 81 million.

Trade receivables decreased to EUR 533 million as of the balance sheet date (2021: EUR 688 million), in particular because supply chain financing programs were utilized to a greater extent as of December 31, 2022 than at the end of the previous fiscal year. Another significant effect was the disposal of receivables due to the sale of our AMLS division.

Assets held for sale amounted to EUR 157 million and include the assets of the Digital Systems (DS) business in Europe and Asia and of Clay Paky S.p.A., as well as the investments in Unternehmertum VC Fonds II GmbH & Co. KG and Partech Partners S.A.S. The EUR 134 million in assets held for sale as of December 31, 2021 were the assets of Fluence Bioengineering, Inc., which were sold to Signify N.V., the Netherlands, at the beginning of May 2022.

The increase in property, plant, and equipment to EUR 1,856 million (2021: EUR 1,606 million) is mainly due to the construction of the new semiconductor manufacturing plant in Kulim (Malaysia). The carrying amount of assets under

construction and advance payments on property, plant, and equipment increased by EUR 391 million to EUR 609 million (2021: EUR 218 million), which was offset by impairment losses on property, plant, and equipment and reclassifications in assets held for sale. Intangible assets amounted to EUR 3,645 million (2021: EUR 3,989 million). The change resulted mainly from the scheduled amortization of assets capitalized in connection with the acquisition of OSRAM and from impairment losses, particularly on goodwill, amounting to EUR 277 million, as well as from disposals due to the above-mentioned business divestments.

The decrease in the financial investments line item to EUR 59 million (2021: EUR 147 million) was mainly due to the change in the value of the investment in LeddarTech Inc., which was recognized directly in equity.

Financial liabilities decreased by EUR 323 million (2021: EUR 177 million) to EUR 2,803 million (2021: EUR 3,126 million), mainly due to the full repayment of the USD convertible bond, the carrying amount of which was EUR 276 million as of December 31, 2021. Further repayments related to bank loans of EUR 72 million and promissory note loans of EUR 31 million. This was mainly offset by compounding and currency effects. As financial debt, which decreased by EUR 323 million, decreased more than cash and cash equivalents, which decreased by EUR 244 million, net financial debt decreased to EUR 1,717 million, down from EUR 1,795 million in the previous year.

Group equity decreased by EUR 316 million to EUR 2,833 million as of December 31, 2022. This change mainly consists of the result after tax of EUR -444 million and positive other comprehensive income totaling EUR 90 million, which includes currency effects from the Euro translation of foreign subsidiaries of EUR 165 million that arose as a result of the depreciation of the Euro against other currencies, in particular the US-Dollar.

Liabilities associated with assets classified as held for sale amounted to EUR 50 million and include the liabilities of the Digital Systems (DS) business in Europe and Asia, and of Clay Paky S.p.A. The liabilities of EUR 40 million reported in this item as of December 31, 2021, related to Fluence Bioengineering, Inc.

For information on financial instruments and changes in equity, please refer to the disclosures in [the notes to the consolidated financial statements](#).

| Assets in millions of EUR | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Inventories | 864 | 938 |
| Trade receivables | 533 | 688 |
| Other current assets | 1,487 | 1,656 |
| Non-current assets | 5,879 | 6,180 |
| Deferred tax asset | 69 | 182 |
| Total assets | 8,832 | 9,644 |

| Equity and liabilities in millions of EUR | 2022 | 2021 |
|--|--------------|--------------|
| Interest-bearing loans and borrowings | 2,803 | 3,126 |
| Trade liabilities | 811 | 710 |
| Other liabilities | 1,904 | 2,103 |
| Provisions | 480 | 556 |
| Shareholders' equity | 2,833 | 3,150 |
| Total equity and liabilities | 8,832 | 9,644 |

The debt to equity ratio was 99%, as in the previous year, and the equity ratio was 32% (2021: 33%).

| | 2022 | 2021 |
|------------------------------|-------|-------|
| Equity ratio | 32% | 33% |
| Debt to equity ratio | 99% | 99% |
| Equity to fixed assets ratio | 52% | 56% |
| Net debt | 1,717 | 1,795 |

These performance indicators are derived directly from the consolidated financial statements.

2.4 Cash Flow

Cash flows from operating activities decreased to EUR 599 million, down from EUR 792 million in 2021. This was due to the development of earnings adjusted for non-cash items and the commitment of funds regarding current assets and liabilities of EUR 44 million. In 2021, funds of EUR 57 million were released in that context.

Cash flows from investing activities amounted to EUR -183 million (2021: EUR -560 million). Investments in intangible assets and property, plant, and equipment amounted to EUR -537 million (2021: EUR -310 million), of which a large part is attributable to the construction of the new semiconductor manufacturing plant in Kulim (Malaysia).

Cash payments for acquisitions amounted to EUR -25 million (2021: EUR -524 million). Of that amount, EUR 7 million related to the acquisition of a further 70% of the shares in 7Sensing Software BV, Belgium (7Sensing), which became a subsidiary of ams OSRAM as a result. In addition, payments of EUR 19 million (2021: EUR 452 million) were made for the acquisition of shares in OSRAM Licht AG. Accordingly, the interest held by ams-OSRAM AG in OSRAM Licht AG increased from 79.91% to 80.35% as of December 31, 2022. Furthermore, fiscal year 2021 included payments of EUR 72 million for the acquisition of 50% of the shares in OSRAM CONTINENTAL GmbH in connection with the dissolution of OSRAM Continental.

The net cash provided by the sale of business activities amounted to EUR 346 million (2021: EUR 277 million), of which EUR 251 million was attributable to Fluence Bioengineering Inc., EUR 85 million to Automotive Lighting Systems (AMLS), and EUR 10 million to Traxon Technologies (Traxon). In fiscal year 2021, a significant sum within this figure, EUR 144 million, related to the sale of companies to Continental.

Free cash flow came to EUR 62 million (2021: EUR 482 million). The Company's available liquidity in the form of cash and cash equivalents decreased by EUR 244 million to EUR 1,087 million in 2022. As of December 31, 2022, ams OSRAM had unused committed credit lines from banks in the amount of EUR 1,026 million (2021: EUR 1,001 million). In fiscal year 2022, a prepayment agreement related to future deliveries underpinning existing engagement was concluded. When such customer prepayments are utilized, the unused credit lines from banks are reduced based on contractual security agreements in the form of bank guarantees. As of December 31, 2022, no customer prepayments were utilized.

Cash flows from financing activities amounted to EUR -726 million in the year under review (2021: EUR -534 million). In fiscal year 2022, maturing convertible bonds with a remaining nominal volume of USD 320 million were redeemed as scheduled, which resulted in a cash outflow of EUR 334 million. In fiscal year 2021, convertible bonds with a nominal volume of EUR 77 million were repurchased at a purchase price of EUR 67 million and thereby redeemed. The repayment of bank loans and promissory note loans, which were only partially refinanced by taking out new loans, led to a net cash outflow of EUR 102 million in 2022, and EUR 190 million in 2021.

| in millions of EUR | 2022 | 2021 | Change in % |
|---|-------|-------|-------------|
| Operating cash flow | 599 | 792 | -24% |
| Cash flow from investing activities | -183 | -560 | -67% |
| Free cash flow | 62 | 482 | -87% |
| Cash flow from financing activities | -726 | -534 | -36% |
| Effects of changes in foreign exchange rates on cash and cash equivalents | 69 | 33 | 111% |
| Cash and cash equivalents | 1,087 | 1,331 | -18% |

Free cash flow comprises the cash flows from the operating activities of continuing operations less cash payments for the purchase of intangible assets and property, plant, and equipment.

3. Research and development

Our development sites are globally positioned, with LED development in Germany and Malaysia, VCSEL technology in the US and Singapore, packaging development in Malaysia, China, Singapore, and Germany, micro-optics in Switzerland and Singapore, the development of conversion solutions, optical coatings and filter solutions, image and color sensor technology in the US, Germany and Austria, and IC design and development in India, the US, Italy, Spain, Austria, and Switzerland. This global network and associated leading expertise give ams OSRAM a strategic advantage.

ams OSRAM's technological leadership in the development and manufacturing of high-quality sensing and lighting technologies for use in products such as mobile devices, automotive lighting, industrial applications, and medical diagnostic technology is based on intensive research and development activities. To secure and strengthen our leadership position, we invest significantly in research and development (R&D) on a continuing basis. Research and development expenses in the past fiscal year amounted to EUR 630 million, or 13% of revenues, compared to EUR 642 million (13% of revenues) in 2021. The average number of employees in research and development was 3,453 in 2022 (2021: 3,445).

ams OSRAM's R&D activities mainly comprise optical technologies for applications involving sensors, lighting, and visualization. Our broad technology portfolio serves the consumer, automotive, industrial, and medical end markets. Furthermore, the development of software and algorithms and the integration of machine learning and artificial intelligence are now an integral part of ams OSRAM's R&D activities. In addition, the combination of individual hardware components into modules and systems with differentiating software solutions represents an important element of our product development.

One current focus of development is micro LED technology, which is characterized by microscopically small LEDs that form individual light points/pixels and can be combined to form high-resolution displays. Future areas of application include televisions, automotive head-up displays, and wearables. In particular, the technology allows for more vibrant colors, a high contrast ratio, improved display performance in unfavorable lighting conditions, and lower relative energy consumption for improved efficiency.

Our LED product portfolio was expanded in 2022 to include various new products, some of which are listed here as examples. Intelligent RGB LED solutions for dynamic automotive interior lighting open up countless design possibilities for automotive manufacturers. A new high-performance infrared edge emitter laser diode in surface mount technology (SMT) complements our LiDAR portfolio for automotive sensors. ams OSRAM has also introduced highly efficient, high-power UV-C LEDs to the market for the disinfection of air, surfaces, and water. In addition, our LED portfolio for uniform and efficient crop lighting has been expanded to support new applications in agricultural crop production. In consumer applications, ams OSRAM has introduced new solutions for display management and ambient light measurement, including behind-display technology and infrared LED lighting for 2D authentication.

ams OSRAM is a market and technology leader in optical sensors, high performance ambient lighting, and color sensors, the core elements of which are highly sensitive photodiodes that are fully integrated in CMOS ICs. These are combined with other components, such as optical filters and diffusers manufactured in a thin-film process. The combination of high-sensitivity photodiodes with hybrid optical filter technologies and chip-scale packaging solutions supports smartphone, wearable, and automotive applications. Thanks to the latest optical packaging technologies, the sensors meet performance and robustness requirements for the latest consumer applications, such as augmented reality (AR) and virtual reality (VR) data glasses. Improved sensor technologies and optical coatings extend the wavelength range of multispectral sensors, allowing for products for material analysis, as well as products where eye protection is required (e.g. in AR/VR). The new image sensors combine high performance with low power consumption and offer more flexibility to manufacturers of products with limited installation sizes. In medical imaging, ams OSRAM's fast and ultra-low-noise sensor solutions provide unprecedented image quality and reduced radiation exposure. They also form the basis of upcoming photon-counting technology, which will enable even greater resolution in computed tomography.

Close strategic coordination between our business units, strategy department, and the CTO ensures continuous improvement of our innovation processes and determines our strategic decisions on technology and product development. Collaboration takes place, for example, through research programs such as those funded by the European Commission as well as local funding programs around the world. For example, the CAVIAR project, co-funded by the EU and involving nine partners, received the PENTA Innovation Award in 2022. The CAVIAR project developed sensor components and technologies for CMOS image sensors. As part of our approach to working with strategic partners, ams OSRAM also collaborates globally with leading research institutes, universities and other companies.

The creation, maintenance, enforcement and use of patents, trademarks, and other intellectual property rights is an important aspect of our strategy to differentiate ourselves in the marketplace and to protect and monetize our R&D investments. Our global patent portfolio comprises around 15,000 patents and patent applications (2021: 15,000 patents and patent applications), corresponding to approximately 5,700 patent families (2021: 5,800 patent families).

4. Purchasing and manufacturing

Continuing imbalances in the semiconductor and other supply chains continued to affect the procurement situation in fiscal 2022, and were exacerbated by lockdown effects in Asia. Despite overall cost savings achieved through price negotiations and productivity projects, it was not possible to fully compensate for price increases with respect to contract manufacturers and particularly for electricity, precious metal, and industrial gas prices.

As of December 31, 2022, the ams OSRAM Group had 20 production sites worldwide, excluding the Clay Paky production site, which is reported as an asset held for sale on the balance sheet as of December 31, 2022. As of December 31, 2021, the Group had 23 production sites, excluding the Fluence production site, which was reported as an asset held for sale on the balance sheet as of December 31, 2021. In addition to Clay Paky, the decrease resulted from the disposal of AMLS plants in Hendersonville (Tennessee, USA) and Kunshan (China). Production sites are located in Premstaetten (Austria), Regensburg and Herbrechtingen (both in Germany), Singapore, Wuxi (China), Penang and Kulim (both in Malaysia), Antwerp (Belgium), Nové Zámky (Slovakia), Treviso (Italy), Hillsboro (New Hampshire, USA), Calamba City (in the Philippines), and elsewhere. Of the three existing plants located in Singapore, one plant in the Woodlands district was closed in fiscal year 2022.

Capacity utilization at our semiconductor plants was lower than in the previous year, following the sales trend in corresponding end markets, particularly during the second half of the year. CMOS manufacturing in Premstaetten showed improved capacity utilization compared with the previous year, however. Our most important investments in manufacturing in 2022 included starting the construction of the industry's first 8-inch LED manufacturing facility in Kulim for front-end semiconductor manufacturing of LEDs and micro LEDs. ams OSRAM also plans to expand its plant in Premstaetten (Austria) to increase internal CMOS capacity. The move should provide better opportunities for ams OSRAM to respond faster and more flexibly to increased demand and reduce the risk of dependence on external producers, allowing us to strengthen our manufacturing processes and improve profitability over the long term.

5. Employees

Our employees form the foundation for our long-term business success and create the added value ams OSRAM wants to offer its customers. It is important to us to offer our employees a long-term job with appealing working conditions and prospects, to contribute to their development, and to pay them fairly. Furthermore, as a globally active company, the diversity of our employees is a major concern for us. As of December 31, 2022, ams OSRAM Group had 22,461 employees (2021: 24,499). The average number of employees for the year was 23,322 (2021: 26,130), based on FTEs (full-time equivalents).

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

We seek to retain our employees by offering a long-term compensation concept. A profit-sharing program for all ams OSRAM employees adds an attractive direct component to our existing stock option plans and employee compensation programs. Our profit-sharing program embodies the belief that our employees are the most important factor in the success of our company by rewarding the joint contribution of all of our employees to ams OSRAM's success.

Based upon earnings performance in the previous fiscal year, a profit-sharing bonus was paid to employees in the amount of EUR 16 million in 2022 (2021: EUR 19 million). The amount of the bonus is determined on the basis of adjusted earnings after tax.

In addition, active internal corporate and employee communication, as well as a long-standing company tradition of regular employee events, promote employee identification with our company. Such events include, for example, town hall meetings or webcasts given by our Management Board and other management representatives. To obtain continuous feedback from employees in addition to such dialogue events, a global employee survey was held in 2022 in which 78% of our workforce participated. The insights gained from the survey will be used as a basis for developing measures that will further increase ams OSRAM's attractiveness as an employer.

6. Environmental management

As an industrial company, ams OSRAM consumes natural resources and creates greenhouse gas emissions at its production facilities. In order to meet our environmental responsibilities, we have committed to conserving resources through environmental management, as well as developing innovative and energy-efficient products. As a first step, we have also created a climate strategy that aims to achieve CO2 neutrality in our own value creation by 2030. As part of our environmental reporting, we collect data on energy consumption, greenhouse gas emissions, water abstraction, and waste generation.

The ways in which we implement environmental management and address other aspects of sustainability are described in a separate sustainability report, which can be found [here](#). In addition to describing our organizational structure, responsibilities, guidelines and processes, the report also explains the specific goals, measures, and results relating to all topics of importance to ams OSRAM.

7. Subsidiaries and investments

As the parent company of the ams OSRAM Group, ams-OSRAM AG had 99 subsidiaries in 40 countries as of December 31, 2022 (December 31, 2021: 117 subsidiaries in 43 countries). The decrease resulted both from disposals (AMLS companies and Fluence Bioengineering Inc.) and from company mergers. As a result of the complete acquisition of 7Sensing Software BV, it was fully consolidated as a subsidiary for the first time in fiscal year 2022. In addition, ams-OSRAM AG held direct or indirect interests in 26 companies as of December 31, 2022 (December 31, 2021: 33 companies).

As of December 31, 2022, ams-OSRAM AG held 80.35% (2021: 79.91%) of the outstanding shares in OSRAM Licht AG. OSRAM Licht AG directly or indirectly holds 100% of the shares in all fully consolidated OSRAM companies, with the exception of OSRAM China Lighting Ltd., in which it holds only 90% of the shares.

Significant associates and other investments:

As of December 31, 2022, significant associates for ams OSRAM that are accounted for using the equity method particularly included the following:

| Name of holding | Country of incorporation | Ownership interest |
|-------------------------------------|--------------------------|--------------------|
| Jinan Smart Sensing Sensor Co, Ltd. | China | 49.00% |
| Sciosense Holding BV | Netherlands | 45.22% |
| Bolb Inc. | USA | 20.38% |

Bolb Inc. is a manufacturer of high-efficiency ultraviolet C-band (UV-C) light-emitting LEDs. Research collaboration between our two companies is expected to accelerate the industrialization of highly efficient, high-performance UV-C LEDs.

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

As of December 31, 2022, significant investments for ams OSRAM that are accounted for at fair value particularly included the following:

| Name of holding | Country of incorporation | Ownership interest |
|------------------------|--------------------------|--------------------|
| LeddarTech Inc. | Canada | 19.20% |
| Recogni, Inc. | USA | 5.33% |
| SiLC Technologies Inc. | USA | 4.86% |

8. Risk management

Main features of the accounting-related internal control system

The internal control system, which has been adapted in the context of integration into the ams OSRAM Group, is being implemented in the course of the harmonization of processes and IT systems at the Company as a whole. In this respect, ams OSRAM made further progress as planned in fiscal year 2022, and thus the process is now almost completed. We are also continuously refining our internal control system in order to meet all requirements.

The overarching goal of our accounting-related internal control system is to ensure the correctness of financial reporting in the annual and consolidated financial statements. The system consists of preventive and detective controls, which aim to ensure that group-wide standards for accounting, valuation, and account assignment are continuously updated and maintained. It aims to ensure that transactions can be completely recorded, that group-internal transactions are appropriately eliminated, and that processes and rules are established for the separation of functions and for observing the principle of dual control when preparing the financial statements. It also aims to ensure that individual access authorizations for accounting-related IT systems are in place.

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

The Audit Committee of the Supervisory Board oversees the accounting process and the effectiveness of the control system. It is also responsible for auditing the documents for the individual financial statements of ams-OSRAM AG and the consolidated financial statements, and it discusses the individual financial statements of ams-OSRAM AG, the consolidated financial statements, and the combined management report with the Management Board and the auditor. The Supervisory Board also examines the sustainability report of the ams OSRAM Group, which is prepared on a voluntary basis.

Enterprise Risk Management (ERM) System

ams OSRAM practices systematic risk management to identify, assess, and control risks. Risks that could endanger the continued existence of the ams OSRAM Group or the achievement of our strategic, operational, financial, and compliance objectives can therefore be identified at an early state and risk-limiting measures initiated. We are continuously refining our risk management system in order to meet changing internal and external requirements.

The central office for risk management coordinates the risk management process and risk reporting. Responsibility for the identification, assessment, reporting, and management of significant risks is borne by management at the level of the central units and the business units.

Semi-annual meetings are held with management to assess any material risks identified. In these meetings, the reported risks are assessed uniformly based upon their effects on our business activity and their probability of occurrence. ams OSRAM's assessments follow the net principle, in which we assess risks in light of previously initiated effective actions.

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

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

Regular reports on significant risks to the Company are submitted to the Management Board and the Audit Committee of the Supervisory Board on a semiannual basis and are supplemented by ad hoc reports as necessary. This ensures that the Management Board and the Supervisory Board receive complete and timely information on significant risks to the Company. The Management Board of the

ams OSRAM Group determines whether risks, either individually or in their entirety, represent an existential threat and establish that there is no substantial threat to the going concern. The Audit Committee of the Supervisory Board monitors the effectiveness of this system.

The following section provides a description of the significant risks for the ams OSRAM Group, which could have particularly negative effects overall on our business activity as well as the results of operations, net assets, and financial position. Based upon the individual development of the two risks reported in the prior year, 'Risk of failure to achieve strategic objectives in connection with the OSRAM Group merger' and 'Material shortages', as well as the current assessment of their effects, these risks are classified as no longer particularly negative and are therefore no longer part of the following report. The first reason for this is that the cost synergies and the sale of portions of the Company will foreseeably be implemented as planned. Secondly, the COVID-19 pandemic is having a less negative effect on ams OSRAM's supply chain. Because of their increasing importance, the following report will also cover the risks > Geopolitical risks – Russia and China as well as > Manpower shortages and the loss of skilled employees.

Strategic risks

Competition for the introduction of new technologies

The ams OSRAM Group operates in a high-tech industry with a strong focus on technologically advanced applications and relatively short product life cycles. There is a risk that disruptive technologies could quickly become market-ready. Competitors could also introduce alternative products or technologies that are more cost-effective, of higher quality, possess greater functionality, or are more competitive for other reasons. There is also the risk that changes in market and customer requirements are not or cannot be considered early enough and to a sufficient extent. In the case of the introduction of new technologies, such as micro-LED technology, there are also uncertainties as to when and to what extent sales will be generated from the products based on these new technologies. It is also possible that the actual adoption of new and highly innovative technologies by the markets will deviate from expectations. This entails the risk that investments already made in research and development or in fixed assets could be recovered through sales at another

point of time or may not be sufficiently recouped through revenues. Most notably, this could also prevent the sufficient utilization of newly built production capacities and thereby reduce the profitability of the entire Group.

ams OSRAM must therefore develop innovative and differentiated technologies for products that can be manufactured competitively in terms of technology and cost for the right applications and markets and make them market-ready in a timely manner. The future success of ams OSRAM also depends upon whether its internally developed intellectual property can be sufficiently protected and profitably utilized. Failure to do so may endanger the future growth and competitiveness of the entire Group. It may lead to a rapid decline in market share in established areas of business or failure to achieve growth objectives in new fields of technology. Investments already made in research and development could not be recouped through revenues, which would reduce the profitability of the entire Group.

ams OSRAM counters these risks with specific measures. Potential new fields of technology are monitored and the results of these observations are thoroughly considered in our strategic planning. Technological expertise that will be necessary in the future is incorporated into the technology roadmap for the respective business segments at an early stage. The technology roadmap is an integral part of medium and long-term strategic planning. ams OSRAM has also further reinforced a team that performs market analyses and reviews areas of technology as well as research and development plans on a regular basis, so that these areas can be focused on more sharply if needed. A newly established committee closely monitors the most important areas of application for new technologies. Risk management for the most important innovation projects has been further intensified. In addition, we are working to optimize the efficiency of our operational product development processes.

Macroeconomic effects as well as volatile and cyclical market developments

Following the COVID-19 pandemic's severe effects on macroeconomic performance in fiscal years 2020 and 2021, the incipient global economic recovery in fiscal year 2022 was severely impeded by the Chinese government's zero-COVID policy and the war in Ukraine. In the opinion of ams OSRAM, there are still enormous uncertainties with respect to the global macroeconomic situation, and these might continue to grow in the future.

Other factors, such as the emergence of new geopolitical conflicts or the intensification of existing conflicts > Geopolitical risks – Russia and China could also have a negative effect on global economic performance.

Supply chain disruptions caused by the pandemic, which continue even though they are clearly in decline, and above all the war in Ukraine with its associated sanctions and supply restrictions led to a further significant rise in inflation in 2022. As a consequence and a countermeasure, a number of central banks, including the European Central Bank and the US Federal Reserve, increased base rates substantially at times and adjusted their previously expansive monetary policies. This led to a tangible weakening of economic activity and more negative economic forecasts for 2023 in the course of fiscal year 2022. It remains to be seen how many interest rate increases by the central banks will be necessary to curb inflation. There is a risk that economic growth will weaken more than previously assumed. It is therefore possible that global economic performance, as well as performance in relevant regional sub-markets, will be poorer than forecast in the current plans for fiscal year 2023.

The overcast economic climate could cause end customer demand for technologically advanced consumer products and automobiles to decline more strongly than anticipated in our plans. This could also have negative effects on the demand for semiconductor-based technologies such as sensors, LEDs or optical solutions, and could cause customers to make short-term adjustments of their purchase quantities. In addition to the revenue risk, this also creates a cost risk for ams OSRAM due to fluctuations in capacity utilization of our own production and potentially increased inventories. Inflation-related price increases could also have an effect on relevant procurement markets for ams OSRAM. Economic trends could also cause individual countries and regions to experience significant increases in wages and salaries, which could lead to a higher than expected increase in personnel costs.

We continuously monitor appropriate early warning indicators and incorporate them into continuously improved market models that enable us to develop and regularly adapt effective response strategies. We take appropriate proactive measures where needed to safeguard the generation of profits and financial resources. We precisely monitor our inventory levels and structures and have installed a strict receivables management system. Investments are also rescheduled and reduced to the extent possible.

We also conduct regular reviews of our value chains, i.e., our global and regional presence and the relevant processes. With these measures, we strive to achieve cost savings and operational improvements that will enable ams OSRAM to secure its profitability, even in unfavorable economic conditions.

Geopolitical risks – Russia and China

The geopolitical situation is currently dominated by the war in Ukraine. There could also be a further escalation in China's claims of sovereignty over Taiwan and therefore an increased decoupling of the relationship between the USA and China.

These risks could have direct effects on ams OSRAM's existing procurement and sales markets, as well as indirect consequences due to changing macroeconomic conditions.

A possible geographical expansion of the war in Ukraine, including the NATO countries, could have serious consequences on the macroeconomic environment and also on the market environment of ams OSRAM. Even a continuation of the current military conflict entails significant risks, however. Possible bottlenecks in energy supplies could lead to energy rationing as well as a further increase in the already high level of inflation, which could result in new monetary policy responses by the central banks and further weakening of the business environment. The consequences of this development could increase the risks described under > Macroeconomic effects, > Business interruption, > Financial risk, and > Dependence on suppliers, and the realization of such risks could have negative effects on the results of operations, financial position, and net assets of the ams OSRAM Group. ams OSRAM's business could also suffer from increasing protectionism and the expansion of trade barriers caused by political conflicts between individual countries. First and foremost, an increase in the political tensions between the USA and China could impair the trade relationships of both nations' economies – which are also important for ams OSRAM's business – and could lead to further restrictions. Such restrictions could notably also have an effect on sales volume and procurement by ams OSRAM in both markets. Customers and suppliers of ams OSRAM could also be directly impacted by the effects of the geopolitical conflicts. On the other hand, the indirect consequences, such as those described under > Macroeconomic effects and volatile as well as cyclical market developments, could also have an impact on sales and procurement markets.

ams OSRAM is monitoring developments very closely so that it can react in a rapid and prepared manner to any changes in business conditions. Geopolitical developments are also playing an increasingly important role in upcoming investment decisions.

Competitive environment

Competitive pressure in the semiconductor industry continues to be generally high due to the large number of existing competitors and new market participants. Because of the semiconductor shortage, made particularly severe over the past few years by the COVID-19 pandemic, worldwide expansions of production capacity are currently being implemented, some with substantial government subsidies.

Given the drop in demand for semiconductor products caused by the overcast economic climate and the existing risk of further deterioration of economic conditions described under > Macroeconomic effects as well as volatile and cyclical market developments, there is the risk that manufacturers such as ams OSRAM will have to differentiate themselves by price to a greater extent than expected in order to fully utilize their production capacity. This increased price competition could negatively influence the achievement of our objectives in terms of both profitability and market share.

ams OSRAM continuously monitors and analyzes its competitive environment. In addition, we regularly review additional productivity enhancement and cost reduction measures, including the consolidation of production capacities. ams OSRAM also focuses on targeted research and development expenditures that allow us to differentiate our products through technological advances, thereby ensuring the profitable utilization of existing capacities. Through these efforts, we can also counteract the risk described under > Competition for the introduction of new technologies.

We also regularly review the effectiveness of our channels of distribution.

Operational risks

Customer concentration

If a disproportionately high percentage of the ams OSRAM Group's revenue and profit is earned from individual customers, the Company's business success or market share could become dependent upon these individual customers' market share or business success. If these customers cannot be contractually committed to minimum order quantities, customer order quantities may be reduced and orders may be delayed or canceled. In such a case, it may be impossible to recoup through revenues the investments already made in research and development or to sufficiently utilize customer-specific production capacities. This would reduce the profitability of the entire Group. There is also the risk that customer-specific product adaptations for significant orders from key accounts could lead to higher development costs and higher production costs in serial production, and that the additional costs thereby incurred could not be adequately compensated, for example through price adjustments. Thus, there is the risk that profit contributions from business with key accounts could be lower than forecast in the original plans.

The consumer business of ams was characterized by high customer concentration. The merger with the OSRAM Group has clearly expanded the existing customer and product portfolio of ams and reduced the share of customer specific contract manufacturing volume. ams OSRAM is nevertheless striving to achieve further diversification of the customer and product portfolio in order to reduce possible negative effects from business with key accounts. We have also set up a close-knit risk management system for significant individual orders from key accounts.

Cyber risks and IT risks

The increasing digitization of business processes makes the reliability and security of the company-wide system infrastructure extremely important. Regulatory requirements for the protection, integrity, and availability of data are also on the rise.

There has been an evident increase in cyberattacks worldwide, and external attacks on IT systems of ams OSRAM can therefore not be ruled out. Such attacks could result in the theft of business information, intellectual property, and personal data. A lack of risk awareness on the part of employees and improper handling of our IT systems could also make external attacks easier or could lead to situations in which data are lost or can be recovered only at significant expense. Malfunctions in the

IT systems could also cause significant interruptions of the production and supply chain, which would entail loss of revenue.

To counter these risks, ams OSRAM has already transferred IT systems and applications to sufficiently secure cloud solutions, and we conduct independent tests at regular intervals to determine the vulnerability of our IT systems. In terms of information security, the company operates in accordance with the ISO27001 standard. In addition, regular employee training is conducted and an emergency response service provider is contracted in the event of a serious cyberattack. ams OSRAM has a Chief Information Security Officer, who reports directly to the Chief Information Officer. In addition to technical measures, information security also requires communication and governance. The existing system is continuously improved and its effectiveness monitored by means of internal and external audits. The Supervisory Board is kept informed about the results of these activities. In the area of data protection, a comprehensive data protection management system has been implemented and globally applicable corporate guidelines ensure company-wide standards for handling personal data. Further refinement of data protection is promoted by actions that include training for all employees and implementation of uniform technical and organizational measures, particularly when data are being processed by external service providers.

Business interruption risk

The continuous optimization and focusing of the integrated production environment means that dependence on individual production locations is increasing. Thus, there is a risk that disruptions at ams OSRAM's plants or external influences could result in an inability to produce or deliver products in the planned scope. That is why, in addition to insuring against damage to equipment and buildings, we also maintain appropriate insurance to protect against risks arising from business interruption. We also conduct preventive maintenance and have defined emergency plans for critical areas to ensure the availability and quality of our products. Fire and disaster protection for significant locations is also continually reviewed and improved. The risk of supply bottlenecks is reduced where possible by diversifying our supplier base and closely monitoring critical vendors and materials.

The current war in Ukraine is having enormous effects on global energy supply, and particularly in Europe > Geopolitical risks – Russia and China. ams OSRAM has been working to secure gas supplies for the plants in Germany and Austria since the

beginning of fiscal year 2022 and have largely eliminated the risk of a gas shortage. Energy supply bottlenecks could lead to rationing of energy supplies, however, or in a worst-case scenario could also cause unannounced, longer lasting, and widespread power outages. ams OSRAM is countering this risk with appropriate emergency plans.

Based upon the measures already undertaken, the experience gained during the COVID-19 pandemic, and the pandemic's overall decline, ams OSRAM considers the probability of business interruptions to be lower than in the prior year. Nevertheless, we continue to prioritize the prevention of COVID-19 infections within our own company.

Dependence on suppliers

To avoid dependence on individual suppliers for critical materials, we generally vet at least one secondary source in addition to the preferred vendor. This is not always possible or economically practical, however. Moreover, certain production services in the semiconductor industry can be outsourced to only a limited number of wafer producers.

Firstly, ams OSRAM faces the risk of price increases by suppliers. Secondly, one or more of these suppliers may fail to fulfill its supply obligations, which would impair our delivery capacity and result in loss of revenue.

Although we were able to find alternatives for Russian suppliers in fiscal year 2022 to the extent necessary, given the sanctions in force at the time, we continue depend substantially upon Taiwan-based suppliers. The occurrence or worsening of the geopolitical risks described under > Geopolitical risks – Russia and China could negatively affect the supply situation for these suppliers, and in a worst-case scenario could also lead to business interruptions > Business interruption risk. It is also possible that we will be unable to develop a long-term business relationship with some of our alternate suppliers and must therefore establish new supplier relationships.

Information collection and regular monitoring of our suppliers' financial situations is also a fixed component of our supplier risk management process. Dedicated employees coordinate our collaboration with important production service providers. ams OSRAM also maintains a forward-looking inventory and procurement management process and concludes long-term delivery agreements wherever possible.

Manpower shortages and the loss of skilled employees

To develop, produce, and sell its high-tech products and solutions, the ams OSRAM Group requires, in some cases, highly qualified employees in the engineering sciences and other technical areas, as well as executives with international experience. There is tough competition for such talent and experts, as well as for executives, particularly in the semiconductor industry and in the regions where we are active. Moreover, due to uncertainties related to the merger of ams and OSRAM, the Company was unable to retain certain key personnel in recent years to the desired extent. The future performance of ams OSRAM also depends upon the degree to which it can identify, recruit, develop, and retain the talent, engineers, and executive managers needed.

ams OSRAM is countering this risk with a professional approach that is adapted to the current circumstances in personnel recruitment, and which we are continually optimizing and adapting to market conditions. In addition, we are using information gained from employee surveys to implement measures that will make working for ams OSRAM even more attractive. We also place a high priority on further enhancing opportunities for career development and employee satisfaction in order to ensure the long-term retention of important skilled employees and top performers.

Well-defined career development processes and programs, as well as targeted succession planning for key functions, help our employees grow and to prepare them internally for management positions if they are suitable and willing to reach out for such functions. We have also strongly expanded our presence in social media and use these channels to recruit new employees. In addition, we engage in many employer branding activities, such as participation in training days and career fairs for students to communicate our employer positioning and to present the Company as an attractive employer.

Quality risk

Meeting market and customer-specific requirements for our products is particularly important for our business success. The increasing complexity of product and manufacturing processes and shorter development cycles increase the risk of possible quality issues. Products manufactured by ams OSRAM are integrated into complex electronic systems. Errors or functional defects in products produced by ams OSRAM could directly or indirectly compromise the property, health, or life of third persons, and could therefore lead to recalls from our customers and negative effects on our reputation.

We counter this risk through group-wide quality processes, which are audited internally at regular intervals based upon established standards (such as ISO 14001, ISO 13485, ISO 9001, and IATF 16949) and audited externally by our customers, and also certified by external companies. In the event of quality defects and product safety incidents, we have established an effective reporting system to ensure a timely response.

Financial risks

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

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

Financial risk management is conducted by the central Treasury department based upon guidelines approved by the Company's Management Board and Supervisory Board. The Treasury department assesses and hedges against financial risks in close collaboration with the operational business areas, also using financial derivatives.

Liquidity risk

The liquidity risk is that ams OSRAM could be incapable of meeting its financial obligations when they come due. Debt financing undertaken in conjunction with the acquisition of the OSRAM Group has increased the need for financing as well as expectations with respect to the Group's financial performance. Short-term and long-term liquidity and business planning that accounts for the sale of parts of companies and the achievement of integration-related cost synergies are helping to secure the future financial success of the ams OSRAM Group. The Company has sufficient cash on hand, as well as a substantial amount in approved long-term credit lines that have not been utilized. A financing structure that has been diversified in terms of financial instruments and maturity profile also provides a sufficient margin.

Several financing agreements contain arrangements customary for the market, under which the ratio of net financing debt to adjusted EBITDA (pursuant to the respective definition) must not exceed 4.0:1. The resulting risk of calls for early repayment or blocks on utilization of credit is intensively analyzed in the context of short and long-term business and financial planning.

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

Interest-rate risk

In particular, the effects and risks described under > Macroeconomic effects, as well as volatile and cyclical market developments and > Geopolitical risks – Russia and China, have led to changes on the financial markets in the course of fiscal year 2022, including higher interest rates and more restrictive financing.

In principle, an increase in interest rates could lead to rising financing costs for ams OSRAM and thus to increased interest-rate risk, while falling interest rates could lead to lower interest income from financial investments. This risk of changes in interest rates is countered by the fact that under liabilities, approximately 95% of the Company's financial liabilities have fixed interest rates. Upcoming refinancing of existing fixed-interest-rate financing may encumber the future interest result, depending upon how the market develops. Under assets, risks of changes in interest rates exist primarily in relation to short-term time deposits, which are linked to the market interest rate. Offsetting items under assets and liabilities naturally reduces overall exposure.

Most notably, the realization, either to their full extent or in a disadvantageous combination, of the risks described under > Competition for the introduction of new technologies and > Customer concentration could cause rating agencies to adjust the financial valuation of the ams OSRAM Group. Possible adjustments could also negatively affect the Group's future individual financing terms.

Foreign currency risk

As a global company, we conduct financial transactions in a number of different currencies. This results in risks caused by fluctuations in foreign currency exchange rates, both in our operational business as well as in financial reporting from currency conversion into the group reporting currency. Based upon our corporate structure, these result primarily from fluctuations of the Euro vis-à-vis the US-Dollar and Malaysian ringgit. Exchange rate fluctuations can have a negative effect on our profit, equity, and cash flow. In order to hedge currency risks from our operational business and financial positions, we monitor all transaction risks and conversion risks. Depending upon the respective risk situation, we also use financial derivatives to hedge against net risks from balance sheet items and possible risks from scheduled transactions.

Credit risk

Credit risks arise when a customer or a counterparty to a financial instrument is incapable of fulfilling its payment obligations. In accordance with the treasury and risk management policy, investments and transactions involving derivative financial instruments are carried out only with a diversified selection of financial institutions having a high level of creditworthiness. Individual credit limits for customers and financial institutions are defined on the basis of external and internal data and are monitored on an ongoing basis. There was no significant concentration of credit risks as of the balance sheet date.

Legal and compliance risks

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

Like ams OSRAM, many of our competitors, suppliers, and customers also protect their technology through patents or other proprietary rights. The enforcement of

claims by other parties based upon an alleged infringement of proprietary rights could lead to significant costs in the form of court costs, damages, and/or license fees. Such claims could also hinder the business of ams OSRAM. We reduce that risk by maintaining and, if necessary, enforcing a strong IP portfolio. We also monitor the external IP environment. If necessary, we also acquire licenses to ensure our freedom of action.

ams OSRAM is also subject to a variety of governmental regulations worldwide, e.g., in the areas of environmental protection, product safety, and labor conditions. Of primary significance here is the increasing complexity of regulations relating to reporting obligations in the area of sustainability and in dealing with the protection of human rights in the supply chains. Under certain circumstances, a failure to comply with the relevant regulations may result in significant fines and reputational risks. To prevent this to the extent possible and to anticipate future regulatory changes in a timely manner, ams OSRAM monitors global changes in the legal landscape through central departments that support the country-specific implementation of appropriate processes and controls.

If economically practical, we also purchase insurance to cover a portion of the risks. Note 18 'Provisions' of the Notes to the Consolidated Financial Statements provides an overview of significant legal disputes. In order to avoid and, if necessary, identify compliance-related events in a timely manner, ams OSRAM also has a group-wide compliance management system.

Overall estimate of risks

In the past fiscal year, the risk situation of the ams OSRAM Group was particularly influenced by the general worsening of macroeconomic conditions, whereas risks related to the COVID-19 pandemic decreased. Geopolitical risks, on the other hand, increased significantly in connection with the direct and indirect consequences of the Russian war of aggression against Ukraine.

The risks associated with the overall business environment, which are strongly influenced by geopolitical crises, could have a serious effect on the business of ams OSRAM and could frequently require new operational actions as well as adjustments to its strategy. It remains to be seen how extensive and long-lasting these effects will be for our business in future.

Taking into account the respective probability of occurrence and the potential effects, the risks enumerated in this report currently do not put the going concern assumption at risk, either individually or in their entirety. Given the balance sheet structure and the current business prospects, the Management Board does not expect any substantial threat to the going concern. This assessment is supported by the current financing structure, see Note 19 'Interest-bearing Loans' of the Notes to the Consolidated Financial Statements.

9. Events after the balance sheet date

On January 30, 2023, ams OSRAM announced that, after more than seven years, Alexander Everke will retire from his position as Chief Executive Officer effective March 31, 2023, and will resign from the Company's Management Board. The Supervisory Board has appointed Aldo Kamper as a member and Chairman of the Management Board effective April 1, 2023. He has been CEO of Leoni AG, Nuremberg, a global provider in the field of energy and data management for the automotive industry, since 2018. Previously, he held various management positions at OSRAM for more than 15 years, including General Manager of the Opto Semiconductors business. Mr. Everke will actively support the handover of his duties and will remain available for consultation for ams OSRAM until the end of 2023.

10. Outlook

In 2023, ams OSRAM expects significant uncertainties and an unclear outlook for global economic trends, private consumption, and worldwide industrial production, including automotive unit volumes, to determine the development of major economies and regions. ams OSRAM is therefore subject to potentially volatile end market developments, customer performance that may be difficult to anticipate, and potential unforeseen changes in semiconductor industry dynamics, demand trends, and supply chain performance. ams OSRAM has built a strong market position in important markets and is confident of its ability to serve evolving customer needs. Leveraging these advantages, ams OSRAM expects to introduce advanced solutions for illumination, visualization, and sensing, make high volume shipments to its global customer base, and achieve planned production ramps of diverse design-wins.

ams OSRAM will continue the successful integration of OSRAM in the current year on the basis of planned programs and the domination and profit and loss transfer agreement between the two companies. ams OSRAM therefore expects to record further expenses from integration-related activities in 2023 based on current information. Looking ahead, ams OSRAM expects the full integration of both companies to offer significant mid and longer-term business advantages and positive financial effects for the group.

Given its current assessment of semiconductor and end market dynamics and the global macro-economic trends, ams OSRAM expects its business to record an overall solid development in 2023. However, should global semiconductor demand and the macro-economic environment develop more unfavorably in 2023 and/or the US-Dollar show notable weakness, ams OSRAM would experience a meaningful impact on the development of its business and earnings.

ams OSRAM has set itself the strategic goal of becoming the global leader in optical solutions supported by the full integration of OSRAM. In this growth strategy, the mid-term priorities for ams OSRAM are expanding the group's business with key accounts globally and driving higher penetration of its worldwide markets and customer base. ams OSRAM focuses on an innovation-driven portfolio of optical technologies for light emission and sensing to create customer-centered high-performance solutions. ams OSRAM expects this approach to drive diversified long-term growth opportunities in its automotive, consumer, industrial and medical end markets.

11. Other information

For information on equity, treasury shares, and equity investments, please refer to the notes to the consolidated financial statements.

Premstaetten, February 27, 2023

ams-OSRAM AG, Premstaetten

Alexander Everke
Chairman of the Management Board
CEO

Ingo Bank
Member of the Management Board
CFO

Dr. Thomas Stockmeier
Member of the Management Board
CTO

Mark Hamersma
Member of the Management Board
CBO



Group Financial Statements

IFRS Consolidated Financial Statements as of December 31, 2022

Notes to the Consolidated Financial Statements

Auditor's Report

IFRS Consolidated Financial Statements as of December 31, 2022

Consolidated Statement of Income

for the fiscal year ending December 31, 2022, including prior period

| in EUR million | Note | 2022 | 2021 reclassified |
|---|---------|--------------|----------------------|
| Revenues | Note 2 | 4,819 | 5,038 |
| Cost of sales | | -3,561 | -3,589 |
| Gross profit | | 1,258 | 1,449 |
| Research and development expenses | | -630 | -692 |
| Selling, general and administrative expenses | | -608 | -697 |
| Other operating income | Note 3 | 179 | 212 |
| Other operating expenses | Note 4 | -357 | -43 |
| Results from investments accounted for using the equity method, net | Note 14 | -4 | -33 |
| Result from operations | | -161 | 197 |
| Financial income | Note 5 | 25 | 66 |
| Financial expenses | Note 5 | -225 | -264 |
| Net financial result | | -201 | -198 |
| Result before income taxes | | -361 | -1 |
| Income taxes | Note 6 | -82 | -31 |
| Net result | | -444 | -32 |
| Attributable to: | | | |
| Non-controlling interests | | 1 | -1 |
| Shareholders of ams-OSRAM AG | | -444 | -31 |
| Basic earnings per share (in EUR) | Note 24 | -1.70 | -0.12 |
| Diluted earnings per share (in EUR) | Note 24 | -1.70 | -0.12 |

Consolidated Statement of Comprehensive Income

for the fiscal year ending December 31, 2022, including prior period

| in EUR million | Note | 2022 | 2021 |
|--|-------------|-------------|------------|
| Net result | | -444 | -32 |
| Remeasurements of defined benefit plans | Note 21, 22 | -13 | 62 |
| <i>therein income tax effect</i> | | 4 | 1 |
| Fair value measurement of equity instruments (FVOCI) | Note 22 | -84 | 0 |
| <i>therein income tax effect</i> | | 11 | 0 |
| Items that will not be reclassified in profit or loss | | -96 | 63 |
| Currency translation differences | Note 22 | 165 | 278 |
| Fair value measurement of debt instruments (FVOCI) | Note 22 | -2 | -1 |
| <i>therein income tax effect</i> | | 0 | 0 |
| Derivative financial instruments of hedging purposes | Note 22 | 23 | -21 |
| <i>therein income tax effect</i> | | -5 | 3 |
| Items that may be reclassified subsequently to profit or loss | | 186 | 257 |
| Other comprehensive income (loss), net of tax | | 90 | 319 |
| Total comprehensive income (loss) | | -354 | 287 |
| Attributable to: | | | |
| Non-controlling interests | | 1 | 1 |
| Shareholders of ams-OSRAM AG | | -354 | 286 |

Consolidated Balance Sheet

for the fiscal year ending December 31, 2022, including prior period

| in EUR million | Note | December 31, 2022 | December 31, 2021 |
|--------------------------------------|---------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | Note 7 | 1,087 | 1,331 |
| Current financial investments | | 21 | 6 |
| Trade receivables | Note 8 | 533 | 688 |
| Inventories | Note 9 | 864 | 938 |
| Other current receivables and assets | Note 10 | 223 | 185 |
| Assets held for sale | Note 27 | 157 | 134 |
| Total current assets | | 2,884 | 3,282 |
| Property, plant, and equipment | Note 11 | 1,856 | 1,606 |
| Intangible assets | Note 12 | 3,645 | 3,989 |
| Right-of-use assets | Note 13 | 230 | 260 |
| Investment in associates | Note 14 | 35 | 34 |
| Deferred tax assets | Note 15 | 69 | 182 |
| Other non-current assets | Note 16 | 54 | 143 |
| Non-current financial investments | Note 16 | 59 | 147 |
| Total non-current assets | | 5,948 | 6,362 |
| Total assets | | 8,832 | 9,644 |

| in EUR million | Note | December 31, 2022 | December 31, 2021 |
|--|---------|-------------------|-------------------|
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Current interest-bearing loans and borrowings | Note 19 | 169 | 480 |
| Trade payables | | 811 | 710 |
| Income tax payables | | 87 | 85 |
| Current provisions | Note 18 | 256 | 328 |
| Other current liabilities | Note 17 | 1,345 | 1,359 |
| Liabilities associated with assets held for sale | Note 27 | 50 | 40 |
| Total current liabilities | | 2,717 | 3,001 |
| Non-current interest-bearing loans and borrowings | Note 19 | 2,635 | 2,646 |
| Employee benefits | Note 21 | 179 | 181 |
| Deferred tax liabilities | Note 15 | 105 | 205 |
| Non-current provisions | Note 18 | 45 | 48 |
| Other non-current liabilities | Note 17 | 318 | 413 |
| Total non-current liabilities | | 3,281 | 3,493 |
| Equity | | | |
| Issued capital | | 274 | 274 |
| Additional paid-in capital | | 2,036 | 1,997 |
| Treasury shares | | -121 | -122 |
| Other components of equity | | 280 | 115 |
| Retained earnings | | 358 | 877 |
| Total equity attributable of shareholders of ams-OSRAM AG | | 2,826 | 3,142 |
| Non-controlling interests | | 7 | 8 |
| Total equity | Note 22 | 2,833 | 3,150 |
| Total liabilities and equity | | 8,832 | 9,644 |

Consolidated Statement of Cash Flows

for the fiscal year ending December 31, 2022, including prior period

| in EUR million | Note | 2022 | 2021 |
|---|------------------|------------|------------|
| Operating activities | | | |
| Net result | | -444 | -32 |
| Reconciliation between net result and cash flows from operating activities | | | |
| Amortization, depreciation and impairment | Notes 11, 12, 13 | 1,018 | 760 |
| Expenses from stock option plans (acc. to IFRS 2) | | 40 | 42 |
| Income taxes | | 82 | 31 |
| Net financial result | | 201 | 198 |
| Result from sales of businesses, intangible assets and property, plant, and equipment | | -154 | -70 |
| Result from sale of financial investments | | 0 | 3 |
| Result from investments in associates | Note 14 | 3 | 7 |
| Other adjustments for non-cash items | | 14 | -96 |
| Changes in current assets and current liabilities | | | |
| Inventories | | -30 | -134 |
| Trade receivables | | 118 | -38 |
| Other current assets | | -13 | -23 |
| Trade payables | | -56 | 123 |
| Current provisions | | -56 | -20 |
| Other current liabilities | | -6 | 147 |
| Changes in other assets and liabilities | | -48 | -27 |
| Income taxes paid | | -82 | -84 |
| Dividends received | | 1 | 0 |
| Interest received | | 12 | 3 |
| Cash flows from operating activities | | 599 | 792 |

| in EUR million | Note | 2022 | 2021 |
|---|--------------|--------------|--------------|
| Investing activities | | | |
| Additions to intangible assets and property, plant, and equipment | Notes 11, 12 | -537 | -310 |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired* | | -25 | -524 |
| Acquisition of financial investments | | -1 | -17 |
| Proceeds from sale of investments, intangibles and property, plant and equipment | | 34 | 14 |
| Proceeds and payments from disposals of businesses, net of cash and cash equivalents disposed | Note 27 | 346 | 277 |
| Cash flows from investing activities | | -183 | -560 |
| Financing activities | | | |
| Payments from capital increases from subsidiaries with non-controlling interest | | - | 13 |
| Payments from transactions with former non-controlling shareholders | | -3 | -1 |
| Acquisition of treasury shares | Note 24 | -1 | 6 |
| Sale of treasury shares | Note 24 | 1 | 0 |
| Proceeds from loans | Note 19 | 32 | 97 |
| Repayment of loans | Note 19 | -134 | -287 |
| Repayment/repurchase of convertible bonds | Note 19 | -334 | -67 |
| Repayment of lease liabilities | Note 26 | -109 | -75 |
| Repayment of shareholder loan to Continental | | - | -81 |
| Interest paid | | -125 | -137 |
| Dividends paid to shareholders of OSRAM Licht AG | | -53 | - |
| Dividends paid to non-controlling shareholders | | -2 | -1 |
| Cash flows from financing activities | | -726 | -534 |
| Change in cash and cash equivalents | | -241 | -269 |
| Effect of changes in foreign exchanges rates on cash and cash equivalents | | 69 | 33 |
| Cash and cash equivalents at the beginning of the period | | 1,339 | 1,609 |
| Cash and cash equivalents at the end of the period | | 1,098 | 1,339 |
| Less: Cash and cash equivalents of assets held for sale at end of period | | 12 | 8 |
| Cash and cash equivalents at the end of the period | | 1,087 | 1,331 |

* Contained therein EUR -19 million (2021: EUR -452 million) for additional purchases of OSRAM Licht AG shares

Consolidated Statement of Changes in Equity

for the fiscal year ending December 31, 2022, including prior period

| in EUR million | Note | Issued capital | Additional paid-in capital | Treasury shares | Other components of equity | Retained earnings | Total equity attributable to shareholders of ams-OSRAM AG | Non-controlling interests | Total equity |
|--|--------------|----------------|----------------------------|-----------------|----------------------------|-------------------|---|---------------------------|--------------|
| Balance as of January 1, 2021 | | 274 | 2,176 | -127 | -161 | 925 | 3,088 | -61 | 3,027 |
| Net result | | | | | | -31 | -31 | -1 | -32 |
| Other comprehensive income (loss), net of tax | Notes 21, 22 | | | | 276 | 41 | 317 | 2 | 319 |
| Total comprehensive income (loss) | | 0 | 0 | 0 | 276 | 9 | 286 | 1 | 287 |
| Share based payments | Note 4 | | 41 | | | 0 | 41 | | 41 |
| Dividends paid | | | | | | 0 | 0 | -1 | -1 |
| Sale of treasury shares | Note 24 | | | 4 | | 0 | 4 | | 4 |
| Acquisition of non-controlling interests | | | -58 | | | 0 | -58 | | -58 |
| Non-controlling-interests - annual compensation | | | -162 | | | | -162 | | -162 |
| Changes due to portfolio transactions | | | | | | -57 | -57 | 57 | 0 |
| Other changes | | | | | | -1 | -1 | 13 | 11 |
| Balance as of December 31, 2021 = Balance as of January 1, 2022 | | 274 | 1,997 | -122 | 115 | 877 | 3,142 | 8 | 3,150 |
| Net result | | | | | | -444 | -444 | 1 | -444 |
| Other comprehensive income (loss), net of tax | Notes 21, 22 | | | | 165 | -75 | 90 | 0 | 90 |
| Total comprehensive income (loss) | | 0 | 0 | 0 | 165 | -519 | -354 | 1 | -354 |
| Share based payments | Note 4 | | 39 | | | | 39 | | 39 |
| Dividends paid | | | | | | | 0 | -2 | -2 |
| Sale of treasury shares | Note 24 | | | 1 | | | 1 | | 1 |
| Balance as of December 31, 2022 | | 274 | 2,036 | -121 | 280 | 358 | 2,826 | 7 | 2,833 |

Notes to the Consolidated Financial Statements

1. General Principles

Reporting Entity

ams-OSRAM AG ('the Company') is a stock corporation under Austrian law and is headquartered in 8141 Premstaetten, Austria. The Company is a worldwide leader in the design, manufacture, and sale of high-performance LED solutions for automotive and industrial applications as well as of optical sensor solutions for the consumer, automotive, industrial, and medical technology end-user markets. As a result, the Company is a leading provider of optical technologies and solutions for sensors, lighting, and visualization. These technologies and solutions may also contain relevant packaging and software. The IFRS consolidated financial statements as of December 31, 2022 encompass the ultimate parent company ams-OSRAM AG and its subsidiaries (together referred to as 'ams OSRAM Group', 'the Group', or 'ams OSRAM').

The Management Board prepared the IFRS consolidated financial statements as of December 31, 2022 on February 27, 2023 and released them to the Supervisory Board for adoption. The consolidated financial statements were prepared on the basis of the going concern assumption.

The section below describes the general presentation and financial reporting principles that are not directly included in topic-related other disclosures in the notes.

Statement of Compliance

The consolidated financial statements were prepared in accordance with all International Financial Reporting Standards of the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee that were required to be applied in 2022. Furthermore, these financial statements comply with all applicable International Financial Reporting Standards for fiscal year 2022, as adopted by the European Union, and the additional requirements pursuant to section 245a of the Austrian Commercial Code (UGB).

Changes in Material Accounting Policies

In the current fiscal year, ams OSRAM has reviewed and adjusted its accounting policy for borrowed precious metal inventories and the related benefit-in-kind obligations. The reason for the change is the fact that the Company recycles a significant portion of the precious metal used in production and can use these precious metals to reduce the benefit-in-kind obligation. As a result, the Company is not exposed to market price and currency risks to the extent of the existing precious metal inventories. There are no special IFRS rules for the accounting of such transactions. Previously, this transaction was accounted for in accordance with the general rules, resulting in a discrepancy between the measurement of the inventories (net realizable value) and the liability (current market price). Under the new method, both the benefit-in-kind obligation and the precious metal inventories are recognized at average cost. If the benefit-in-kind obligation exceeds the precious metal inventories, this excess is measured at the market price as of the reporting date. This means that, in line with the exclusion of market price and currency risks described above, there is no discrepancy between measurements. In addition, a change was made for how the fee related to the borrowing of precious metal is recognized. Starting with the current fiscal year, in line with its economic substance, this fee has been reported as borrowing within the net financial result. These changes do not have any material impact on the presentation of the Company's net assets, financial position, and result of operations.

The standards and interpretations issued by the IASB that were required to be applied for the first time in 2022 (Amendments to IAS 16 (Proceeds before Intended Use), Amendments to IAS 37 (Onerous Contracts: Cost of Fulfilling a Contract), Annual Improvements to IFRS Standards 2018-2020, Amendments to IFRS 3 (Reference to the Conceptual Framework)) did not require any adjustment to the accounting policies applied and therefore have no impact on these financial statements.

ams OSRAM opted for early application of Amendments to IAS 1 (Disclosure of Accounting Policies). The amendment requires that only the material accounting policies have to be presented in the notes. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. In order to meet the 'material' criterion, the accounting policy must

relate to material transactions or other events and there must be a trigger for the disclosure. A triggering event may be for example a change in an accounting policy or the accounting policy includes an election, is either complex or subject to significant judgment or has been developed in accordance with IAS 8.10-11. In addition, amendments to IAS 12 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction) have been applied early. The amendments limit the scope of application of the initial recognition exemption in relation to deferred taxes for transactions that lead to temporary differences in the same amount and offset each other. The application of the amendments did not have a material impact.

Other issued amendments to standards that were not required to be applied as of December 31, 2022, were not applied early. The effects of these new rules were deemed not material.

Basis of Presentation

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

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

With the beginning of fiscal year 2022, changes were made to the presentation of the consolidated statement of income, aiming primarily at harmonizing the presentation of functional costs throughout the ams OSRAM Group (hereinafter referred to as 'reclassification'). The former ams and OSRAM companies had previously allocated comparable costs to different functional cost categories. The presentation of the corresponding functional costs in the consolidated statement of income for fiscal year 2021 was adjusted to ensure comparability. The reclassifications for the previous year are as follows:

| in EUR million | 2021 after reclassification | 2021 before reclassification |
|--|-----------------------------------|------------------------------------|
| Cost of sales | -3,589 | -3,598 |
| Gross profit | 1,449 | 1,440 |
| Research and development expenses | -692 | -642 |
| Selling, general and administrative expenses | -697 | -745 |
| Other operating income | 212 | 228 |
| Other operating expenses | -43 | -51 |

Contingencies and Main Judgments

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

The main judgments to be made in applying accounting rules relate to:

- classification of the option rights for the Euro convertible bond as equity (notes 19. Interest bearing Loans and 22. Equity)

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

- The assessment of the recoverability of goodwill, property, plant and equipment, and capitalized development costs is subject to major estimation uncertainties. The recoverable amount of the respective cash generating unit (CGU) or group of CGUs is determined on the basis of discounted cash flow methods; the important assumptions in this context were the expected sales and EBITDA margins used as the basis for business planning as well as the terminal value growth rates, which are driven in particular by market trends and potential, technological trends and expected sales prices. The assumption of the discount

rates also has a significant influence on the determination of these assets' recoverable amounts. For intangible assets under development, the technical feasibility and the expected marketability in particular are subject to increased estimation uncertainties (note 12. Intangible Assets).

- Estimation uncertainties also exist as regards the measurement of leases (note 13. Right-of-use Assets)
- Deferred tax assets are recognized if sufficient future taxable profit is available. As of the end of each reporting period, the Company evaluates the recoverability of deferred tax assets, based on projected future taxable profits over a five year period.
- Measurement of the existing long-term obligations to employees, primarily pension obligations: assumptions about the discount rate, retirement age, employee turnover, and future salary and pension increases are used for this purpose (note 21. Employee Benefits).
- The recognition and measurement of provisions in connection with the termination of employment contracts are subject to estimates and assumptions on a significant scale. These include, for example, the probability of acceptance with respect to an offer to terminate employment contracts early and the nature of the measures (see note 18. Provisions)
- ams OSRAM is subject to litigation and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties, or disgorgement orders against ams OSRAM. Litigation, regulatory proceedings, or investigations by authorities often involve complex legal issues and are subject to substantial uncertainties. Accordingly, senior management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such an obligation will result in an outflow of resources, and whether the amount of the obligation can be reliably estimated. The required amount of a provision may change in the future due to new developments in the particular matter concerned (see note 18. Provisions)
- Estimates are subject to increased uncertainty with respect to macroeconomic effects, geopolitical conflicts, business interruption risks, and the COVID-19 pandemic.

As part of the systematic enterprise risk management process (ERM process) applied at ams OSRAM, non-financial risks – including potential climate-related risks – are also recorded and evaluated uniformly in accordance with the methodology

defined in the ERM process. The identified and evaluated risks are reported, depending on specified materiality thresholds. As of December 31, 2022, no material climate-related risks with an impact on balance sheet line items were reported.

On the demand side, the trend towards more eco-friendly and energy-saving products primarily creates opportunities for ams OSRAM as our product portfolio focuses on energy-saving technologies. Significant negative effects of increased climate awareness on demand for our products or the solvency of our customers have not been apparent to date. In terms of costs, our climate strategy (becoming CO2 neutral with respect to our own business activities by 2030) currently has no significant impact on planning as its implementation will only lead to a slight increase in energy costs in the medium term and the future costs to obtain green electricity are currently estimated at a reasonable level. Investments required as part of the implementation of the climate strategy are currently being planned in detail, though, they largely are in line with our long-standing objective of efficient and energy-saving production. In addition to feasibility considerations, climate-friendly implementation is already being taken into account in investments that are being implemented or planned. In the course of goodwill impairment tests, these are generally taken into account if they are sufficiently specific in accordance with the requirements of IAS 36. Identified physical and transition climate risks do not have any significant effects in the short and medium term. For a long-term assessment (beyond five years), ams OSRAM closely monitors developments and we incorporate the results into our evaluations as appropriate. These risks are generally taken into account during the impairment test by general risk parameters in cash flow planning, the interest rate and the terminal value growth rate. Likewise, there are currently no effects on useful lives or residual values of our property, plant and equipment and intangible assets.

Basis of Consolidation

Subsidiaries

Subsidiaries are all companies that are under the control of ams-OSRAM AG. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement in a company and has the ability to use its power over the company to affect those returns.

For the following German subsidiaries, the exemption option in accordance with Section 264 (3) HGB was applied with regard to the preparation, audit and disclosure

of individual financial statements: ams Sensors Germany GmbH, ams Offer GmbH, OSRAM GmbH, OSRAM Beteiligungen GmbH, OSRAM Beteiligungsverwaltung GmbH, ams-OSRAM International GmbH, OSRAM SL GmbH, OSRAM SBT GmbH, OSRAM OLED GmbH and Fluxunit GmbH.

Business Combinations

Acquisition of 7Sensing Software BV

On April 1, 2022, ams OSRAM obtained control in accordance with IFRS 10 over 7Sensing Software BV, Leuven, Belgium (7Sensing) by acquiring an additional 70% of the equity interests in the company. Prior to this acquisition, ams OSRAM held 30% of the equity interests in 7Sensing and accounted for the company as an investment in an associate by applying the equity method. As such, ams OSRAM now holds 100% of the shares in 7Sensing. 7Sensing is a software and software licensing company that primarily develops software solutions and IP for optical, imaging, ambient and audio security solutions. The acquisition complements the Group's existing optical sensors portfolio by providing software for various related applications, including consumer applications.

The fair value of assets and liabilities acquired as well as the components of the purchase price consideration are presented below:

| in EUR million | April 2022 |
|---|------------|
| Trade receivables | 1 |
| Assets held for sale | 3 |
| Intangible assets | 11 |
| Technology | 6 |
| Goodwill | 4 |
| Interest-bearing loans and borrowings | 3 |
| Deferred tax liabilities | 2 |
| Liabilities associated with assets held for sale | 1 |
| Total consideration transferred for 100% shares | 10 |
| thereof cash and cash equivalents for 70% of the shares | 7 |
| thereof fair value measurement of existing shares | 3 |

Assets held for sale includes property, plant and equipment in connection with the audio business of 7Sensing that was sold in October 2022. Measurement is based on the purchase price as agreed in the purchase agreement, including the measurement of the expected earn-out payment and the pro-rata goodwill from the acquisition of 7Sensing Software BV. The sale of the audio business resulted in a minor gain recognized in other operating income (note 3. Other Operating Income).

The technology acquired was measured using the 'relief from royalty' method. Under this income capitalization method, free cash flow is estimated on the basis of a royalty rate. This equates to the amount that a licensee would have had to pay to the owner of an intangible asset to be able to use it or would have saved if it had owned the intangible asset. The royalty rate is expressed as a percentage of revenue.

The purchase price for all shares amounted to EUR 10 million and comprised a cash payment of EUR 7 million for the acquired remaining shares as well as the fair value of the previously held interest of EUR 3 million. The gain on remeasurement of the previously held interest amounted to EUR 3 million and was recognized as other operating income (note 3. Other Operating Income).

The goodwill from the acquisition (which is not deductible for tax purposes) amounted to EUR 4 million and mainly reflects the know-how of 7Sensing's employees.

Since the acquisition date, 7Sensing has contributed slightly more than EUR 1 million to the Group's consolidated revenues and slightly less than EUR 1 million to the Group's consolidated net result. If the acquisition had been carried out at the beginning of the year, the contribution of 7Sensing to the Group's consolidated revenues and net result would have been higher only to an immaterial degree.

Revenue from Contracts with Customers

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

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

In the case of customer-specific products, which due to their nature can be sold only to one specific customer and therefore have no alternative use for ams OSRAM, the products are generally manufactured on the basis of advance information and orders from the customer, often based on existing framework agreements. In this context, control passes to the customer if an unconditional order exists and ams OSRAM is entitled to compensation for the costs incurred, including an appropriate margin, in the event that the customer withdraws from the contract. In this case, revenue is recognized in accordance with the stage of completion over the period of time. Due to the short lead time in the manufacturing of products and the fact that binding orders are often placed by customers at relatively short notice, there were no material circumstances as of January 1 and December 31, 2022 where contract assets and revenue would have had to be recognized before the invoice has been issued. Performance obligations are usually satisfied within a period of less than one year. Consequently, the option pursuant to IFRS 15.121 is exercised and no disclosures on existing performance obligations are made at the end of the respective reporting period.

2. Segment Reporting and Revenue

Business segments are the business units in accordance with the in the independent operating activities and the internal reporting structure. The semiconductor-focused business units concentrate on semiconductor-based products and solutions (incl. LED) for the automotive, consumer, industrial and medical technology markets and are combined in the ‘Semiconductors’ reporting segment. The ‘Lamps & Systems’ segment comprises lamps and lighting systems focusing on the automotive including traditional lighting technologies and industrial end markets and represents another reporting segment.

The segment indicator ‘Segment result’ comprises gross profit, research and development expenses, administrative and selling expenses, other operating income and expenses, and the result from investments in associates. The highest amount of revenue came from a customer in the Semiconductors segment and accounted for less than 20% of revenue (2021: more than 20%).

Business Segments

| Business Segments in EUR million | Semiconductors | | Lamps & Systems | | Total | |
|---|----------------|--------------|-----------------|--------------|--------------|--------------|
| | 2022 | 2021* | 2022 | 2021* | 2022 | 2021* |
| Consolidated revenues | 3,167 | 3,279 | 1,652 | 1,760 | 4,819 | 5,038 |
| Research and development | 560 | 560 | 70 | 132 | 630 | 692 |
| Depreciation, amortization and impairment | 888 | 675 | 130 | 85 | 1,018 | 760 |
| Segment result | -305 | 65 | 145 | 132 | -161 | 197 |

Segment assets include only those assets that are allocated to the segment as part of internal reporting, such as segment-specific property, plant, and equipment, intangible assets, and right-of-use assets from leases.

* after reclassification

Segment Assets

| Business Segments in EUR million | Semiconductors | | Lamps & Systems | | Total | |
|---|----------------|--------------|-----------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Segment assets | 5,009 | 4,960 | 722 | 896 | 5,731 | 5,856 |
| Reconciliation to consolidated financial statements | | | | | | |
| Cash and cash equivalents | | | | | 1,087 | 1,331 |
| Inventories | | | | | 864 | 938 |
| Trade receivables | | | | | 533 | 688 |
| Assets held for sale | | | | | 157 | 134 |
| Financial investments | | | | | 80 | 153 |
| Deferred taxes | | | | | 69 | 182 |
| Investments in associates | | | | | 35 | 34 |
| Other unallocated assets | | | | | 277 | 328 |
| Total assets | | | | | 8,832 | 9,644 |

In terms of geographical regions, the Group is broken down into the following three regions: EMEA (Europe, Middle East, and Africa), Americas (North and South America), and Asia/Pacific. Revenue is allocated to these regions based on customers’ geographical location (billing address).

Revenue by Region

| in EUR million | Semiconductors | | Lamps & Systems | | Total | |
|----------------|----------------|--------------|-----------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| EMEA | 785 | 751 | 669 | 663 | 1,455 | 1,413 |
| Americas | 276 | 288 | 573 | 675 | 849 | 962 |
| Asia / Pacific | 2,106 | 2,241 | 410 | 422 | 2,515 | 2,663 |
| Total | 3,167 | 3,279 | 1,652 | 1,760 | 4,819 | 5,038 |

Non-current Assets by Region

| in EUR million | 2022 | 2021 |
|-----------------|--------------|--------------|
| EMEA | 2,668 | 2,767 |
| Americas | 836 | 862 |
| Asia / Pacific | 2,228 | 2,227 |
| Total | 5,731 | 5,856 |
| thereof Austria | 317 | 389 |
| thereof Germany | 1,941 | 1,929 |

As of fiscal year 2023, following the completed and ongoing measures to adjust the Group’s portfolio, the remaining business operations of the previous business unit DI will be integrated into the AM business unit due to its minor size from a Group perspective, and the DI business unit will be dissolved.

3. Other Operating Income

| in EUR million | 2022 | 2021 after reclassification |
|---|------------|-----------------------------------|
| Gains from disposal of businesses | 152 | 94 |
| Gains from the disposal of property, plant, and equipment and intangible assets | 5 | 0 |
| Gains on grants | 4 | 6 |
| Gain on remeasurement of equity interests on business combinations achieved in stages | 3 | - |
| Compensation payments | 2 | 14 |
| Gains from reclassification of investments due to capital measures | - | 97 |
| Other | 13 | 1 |
| Other operating income | 179 | 212 |

Gains on disposal of businesses resulted from the sale of Fluence Bioengineering in the amount of EUR 151 million as well as from the sale of Automotive Lighting Systems in the amount of EUR 1 million (see note 27. Disposals of Business Activities and Property, Plant, and Equipment; Assets and Liabilities Classified as Held for Sale).

The gain of EUR 3 million on remeasurement of equity interests on business combinations achieved in stages refers to the acquisition of 7Sensing Software BV (see note 1. General Principles).

Gains from the reclassification of equity investments in 2021, which amounted to EUR 97 million, arose as a result of the loss of significant influence over LeddarTech Inc. and the resulting change in its classification and measurement to financial investment measured at fair value in accordance with IFRS 9.

4. Expenses

Other Operating Expenses

| in EUR million | 2022 | 2021 after reclassification |
|--|------------|-----------------------------------|
| Impairments on goodwill and on assets held for sale | 328 | 2 |
| Reclassification of currency differences previously recognized in equity | 15 | - |
| Allowances for bad debts | 4 | 13 |
| Losses from disposal of businesses | 3 | 25 |
| Losses on sales of property, plant, and equipment and intangible assets | 2 | 3 |
| Other | 5 | 0 |
| Other operating expenses | 357 | 43 |

The impairment of goodwill and assets held for sale of EUR 328 million refers to goodwill of the Opto Semiconductors and Advanced Optical Sensors BUs (EUR 277 million), as well as the goodwill of the Clay Paky (EUR 3 million) and Traxon (EUR 7 million) businesses, upon their classification as held for sale. In addition, as part of the classification of the Clay Paky business as held for sale, other intangible assets of EUR 15 million, property, plant and equipment of EUR 10 million, and inventories of EUR 15 million were impaired (see notes 12. Intangible Assets and 27. Disposals of Business Activities and Property, Plant, and Equipment; Assets and Liabilities Classified as Held for Sale).

The loss from the disposal of businesses in the amount of EUR 3 million results from the sale of Traxon Technologies (see note 27. Disposals of Business Activities and Property, Plant, and Equipment; Assets and Liabilities Classified as Held for Sale).

Personnel Costs

| in EUR million | 2022 | 2021 |
|--|--------------|--------------|
| Wages and salaries | 1,306 | 1,058 |
| Statutory social welfare contributions and expenses for optional support | 167 | 151 |
| Personnel expenses for share-based compensation | 39 | 59 |
| Expenses relating to pension plans and employee benefits | 33 | 39 |
| Personnel costs | 1,545 | 1,308 |

Number of Employees by Function

| in FTE | 2022 | 2021 |
|----------------------------|---------------|---------------|
| Production and service | 16,479 | 18,423 |
| Research and development | 3,453 | 3,445 |
| Administration and selling | 3,389 | 4,262 |
| Employees | 23,322 | 26,130 |

Share-based Compensation

The Group uses stock options to remunerate the members of the Management Board and selected groups of managers under various performance-related share-based compensation plans, under which a defined number of options to purchase ams OSRAM shares are issued, subject to the specified terms and conditions being met.

The options granted are classified as an equity-settled plan and therefore measured at fair value at grant date. The options are measured on the basis of the Black-Scholes model. The expected volatility was derived from the historical price performance of the ams OSRAM share during the last five years (source: Bloomberg). The interpretation of the market information needed to determine fair values requires senior management to make judgments. This can result in a difference between the disclosed values and the values subsequently realized on the market.

The determined value of the options is expensed over the vesting period until the options become vested. The amount recognized as an expense is adjusted if expectations regarding the settlement of service conditions and independent performance conditions change in such a way that the amount ultimately recognized as an expense is based on those options that satisfy the relevant service conditions and independent performance conditions at the end of the vesting period.

Exercise is generally linked to the achievement of performance criteria such as EPS (Earnings Per Share) and TSR (Total Shareholder Return) in comparison to a defined peer group. The fair value of option plans based on market conditions is determined on the grant date, taking these conditions into account; adjustments to reflect differences between expected and actual results are not recognized.

Key information on the individual plans is provided below:

Long Term Incentive Plan 2014

The Supervisory Board and Management Board adopted a long-term incentive plan (LTIP 2014) on October 17, 2014.

LTIP 2014 comprises a maximum of 5,124,940 options. This corresponded to around 7% of the share capital of the Company at that time. Each option granted entitles the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 1.00. The available options were granted for the first time in 2014 following the adoption of a resolution by the LTIP committee. All options granted can be exercised only up to ten years from allocation. The exercise price for new shares is EUR 1.00.

Exercise of the options is subject to the following criteria being satisfied:

- Approval by the Annual General Meeting
- 50% of the options are subject to the criterion that earnings per share increases over a period of three years as compared to the earnings per share in the year before the options were allocated.
- 50% of the options are subject to a comparison of total shareholder return over a period of three years with that of a defined peer group of companies.

The earliest date for exercising the options is three years after allocation and the LTIP committee's decision that the criteria have been satisfied. The LTIP 2014 expired in 2019 and no more options will be allocated.

As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 0.68 per share and a further 549,324 options were allocated.

The change in the options in fiscal years 2022 and 2021 was as follows:

Long Term Incentive Plan 2014

| LTIP 2014 | 2022 | | 2021 | |
|---|---------------------|--|---------------------|--|
| | Options | Weighted average exercise price (in EUR) | Options | Weighted average exercise price (in EUR) |
| Outstanding at January 1 | 877,616 | 0.68 | 1,308,691 | 0.68 |
| Granted during the period | - | - | - | - |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | 52,108 | 0.68 | 116,272 | 0.68 |
| Expired during the period | 9,697 | 0.68 | 314,803 | 0.68 |
| Outstanding at December 31 | 815,811 | 0.68 | 877,616 | 0.68 |
| Exercisable at December 31 | 815,811 | 0.68 | 877,616 | 0.68 |
| Not yet granted | - | - | - | - |
| Weighted average share price at the date of exercise (in EUR) | 9.85 | | 17.90 | |
| Range of exercise price (in EUR) | 0.68 | | 0.68 | |
| Remaining contractual life | Until June 30, 2028 | | Until June 30, 2028 | |

Special Stock Option Plan 2017

The Supervisory Board and Management Board adopted a special stock option plan (SSOP 2017) on June 9, 2017. SSOP 2017 came into effect on January 24, 2017.

SSOP 2017 comprises a maximum of 2,400,000 options. This corresponds to 3% of the share capital of the Company at that time. Each option granted entitles the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 27.56. The available options were granted on a one-off basis in 2017 following the adoption of a resolution by the LTIP committee. All options granted can

be exercised up to June 30, 2027: 17% of the options can be exercised after one year, another 17% after two years, another 17% after three years, another 17% after four years, and another 17% after five years, while the remaining 15% of the options can be exercised six years after allocation.

As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 18.63 per share and a further 915,406 options were allocated.

The change in the options in fiscal years 2022 and 2021 was as follows:

Special Stock Option Plan 2017

| SSOP 2017 | 2022 | | 2021 | |
|---|---------------------|--|---------------------|--|
| | Options | Weighted average exercise price (in EUR) | Options | Weighted average exercise price (in EUR) |
| Outstanding at January 1 | 2,813,089 | 18.63 | 2,817,823 | 18.63 |
| Granted during the period | - | - | - | - |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | - | - | - | - |
| Expired during the period | 19,655 | 18.63 | 4,734 | 18.63 |
| Outstanding at December 31 | 2,793,434 | 18.63 | 2,813,089 | 18.63 |
| Exercisable at December 31 | 2,327,916 | 18.63 | 1,784,663 | 18.63 |
| Not yet granted | - | - | 38,000 | 18.63 |
| Weighted average share price at the date of exercise (in EUR) | - | | - | |
| Range of exercise price (in EUR) | 18.63 | | 18.63 | |
| Remaining contractual life | Until June 30, 2027 | | Until June 30, 2027 | |

Special Long Term Incentive Plan 2018

In 2018, the Supervisory Board and Management Board adopted a special long-term incentive plan (SLTIP 2018) that took economic effect on October 11, 2018.

SLTIP 2018 comprises a maximum of 350,000 options. This corresponds to 0.5% of the share capital of the Company at that time. Each option granted entitles the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 43.41. The available options were granted on a one-off basis in 2018 following the adoption of a resolution by the LTIP committee. All options granted can be exercised only up to October 11, 2028.

A third of the options can be exercised after one year, another third after two years, and the remaining third three years after allocation.

As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 29.34 per share and a further 143,909 options were allocated.

The change in the options in fiscal years 2022 and 2021 was as follows:

Special Long Term Incentive Plan 2018

| SLTIP 2018 | 2022 | | 2021 | |
|---|------------------------|--|------------------------|--|
| | Options | Weighted average exercise price (in EUR) | Options | Weighted average exercise price (in EUR) |
| Outstanding at January 1 | 421,210 | 29.34 | 432,584 | 29.34 |
| Granted during the period | - | - | - | - |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | - | - | - | - |
| Expired during the period | 9,964 | 29.34 | 11,374 | 29.34 |
| Outstanding at December 31 | 411,246 | 29.34 | 421,210 | 29.34 |
| Exercisable at December 31 | 411,246 | 29.34 | 421,210 | 29.34 |
| Not yet granted | - | - | 36,570 | 29.34 |
| Weighted average share price at the date of exercise (in EUR) | - | - | - | - |
| Range of exercise price (in EUR) | 29.34 | | 29.34 | |
| Remaining contractual life | Until October 11, 2028 | | Until October 11, 2028 | |

Special Stock Option Plan 2019

In 2019, the Supervisory Board and Management Board adopted a special stock option plan (SSOP 2019) that took economic effect on February 5, 2019. The plan is a replacement for the expired options in the 2016 allotment under LTIP 2014.

SSOP 2019 comprises a maximum of 660,510 options. This corresponds to 0.78% of the share capital of the Company at that time. Each option granted entitles the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 20.63. The available options were granted on a one-off basis in 2019 following the adoption of a resolution by the LTIP committee. All options granted can be exercised only up to February 5, 2029.

The options can be exercised either after a period of three years beginning on February 5, 2019 or as soon as the ams OSRAM share price exceeds CHF 30 for ten

consecutive days, but no earlier than August 5, 2019. The plan therefore became exercisable in fiscal year 2019.

As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price was reduced to EUR 13.94 per share and a further 263,722 options were allocated.

The change in the options in fiscal years 2022 and 2021 was as follows:

Special Stock Option Plan 2019

| SSOP 2019 | 2022 | | 2021 | |
|---|------------------------|--|------------------------|--|
| | Options | Weighted average exercise price (in EUR) | Options | Weighted average exercise price (in EUR) |
| Outstanding at January 1 | 674,851 | 13.94 | 791,236 | 13.94 |
| Granted during the period | - | - | - | - |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | 2,129 | 13.94 | 116,385 | 13.94 |
| Expired during the period | 1,552 | 13.94 | - | - |
| Outstanding at December 31 | 671,170 | 13.94 | 674,851 | 13.94 |
| Exercisable at December 31 | 671,170 | 13.94 | 674,851 | 13.94 |
| Not yet granted | - | - | - | - |
| Weighted average share price at the date of exercise (in EUR) | 15.04 | | 20.21 | |
| Range of exercise prices (in EUR) | 13.94 | | 13.94 | |
| Remaining contractual life | Until February 5, 2029 | | Until February 5, 2029 | |

Long Term Incentive Plan 2019

The Supervisory Board and Management Board adopted a new long-term incentive plan (LTIP 2019) on June 30, 2019 that replaced LTIP 2014.

LTIP 2019 comprises a maximum of 6,331,487 options, which corresponds to about 7.5% of the Company's share capital as of the date of the implementation of the LTIP 2019. Options issued under LTIP 2019 are granted within five years of the plan's adoption and were granted for the first time 2019. The total number of stock options granted in a year is limited to 1,266,297, which corresponds to 1.5% of the Company's share capital as of the date of the implementation of the LTIP 2019.

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

Each PSU and RSU granted entitles the participant to purchase one no-par-value share in ams-OSRAM AG at an exercise price of EUR 1.00. Each SPSU granted entitles the participant to purchase one no-par-value share at a price based on the average share price of the last 60 days prior to the grant date. All options granted can be exercised only up to ten years from allocation.

As part of the capital increase in April 2020, anti-dilution measures were taken for the option plan. As a result, the exercise price of the stock options issued so far was reduced to EUR 4.76 per share on average and a further 557,878 options were allocated. The total number of stock options granted in a year increased to 4,114,339, which corresponds to 1.5% of the Company's share capital after the capital increase.

In fiscal year 2022, 4,111,759 stock options were granted under LTIP 2019 (2021: 4,114,339).

In fiscal year 2022, a target achievement of 0% for the PSU stock options was realized in the LTIP 2019, despite a target achievement of 100% for the EPS criterion. This was attributable to changed market and corporate conditions; therefore, the TSR criterion was not achieved over the performance period and the relevant criteria can be deemed as not met overall.

The Company acknowledges that the total absence of any exercise of PSU stock options – despite the complete satisfaction of one of the criteria – may have a negative effect on the objectives of the LTIP 2019 (retaining and motivating employees). Therefore, the target achievement criteria for PSU stock options under the LTIP 2019 was retrospectively adjusted, to the benefit of the entitled employees. For this purpose, achievement of the EPS target is sufficient to bring about vesting of half of the PSUs granted in a tranche. For the remaining half of the PSUs granted in a tranche, the performance criteria remain unchanged. The plan amendment does not take effect for PSUs granted in fiscal 2019 and forfeited in fiscal 2022, but applies only to future grants. The Management Board members are not affected by this plan amendment.

The aim of this adjustment is to offer a motivating remuneration system which is capable of, among other things, creating an advantage compared over competitors on the labor market and ensuring long-term employee commitment.

The resolution adopting the plan amendment became effective on February 10, 2023, and therefore has no impact on fiscal year 2022. The plan amendment is expected to result in an additional expense of EUR 12 million, of which an amount of EUR 8 million is attributable to the fiscal year 2023.

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

Valuation of Option Allocation (Weighted Average) for the 2022 Allocation

| | | PSU | RSU | SPSU |
|-----------------------------|----------|-------|-------|-------|
| Share price at grant | In EUR | 7.65 | 7.65 | 7.65 |
| Lifetime | In years | 10 | 10 | 10 |
| Risk-free investment rate | In % | 1.88 | 1.88 | 1.88 |
| Dividend yield | In % | 0.00 | 0.00 | 0.00 |
| Expected volatility | In % | 54.71 | 54.71 | 54.71 |
| Fair value per option right | In EUR | 5.93 | 6.98 | 4.45 |

The change in the options in fiscal years 2022 and 2021 was as follows:

Long Term Incentive Plan 2019

| LTIP 2019 | 2022 | | 2021 | |
|---|---------------------|--|---------------------|--|
| | Options | Weighted average exercise price (in EUR) | Options | Weighted average exercise price (in EUR) |
| Outstanding at January 1 | 9,638,718 | 8.55 | 5,735,339 | 3.27 |
| Granted during the period | 4,111,759 | 2.77 | 4,114,339 | 4.73 |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | 48,190 | 8.01 | 32,865 | 0.68 |
| Expired during the period | 1,523,384 | 3.68 | 178,095 | 0.68 |
| Outstanding at December 31 | 12,178,903 | 5.86 | 9,638,718 | 8.55 |
| Exercisable at December 31 | 1,437,145 | 9.47 | 254,554 | 0.68 |
| Not yet granted | - | - | - | - |
| Weighted average share price at the date of exercise (in EUR) | 8.80 | | 17.16 | |
| Range of exercise price (in EUR) | 0.68-22.69 | | 0.68-22.69 | |
| Remaining contractual life | Until June 30, 2032 | | Until June 30, 2031 | |

5. Net Financial Result

| in EUR million | 2022 | 2021 |
|--|-------------|-------------|
| Interest income | 14 | 5 |
| Income from derivatives | 8 | 32 |
| Exchange differences | 2 | 0 |
| Change in the fair value of contingent purchase price liabilities | - | 15 |
| Valuation of option regarding the ability to repay bonds before maturity | - | 5 |
| Income from the repurchase of convertible bonds | - | 5 |
| Other financial income | 2 | 3 |
| Financial income | 25 | 66 |
| Interest expenses | -198 | -179 |
| Exchange differences | - | -70 |
| Valuation of the option for early redemption of bonds | -25 | - |
| Valuation of the option right from US convertible bond | - | -1 |
| Other financial expense | -2 | -14 |
| Financial expense | -225 | -264 |
| Net financial result | -201 | -198 |

Interest expenses include an amount of EUR 10 million in connection with the supply chain financing programs following the sale of trade receivables to the factor; the amount was reclassified from other comprehensive income reported under retained earnings to the consolidated statement of income.

6. Income Taxes

| in EUR million | 2022 | 2021 |
|--|------------|------------|
| Current tax expense, net, current fiscal year | -98 | -71 |
| Current tax benefit, net, prior fiscal years | 13 | 24 |
| Current taxes | -84 | -48 |
| Deferred tax benefit, net, from changes in temporary differences | 2 | 18 |
| Deferred tax expenses, net, others | 0 | -1 |
| Deferred taxes | 2 | 17 |
| Income taxes | -82 | -31 |

Reconciliation to Actual Income Tax Expenses

| in EUR million | 2022 | 2021 |
|--|------------|------------|
| Result before income taxes | -361 | -1 |
| Group tax rate | 25% | 25% |
| Expected income tax benefit | 90 | 0 |
| Increase/decrease in income taxes resulting from: | | |
| Non-deductible losses and expenses | -104 | -56 |
| Tax-free income | 39 | 112 |
| Taxes for prior years | 12 | 8 |
| Change in realizability of deferred tax asset and tax credits | -116 | -101 |
| Foreign tax rate differential | 2 | 3 |
| Change in tax rates | -1 | 1 |
| Other, net | -6 | 3 |
| Actual income tax expenses as presented in the Consolidated Statement of Income | -82 | -31 |

Income taxes

| in EUR million | 2022 | 2021 |
|-------------------------------------|------|------|
| Income taxes | -82 | -31 |
| Taxes in other comprehensive income | 11 | 4 |

Deferred tax assets are recognized for all temporary differences and losses carried forward to the extent that it is probable that future taxable profit will be available within a foreseeable period against which they can be utilized. No deferred tax assets were recognized for tax loss carryforwards and interest carryforwards of EUR 1,309 million (2021: EUR 1,068 million), for temporary differences of EUR 1,079 million (2021: EUR 1,195 million), and for tax credits of EUR 90 million (2021: EUR 76 million).

Of the tax loss carryforwards for which no deferred tax assets have been recognized as of December 31, 2022, EUR 20 million (2021: EUR 41 million) are subject to a time limitation. The expiry of these loss carryforwards will start in 2033.

Current tax expenses are reduced by EUR 6 million (2021: EUR 0 million) due to the utilization of previously unrecognized losses. The deferred tax expense includes the write-down of a deferred tax asset of EUR 20 million (2021: EUR 13 million).

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

As of December 31, 2022, no deferred tax liabilities have been recognized for temporary differences arising from investments in subsidiaries of EUR 3,558 million (2021: EUR 3,064 million).

7. Cash and Cash Equivalents

| in EUR million | 2022 | 2021 |
|----------------------------------|--------------|--------------|
| Bank deposits | 1,088 | 1,330 |
| Cash on hand | 0 | 1 |
| Valuation allowance | -1 | 0 |
| Cash and cash equivalents | 1,087 | 1,331 |

Expected credit losses with respect to loans and advances to banks and cash as well as cash equivalents are measured with reference to publicly available credit ratings.

8. Trade Receivables

| in EUR million | 2022 | 2021 |
|---|------------|------------|
| Gross carrying amount of receivables | 558 | 712 |
| Valuation allowance | -25 | -24 |
| Net carrying amount of receivables | 533 | 688 |

Loss Allowances

| in EUR million | Total | Expected impairment losses | Impairment losses on credit impaired receivables |
|--|------------|----------------------------|--|
| Balance as of January 1, 2021 | -17 | -8 | -9 |
| Reclassification in assets held for sale | 3 | 3 | 0 |
| Derecognition of receivables | 3 | 0 | 3 |
| Change in value allowances recorded in the statement of income in the current period | -13 | -1 | -11 |
| Balance as of December 31, 2021 | -24 | -6 | -18 |
| Balance as of January 1, 2022 | -24 | -6 | -18 |
| Reclassification in assets held for sale | 3 | 2 | 2 |
| Derecognition of receivables | 1 | 0 | 1 |
| Change in value allowances recorded in the statement of income in the current period | -4 | -2 | -2 |
| Currency translation and other changes | -1 | -1 | -1 |
| Balance as of December 31, 2022 | -25 | -7 | -19 |

Loss allowances for trade receivables are always measured at the lifetime expected credit loss. The expected loss rates were derived from historical information and future expectations. A receivable is deemed defaulted, and an impairment is deemed to have occurred if insolvency proceedings have been initiated against the debtor or if there are other significant reductions in the debtor's ability to pay, which is assumed no later than when the amounts are more than 90 days past due.

For some of the trade receivables measured at amortized cost, with a gross carrying amount of EUR 420 million (2021: EUR 325 million), the expected loss allowances are calculated on the basis of credit ratings, which are then used to determine portfolio-specific default rates. Based on credit ratings provided by external agencies, the customers are grouped in risk categories with low, moderate, and higher credit risk.

Gross Carrying Amount of Trade Receivables Measured Based on Ratings

| in EUR million | 2022 | 2021 |
|-------------------------------------|------------|------------|
| Risk class 1: low risk | 126 | 58 |
| Risk class 2: moderate risk | 229 | 191 |
| Risk class 3: higher risk | 31 | 61 |
| Risk class 4: insolvent | 13 | 5 |
| Customers without individual rating | 21 | 9 |
| Total | 420 | 325 |

The expected loss allowances for the remaining trade receivables measured at amortized cost, with a gross carrying amount of EUR 69 million (2021: EUR 187 million), are calculated on the basis of default rates derived from historical empirical values and estimated according to how far past due they are.

Trade receivables included receivables with a carrying amount of EUR 69 million (2021: EUR 200 million) that are measured at fair value. These are receivables from customers that are sold on a case-by-case basis to a factoring company in connection with customers' supply-chain financing programs. They are subsequently derecognized. In addition, receivables are sold via ams OSRAM's own factoring program and derecognized. Some of the risk of late payment by the customer (late payment risk) is retained. As of December 31, 2022, the volume of receivables sold under this program amounted to EUR 53 million (2021: EUR 66 million).

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

Trade Receivables by Region

| in EUR million | 2022 | 2021 |
|--------------------------|------------|------------|
| EMEA | 216 | 244 |
| Americas | 120 | 265 |
| Asia / Pacific | 196 | 179 |
| Trade receivables | 533 | 688 |

9. Inventories

| in EUR million | 2022 | 2021 |
|--------------------------------|------------|------------|
| Raw materials and supplies | 326 | 233 |
| Work in progress | 257 | 324 |
| Finished goods and merchandise | 278 | 362 |
| Advances to suppliers | 3 | 18 |
| Inventories | 864 | 938 |

As of December 31, 2022, EUR 39 million (2021: EUR 47 million) related to spare parts and tools, which are reported under raw materials and supplies. Cumulative loss allowances for inventories stood at EUR 220 million as of December 31, 2022 (2021: EUR 210 million).

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on either the first-in-first-out allocation method (FIFO) or the weighted average cost method. The cost of inventories produced comprised an appropriate share of the production overheads based on normal operating capacity.

Raw materials and supplies are recognized at the lower of cost on the basis of average values or the FIFO method and the net realizable value. For certain inventories, this is measured at the replacement price. Work in progress and finished goods are measured at the lower of cost and net realizable value. The net realizable value is calculated based on the expected sales proceeds in the ordinary course of business less the estimated costs of completion and the expected administrative and selling

expenses still to be incurred. The cost of inventories includes all costs incurred in acquiring the item and bringing it to the required condition and location. In the case of finished goods and work in progress, cost comprises the direct cost of materials and production, the directly attributable proportion of material and production overheads, and production-related depreciation. Fixed cost items are allocated on the basis of the average capacity utilization of the production facilities.

10. Other Current Receivables and Assets

| in EUR million | 2022 | 2021 |
|---|------------|------------|
| Accrual for financial transaction costs | 4 | 6 |
| Debit balances of trade payables | 2 | 2 |
| Other | 45 | 34 |
| Financial current receivables and assets | 51 | 41 |
| Tax receivables | 112 | 80 |
| Prepaid expenses | 40 | 29 |
| Receivables from government grants | 3 | 11 |
| Other | 17 | 23 |
| Non-financial current receivables and assets | 172 | 143 |
| Other current receivables and assets | 223 | 185 |

As of December 31, 2022, other financial current receivables and assets included an outstanding purchase price receivable (holdback) of EUR 8 million from Sanmina-SCI Dutch Holdings B.V. from the sale of a production site in Bulgaria in 2021.

As of December 31, 2021, other financial current receivables included a receivable in the amount of EUR 12 million in connection with the sale of the North American Digital Systems business to Acuity Brands, which was paid to ams OSRAM in fiscal year 2022.

11. Property, Plant, and Equipment

| in EUR million | Gross carrying amount as of January 1, 2022 | Translation differences | Additions through business combinations | Additions | Reclassifications | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2022 | Accumulated depreciation and impairment | Net book value as of December 31, 2022 | Depreciation and impairment during fiscal year 2022 |
|---|---|-------------------------|---|------------|-------------------|-------------|--|---|---|--|---|
| Land and buildings | 886 | 13 | - | 6 | 28 | -112 | -9 | 813 | -471 | 342 | -70 |
| Technical machinery and equipment | 4,391 | 68 | - | 140 | 150 | -307 | -14 | 4,430 | -3,534 | 896 | -385 |
| Furniture and office equipment | 224 | 2 | - | 6 | 5 | -22 | -3 | 211 | -201 | 10 | -17 |
| Advances to suppliers and assets under construction | 225 | -5 | - | 582 | -184 | -3 | 0 | 614 | -6 | 609 | 0 |
| Property, plant, and equipment | 5,726 | 78 | - | 734 | - | -444 | -25 | 6,069 | -4,212 | 1,856 | -472 |

As of December 31, 2022, commitments to purchase property, plant, and equipment amounted to EUR 516 million (2021: EUR 142 million). The consolidation of production networks in Singapore led to an impairment of EUR 103 million in the semiconductor segment that mainly affected technical machinery and equipment.

| in EUR million | Gross carrying amount as of January 1, 2021 | Translation differences | Additions through business combinations | Additions | Reclassifications | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2021 | Accumulated depreciation and impairment | Net book value as of December 31, 2021 | Depreciation and impairment during fiscal year 2021 |
|---|---|-------------------------|---|------------|-------------------|-------------|--|---|---|--|---|
| Land and buildings | 849 | 27 | -1 | 72 | 2 | -69 | 7 | 886 | -483 | 403 | -63 |
| Technical machinery and equipment | 4,121 | 162 | -112 | 80 | 442 | -299 | -2 | 4,391 | -3,424 | 968 | -414 |
| Furniture and office equipment | 628 | 14 | -14 | 12 | -376 | -44 | 5 | 224 | -206 | 18 | -37 |
| Advances to suppliers and assets under construction | 92 | 3 | 0 | 241 | -68 | -43 | 0 | 225 | -7 | 218 | 0 |
| Property, plant, and equipment | 5,690 | 205 | -127 | 404 | - | -456 | 9 | 5,726 | -4,120 | 1,606 | -514 |

Following a review of their useful lives, an impairment loss was recognized in the previous year for certain production facilities due to the loss of market share in the semiconductor consumer business. This impairment loss constitutes a non-recurring non-cash effect of EUR 151 million that was recognized in technical machinery and equipment in the semiconductors segment.

Property, plant, and equipment is measured at cost less accumulated depreciation and impairment losses and net of government grants. The cost of internally generated property, plant, and equipment includes the cost of materials, direct labor, the

directly attributable proportion of production overheads, and borrowing costs for qualifying assets.

Depreciation of property, plant, and equipment is recognized in profit or loss on a straight-line basis over the estimated useful life of the assets. Land is not depreciated. If the cost of certain components of an item of property, plant, and equipment is significant in relation to the total cost of the item, these components are accounted for and depreciated separately. Residual values and useful lives are reviewed annually and, if expectations differ from previous estimates, adjusted accordingly.

Carrying amounts are based on the following useful lives:

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

For some rented buildings, there is an obligation to return the building to the lessor at the end of the lease term, in a certain condition (asset restoration obligation). The projected cost of such a restoration is recognized as part of the cost of the respective asset and as a provision for the asset restoration obligation. The provision for the asset restoration obligation is measured at the present value of the expenditure

expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The unwinding of the discount on the provision due to the passage of time is recognized as a financial expense. Changes in the estimated expenditure result in an adjustment of the amount recognized as part of the cost.

12. Intangible Assets

| in EUR million | Gross carrying amount as of January 1, 2022 | Translation differences | Additions through business combinations | Additions | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2022 | Accumulated amortization and impairment | Net book value as of December 31, 2022 | Amortization and impairment during fiscal year 2022 ^{1,2} |
|------------------------------------|---|-------------------------|---|-----------|-------------|--|---|---|--|--|
| Goodwill | 3,081 | 56 | 4 | - | -14 | -28 | 3,099 | -277 | 2,821 | -287 |
| Customer base | 668 | 9 | - | - | - | - | 677 | -398 | 279 | -83 |
| Technology | 321 | 2 | 6 | - | -2 | -10 | 317 | -212 | 105 | -50 |
| Trademarks | 242 | - | - | - | - | -9 | 234 | -4 | 229 | -11 |
| Capitalized development costs | 317 | 3 | - | 87 | -59 | - | 349 | -171 | 177 | -26 |
| Patents, licenses and other rights | 211 | 21 | - | 5 | -80 | -7 | 150 | -117 | 33 | -13 |
| Intangible assets | 4,841 | 89 | 11 | 93 | -155 | -54 | 4,825 | -1,180 | 3,645 | -469 |

| in EUR million | Gross carrying amount as of January 1, 2021 | Translation differences | Additions through business combinations ³ | Additions | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2021 | Accumulated amortization and impairment | Net book value as of December 31, 2021 | Amortization and impairment during fiscal year 2021 |
|------------------------------------|---|-------------------------|--|-----------|-------------|--|---|---|--|---|
| Goodwill | 3,009 | 43 | 105 | 0 | -30 | -46 | 3,081 | -7 | 3,074 | -7 |
| Customer base | 654 | 6 | 7 | 2 | 0 | 0 | 668 | -315 | 353 | -80 |
| Technology | 326 | 3 | 0 | 0 | 0 | -8 | 321 | -172 | 149 | -48 |
| Trademarks | 262 | 0 | 0 | 0 | -3 | -17 | 242 | -3 | 240 | -2 |
| Capitalized development costs | 298 | 9 | 0 | 55 | -44 | 0 | 317 | -190 | 128 | -31 |
| Patents, licenses and other rights | 239 | 0 | 0 | 15 | -44 | 1 | 211 | -165 | 47 | -13 |
| Intangible assets | 4,789 | 61 | 112 | 72 | -121 | -70 | 4,841 | -852 | 3,989 | -181 |

1 Impairment of goodwill of BU OS and BU AOS included in the amount of EUR 277 million

2 Depreciation, amortization and impairments for 2022 include depreciation, amortization and impairment of assets until their disposal or reclassification as assets held for sale

3 Adjustment of purchase price allocation in the adjustment period as part of the acquisition of shares in OSRAM Licht AG

At each balance sheet date or upon triggering events, non-financial assets – including right-of-use assets under leases and intangible assets not yet available for use – are reviewed to determine whether there is any indication of impairment. For this purpose, assets are grouped into the smallest group of assets that generates cash inflows from continuing use, which are largely independent of the cash inflows from other assets ('cash generating unit'). The analysis also takes into account how management manages and monitors the company's operations.

Intangible assets acquired by the Group are measured at cost less amortization and impairment losses. The goodwill and trademarks arising in connection with business combination are measured at cost less accumulated impairment losses.

Amortization of intangible assets – with the exception of assets with indefinite useful life and goodwill – is recognized in profit and loss on a straight-line basis over the estimated useful life of the assets. The following useful lives are assumed:

- Patents, licenses, and software 3 – 7 years
- Customer base 7 – 18 years
- Technology 3 – 15 years
- Capitalized development costs 2 – 7 years

Goodwill and Trademarks with indefinite useful lives

Goodwill is allocated to a CGU or a group of CGUs if it is expected to benefit from the synergies of the acquisition. The business units represent the CGUs or groups of CGUs for the consolidated ams OSRAM Group, at the level of which goodwill is monitored by the Management Board. For purposes of impairment testing, goodwill and trademarks with indefinite useful lives are allocated as follows.

| in EUR million | 2022 | |
|--------------------------------|--------------|------------|
| | Goodwill | Trademarks |
| Semiconductors | | |
| Advanced Optical Sensors (AOS) | 298 | - |
| Image Sensor Solutions (ISS) | 131 | - |
| Opto Semiconductors (OS) | 2,035 | 158 |
| Lamps & Systems | | |
| Automotive (AM) | 353 | 61 |
| Digital (DI) | 4 | 8 |
| Total | 2,821 | 226 |

| in EUR million | 2021 | |
|--------------------------------|--------------|------------|
| | Goodwill | Trademarks |
| Semiconductors | | |
| Advanced Optical Sensors (AOS) | 324 | - |
| Image Sensor Solutions (ISS) | 386 | - |
| Opto Semiconductors (OS) | 1,971 | 109 |
| Lamps & Systems | | |
| Automotive (AM) | 354 | 58 |
| Digital (DI) | 39 | 68 |
| Total | 3,074 | 235 |

As part of transferring the SMS and OPC business from the BU ISS to BU OS, a trigger analysis was carried out during the year in relation to the BUs ISS and OS. This did not result in any need to conduct an impairment test. The pro-rata goodwill of this business was allocated accordingly from the BU ISS to the BU OS.

As indications for impairment were identified in August 2022, primarily due to a market under-capitalization that is considered sustainable, an impairment test was carried out in the third quarter for all CGUs or groups of CGUs to which goodwill is allocated. There was a goodwill impairment of EUR 230 million for the BU OS (value in use of the BU of EUR 3,533 million) and a goodwill impairment of EUR 47 million for the BU AOS (value in use of the BU of EUR 930 million); for OS, this

was mainly due to an increase in the cost of capital, while in the case of AOS it was due to both an increase in the cost of capital and a change in the expected business development.

Since the composition of the business unit DI in particular has changed due to disposals of businesses, the 'OSRAM' brand (a corporate asset of the BUs AM, OS and DI) was reallocated among these business units according to the expected future economic benefit.

An impairment test was carried out for all CGUs and groups of CGUs during the fourth quarter of the year under review. This test did not identify any need for impairment. Moreover, at each reporting date, an assessment is made to determine whether there is any indication of impairment. This assessment is based on external factors such as market environment, market interest rates and yields, and market capitalization as well as internal factors such as obsolescence, damages, discontinuation, or possibilities of alternative uses.

The recoverable amount is determined based on the higher of value in use and fair value less costs to sell. The recoverable amount of the BUs AOS and OS was determined using the value in use, while the recoverable amount of the BUs ISS, AM and DI was determined using the fair value less costs to sell. The calculations were based on the discounted cash flow method. The measurement based on fair value less costs to sell is classified as level 3 of the IFRS 13 measurement hierarchy. The discounted cash flows are generally based on a five-year forecast and, in justified exceptional cases, additional planning periods.

The key assumptions used for determining the recoverable amount were the expected sales and EBITDA margins that are used as the basis for business planning, the terminal value growth rates, and the discount rates. The values of the assumptions are based on past experience and take into account external inflation and market growth expectations as well as macroeconomic data and industry-specific trends.

The calculation was based on a planning period up to 2027; the positive cash flow for the subsequent planning period is regarded as sustainable and serves as the basis for calculating the present value for perpetuity. To extrapolate the cash flows in perpetuity, BU-specific growth rates of between 1.0% and 1.2% were assumed. The discount rates were determined on the basis of BU-specific weighted average costs

of capital (WACC). The assumptions regarding growth rate and discount rate for determining the recoverable amount were as follows:

Valuation Parameters (Perpetuity growth rate; pre-tax discount rate)

| | 2022 | |
|--------------------------------|-----------------------------|--------------------|
| | Perpetuity growth rate in % | Discount rate in % |
| Semiconductors | | |
| Advanced Optical Sensors (AOS) | 1.1% | 12.7% |
| Image Sensor Solutions (ISS) | 1.0% | 15.2% |
| Opto Semiconductors (OS) | 1.2% | 12.4% |
| Lamps & Systems | | |
| Automotive (AM) | 1.0% | 15.6% |
| Digital (DI) | 1.0% | 16.4% |

| | 2021 | |
|--------------------------------|-----------------------------|--------------------|
| | Perpetuity growth rate in % | Discount rate in % |
| Semiconductors | | |
| Advanced Optical Sensors (AOS) | 1.1% | 11.4% |
| Image Sensor Solutions (ISS) | 1.1% | 11.8% |
| Opto Semiconductors (OS) | 1.1% | 11.5% |
| Lamps & Systems | | |
| Automotive (AM) | 1.3% | 12.8% |
| Digital (DI) | 1.3% | 10.6% |

A reasonably possible change in the key assumptions regarding the discount rate and the long-term EBITDA margin could have the effect that the carrying amount of the respective BU mentioned below exceeds its recoverable amount:

The recoverable amount of the BU AOS exceeds its carrying amount by EUR 90 million. The underlying discount rate is 12.7%, the underlying long-term EBITDA margin amounts to 23.3%. An increase in the discount rate by 0.7% or a decrease of the

long-term EBITDA margin by 1.6% would result in a carrying amount that approximates the recoverable amount.

The recoverable amount of the BU OS exceeds its carrying amount by EUR 203 million. The underlying discount rate is 12.4%, the underlying long-term EBITDA margin amounts to 31.0%. An increase in the discount rate by 0.4% or a decrease of the long-term EBITDA margin by 1.2% would result in a carrying amount that approximates the recoverable amount.

The recoverable amount of the BU AM exceeds its carrying amount by EUR 34 million. The underlying discount rate is 15.6%, the underlying long-term EBITDA margin amounts to 16.9%. An increase in the discount rate by 1.0% or a decrease of the long-term EBITDA margin by 1.9% would result in a carrying amount that approximates the recoverable amount.

13. Right-of-use Assets

| in EUR million | Gross carrying amount as of January 1, 2022 | Translation differences | Additions through business combinations | Additions | Reclassification | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2022 | Accumulated amortization and impairment | Net book value as of December 31, 2022 | Amortization and impairment during fiscal year 2022 |
|-----------------------------------|---|-------------------------|---|-----------|------------------|-------------|--|---|---|--|---|
| Land and buildings | 341 | 9 | - | 40 | - | -40 | 0 | 350 | -141 | 209 | -52 |
| Technical machinery and equipment | 33 | 0 | - | 0 | - | -2 | -2 | 30 | -17 | 13 | -6 |
| Furniture and office equipment | 12 | 0 | - | 6 | - | -3 | 0 | 15 | -7 | 8 | -4 |
| Right-of-use assets | 387 | 10 | - | 46 | - | -45 | -2 | 395 | -165 | 230 | -62 |

| in EUR million | Gross carrying amount as of January 1, 2021 | Translation differences | Additions through business combinations | Additions | Reclassification | Retirements | Reclassification in assets held for sale | Gross carrying amount as of December 31, 2021 | Accumulated amortization and impairment | Net book value as of December 31, 2021 | Amortization and impairment during fiscal year 2021 |
|-----------------------------------|---|-------------------------|---|-----------|------------------|-------------|--|---|---|--|---|
| Land and buildings | 320 | 8 | - | 43 | - | -31 | 2 | 341 | -107 | 234 | -52 |
| Technical machinery and equipment | 33 | 1 | - | 0 | - | -1 | 0 | 33 | -13 | 20 | -6 |
| Furniture and office equipment | 14 | 10 | - | 5 | - | -17 | 0 | 12 | -6 | 5 | -4 |
| Right-of-use assets | 367 | 19 | - | 48 | - | -49 | 2 | 387 | -126 | 260 | -62 |

Expenses Related to Lessee Accounting

| in EUR million | 2022 | 2021 |
|--|-----------|-----------|
| Expenses for short-term or low-value leases | 11 | 10 |
| Interest expenses | 9 | 9 |
| Variable lease payments | 0 | 0 |
| Expenses related to lessee accounting | 19 | 19 |

In November 2022, the term of a lease agreement for real estate in Singapore was reassessed. Due to the assumed shorter lease term, the right-of-use asset and lease liability were reduced accordingly by EUR 12 million. Due to restructuring measures, there were also impairments of rights-of-use in Singapore and the USA in the low single-digit million Euro range.

As part of a sale-and-leaseback transaction, the Company sold a property in Berlin, which was partially rented back in 2021. This transaction caused right-of-use assets to increase by EUR 22 million in the previous year.

Furthermore ams OSRAM terminated a lease for a building in North America, which reduced right-of-use assets by EUR 21 million. Also in the previous year, ams OSRAM estimated that an extension option on a building in Singapore would not be exercised. This reduced right-of-use assets by EUR 7 million.

14. Investments in Associates

| in EUR million | 2022 | 2021 |
|--|-----------|------------|
| Share of profit (loss) | -3 | -12 |
| Reversals of impairments/impairments | - | -21 |
| Gains (losses) on disposals | -1 | 0 |
| Result from investments accounted for using the equity method | -4 | -33 |

Summary of Financial Information for Sciosense Holding B.V.

| Sciosense Holding B.V. in EUR million | 2022 | 2021 |
|--|--------------------|--------------------|
| Reporting date | September 30, 2022 | September 30, 2021 |
| Interest in income (loss) | 45.22% | 45.22% |
| Current assets | 35 | 33 |
| Non-current assets | 82 | 82 |
| Current liabilities | 15 | 10 |
| Non-current liabilities | 4 | 3 |
| Net assets (100%) | 98 | 102 |
| Group's share of net assets | 44 | 46 |
| Group's share of net result | -2 | -3 |
| Accumulated impairments | -21 | -21 |
| Accumulated currency translation differences | 2 | -3 |
| Carrying amount of interest in the entity | 19 | 19 |
| Revenue | 33 | 30 |
| Net result | -5 | -3 |
| Total comprehensive income (loss) | -5 | -3 |
| Dividends received | 0 | 0 |

The Group holds a share of 45.22% in Sciosense Holding B.V. via a direct shareholding of 22.15% and indirectly via Jinan Smart Sensing Sensor Co. Ltd., Jinan, China, in which ams OSRAM holds a share of 49.00%. Sciosense Holding B.V. is the parent

company of the operating units, which offer environmental, flow, and pressure sensing solutions. In 2021, an impairment test was carried out in accordance with an updated business plan which resulted in an impairment loss of EUR 21 million being recognized on the investment in the associate. In 2022, there were no indicators identified which would result in additional impairment losses or reversals of previously recognized impairment losses. The investment in Sciosense Holding B.V. is accounted for in the consolidated financial statements using the equity method.

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

15. Deferred Tax Assets and Deferred Tax Liabilities

| in EUR million | 2022 | | | 2021 | | |
|--|------------|---------------------|--------------------------|------------|---------------------|--------------------------|
| | Net | Deferred tax assets | Deferred tax liabilities | Net | Deferred tax assets | Deferred tax liabilities |
| Intangible assets, property, plant, and equipment and other non-current assets | -132 | 111 | -242 | -123 | 144 | -267 |
| Other current receivables and assets | 21 | 54 | -33 | 79 | 87 | -9 |
| Inventories | 25 | 26 | -1 | 40 | 40 | 0 |
| Employee benefits | 18 | 57 | -39 | 13 | 27 | -14 |
| Current provisions | 16 | 18 | -2 | 11 | 11 | -0 |
| Liabilities | 8 | 51 | -43 | -57 | 4 | -61 |
| Tax losses and tax credit carried forward | 18 | 18 | - | 17 | 17 | - |
| Other | -9 | 1 | -11 | -4 | -0 | -3 |
| Deferred taxes | -36 | 335 | -372 | -24 | 330 | -354 |
| Netting | - | -266 | 266 | - | -149 | 149 |
| Item in the statement of financial position | -36 | 69 | -105 | -24 | 182 | -205 |

The loss carried forward, recognized as deferred tax assets, mainly relates to ams-OSRAM AG, Austria, and ams International AG, Switzerland. Deferred tax assets from tax credits refer to ams International AG, Switzerland. In Austria, tax losses can be carried forward indefinitely and can be offset against a maximum of 75% of the current taxable profit. ams OSRAM assumes that there will be sufficient positive taxable income available from future business activities to recover these deferred tax assets. As of 2023, new corporation tax rates apply in Austria (currently 25%, 2023: 24%, 2024: 23%). These new tax rates are taken into account in the measurement of deferred taxes.

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

In a number of countries, external tax audits have not yet resulted in final and binding tax assessments covering several years at companies in the ams OSRAM Group. ams OSRAM recognizes appropriate provisions for those outstanding assessment periods considering numerous factors, including interpretations of tax law and past experience.

16. Other Non-Current Assets and Financial Investments

| in EUR million | 2022 | 2021 |
|---|------------|------------|
| LeddarTech Inc. | 50 | 123 |
| HLJ Technologies | - | 5 |
| Other financial investments | 9 | 19 |
| Financial investments | 59 | 147 |
| Other financial non-current assets | 4 | 41 |
| Overfunding of pension plans | 21 | 73 |
| Deferred compensation assets | 10 | 11 |
| Accruals and prepaid expenses | 1 | 2 |
| Other | 18 | 17 |
| Non-current non-financial assets | 50 | 103 |
| Other non-current assets and financial investments | 113 | 290 |

Non-current financial investments relate to strategic equity investments that do not give rise to significant influence or control. LeddarTech Inc. was written down in the year under review from EUR 123 million to EUR 50 million, with the difference recognized in other comprehensive income. The investment in HLJ Technologies was sold in 2022 for a purchase price of EUR 5 million. The change in other financial investments resulted from the reclassification of investments in Unternehmertum VC Fonds II GmbH & Co. KG and Partech Partners S.A.S. to assets held for sale (see note 27. Disposals of Business Activities and Property, Plant, and Equipment; Assets and Liabilities Classified as Held for Sale).

Upon initial recognition of an equity investment that is not held for trading, there is an irrevocable option to recognize subsequent changes in fair value through other comprehensive income. This option is exercised on a case-by-case basis for each investment. The decision on whether to classify an equity instrument as at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) is made on the basis of an individual assessment of a single investment.

FVOCI is generally chosen for transactions of particular strategic significance. As of December 31, 2022, all equity investments were accounted for at fair value through other comprehensive income (FVOCI). The shares in investment funds held by ams OSRAM do not represent equity instruments within the meaning of IFRS 9 due to their contractual terms. Therefore, the option described above does not apply to these shares; they are measured at fair value through profit or loss (FVTPL).

As of December 31, 2021, other financial non-current assets included the positive fair value of an option to redeem senior notes early (until 2023). As of December 31, 2022, the option did not have a positive fair value.

See note 21. Employee Benefits for more information on the development of funding surplus of pension plans.

17. Other Liabilities

| in EUR million | Current | | Non-current | |
|--|--------------|--------------|-------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Obligation to acquire the non-controlling interests in OSRAM Licht AG | 843 | 862 | - | - |
| Lease liabilities | 45 | 62 | 172 | 208 |
| Obligation from dividends guaranteed to shareholders of OSRAM Licht AG | 41 | 53 | 81 | 112 |
| Refund liabilities against customers | 74 | 69 | - | - |
| Accrued interests and financial transaction costs | 37 | 38 | - | - |
| Derivative financial instruments | 26 | 13 | - | - |
| Credit balances on trade receivables | 9 | 7 | - | - |
| Contingent purchase price liabilities | - | 2 | - | - |
| Other | 31 | 16 | - | - |
| Financial liabilities | 1,108 | 1,121 | 252 | 320 |
| Employee related liabilities | 68 | 93 | 26 | 39 |
| Liabilities from precious metal lending transactions | 53 | 55 | - | - |
| Accrued vacation days | 30 | 36 | - | - |
| Accrued expenses | 28 | 11 | - | - |
| Other | 57 | 42 | 39 | 54 |
| Non-financial liabilities | 237 | 237 | 65 | 93 |
| Other liabilities | 1,345 | 1,359 | 318 | 413 |

A domination and profit and loss transfer agreement was entered into by OSRAM and ams Offer GmbH ('ams') on September 22, 2020, amended on November 2, 2020, approved by the Extraordinary General Meeting of OSRAM Licht AG on November 3, 2020, and entered in the commercial register on March 3, 2021. On the basis of this agreement, there is a time-limited obligation to acquire the OSRAM shares of any outside OSRAM shareholder, upon request by such shareholder, in return for a cash settlement of EUR 45.54 per OSRAM share (plus pro-rata interest of 5 percentage points above the applicable benchmark figure, net of any dividends

recognized). The shares held by these shareholders are therefore recognized in other liabilities rather than in non-controlling interests. The non-controlling shareholders will be granted a guaranteed compensation payment of EUR 2.57 (gross) or EUR 2.24 (net) per year from fiscal year 2021 (reduced pro-rata in short fiscal years) until the OSRAM shareholders have exercised their right to sell the shares.

In principle, the obligation to acquire OSRAM shares ends two months after the day on which the entry in the commercial register of the existence of the domination and profit and loss transfer agreement was announced. Owing to legal objections relating to the domination and profit and loss transfer agreement brought by 71 non-controlling shareholders of OSRAM Licht AG up to the end of July 2021, ams OSRAM has an obligation to acquire OSRAM shares at the specified price and to pay the guaranteed annual compensation payment until the proceedings have ended. Experience shows that such proceedings last four to five years. A liability with respect to the annual compensation payment has therefore been recognized through equity and is included in the item 'Other Liabilities'.

415,255 shares of OSRAM Licht AG were acquired in fiscal year 2022, which resulted in a EUR 19 million decline in the liability.

18. Provisions

for the fiscal year ending December 31, 2022

| in EUR million | Warranties | Order related losses and risks | Other personnel | Other | Total |
|--|------------|--------------------------------|-----------------|------------|------------|
| Balance at the beginning of the fiscal year | 25 | 15 | 206 | 130 | 376 |
| Additions | 6 | 0 | 173 | 109 | 289 |
| Usage | -7 | -9 | -206 | -113 | -335 |
| Reversals | -1 | 0 | -8 | -6 | -16 |
| Foreign currency translation effects | 0 | 0 | 3 | 2 | 5 |
| Other changes | -4 | -1 | 14 | -25 | -17 |
| Balance at the end of the fiscal year | 18 | 4 | 181 | 98 | 302 |
| therein non-current | 7 | - | - | 38 | 45 |

Warranties

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

EBV Elektronik SAS v. ams-OSRAM International GmbH (formerly: OSRAM Opto Semiconductors GmbH)

On January 20, 2016, ams-OSRAM International GmbH (AOI) was joined in the case pending before the commercial court in Nanterre (France), between EBV Elektronik SAS (EBV) and Société Provence D'Electronique et Cabelage (SPEC) by means of an action in warranty. SPEC is suing EBV for damages relating to the supply of allegedly faulty AOI LEDs in SPEC passenger information boards. EBV brought AOI into the action in order to seek recourse from AOI as the supplier of the allegedly defective products. Following the clarification of preliminary procedural issues, the commercial court in Nanterre was declared as the court competent to hear the case. In its pronouncement of the judgment/ruling on February 26, 2020, the commercial court ordered that technical and financial expert proceedings shall take place. These proceedings have been pending since May 2020.

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

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

Order related losses and risks

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

Other personnel provisions

Major contributions to provisions for other personnel expenses primarily include variable salary components and employee bonuses due within 12 months after the reporting date of EUR 120 million (2021: EUR 117 million) as well as one-off restructuring measures of EUR 23 million (2021: EUR 29 million).

Other provisions

Other provisions relate mainly to obligations in connection with restructuring measures of EUR 28 million (2021: EUR 29 million), outstanding invoices of EUR 18 million (2021: EUR 19 million) and restoration obligations of EUR 14 million (2021: EUR 21 million), which have a high long-term portion.

19. Interest bearing Loans

Interest Bearing Loans and Borrowings

| in EUR million | Current | | Non-current | |
|--|------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Bank loans | 110 | 173 | 228 | 236 |
| Promissory notes | 59 | 31 | 61 | 120 |
| Convertible bond | - | 276 | 1,074 | 1,043 |
| Bonds | - | - | 1,271 | 1,247 |
| Interest-bearing loans and borrowings | 169 | 480 | 2,635 | 2,646 |

Repayments, Interest Rates and Terms

| 2022 in EUR million, unless otherwise stated | Effective interest rate | Carrying amount | Expected cash flow | 0-1 year | 2-5 years | More than 5 years |
|--|-------------------------|-----------------|--------------------|------------|--------------|-------------------|
| Bank loans (R&D loans) | | | | | | |
| EUR – fixed rate | 0.91% | 39 | 39 | 11 | 29 | - |
| Other bank loans | | | | | | |
| EUR – fixed rate | 2.56% | 200 | 206 | 104 | 102 | - |
| EUR – floating rate | 3.24% | 100 | 105 | 3 | 102 | - |
| Promissory note | | | | | | |
| EUR – fixed rate | 1.68% | 93 | 96 | 39 | 57 | - |
| EUR – floating rate | 4.34% | 27 | 27 | 22 | 6 | - |
| Convertible bond | | | | | | |
| EUR – fixed rate (600 EUR million) | 2.11% | 427 | 447 | - | 447 | - |
| EUR – fixed rate (760 EUR million) | 5.42% | 647 | 840 | 16 | 824 | - |
| Bonds | | | | | | |
| USD – fixed rate | 7.33% | 423 | 500 | 30 | 470 | - |
| EUR – fixed rate | 6.25% | 848 | 983 | 52 | 932 | - |
| Interest-bearing loans and borrowings | | 2,803 | 3,245 | 277 | 2,968 | - |

| 2021 in EUR million | Effective interest rate | Carrying amount | Expected cash flow | 0-1 year | 2-5 years | more than 5 years |
|--|-------------------------|-----------------|--------------------|------------|--------------|-------------------|
| Bank loans (R&D loans) | | | | | | |
| EUR – fixed rate | 0.88% | 45 | 46 | 9 | 33 | 3 |
| Other bank loans | | | | | | |
| EUR – fixed rate | 1.76% | 300 | 309 | 104 | 204 | - |
| EUR – floating rate | 1.51% | 64 | 64 | 64 | - | - |
| Promissory note | | | | | | |
| EUR – fixed rate | 1.68% | 103 | 107 | 11 | 96 | - |
| EUR – floating rate | 1.68% | 49 | 49 | 22 | 27 | - |
| Convertible bond | | | | | | |
| USD – fixed rate | 1.47% | 276 | 285 | 285 | - | - |
| EUR – fixed rate (600 EUR million) | 2.11% | 418 | 447 | - | 447 | - |
| EUR – fixed rate (760 EUR million) | 5.42% | 625 | 857 | 16 | 65 | 775 |
| Bonds | | | | | | |
| USD – fixed rate | 7.33% | 398 | 500 | 28 | 471 | - |
| EUR – fixed rate | 6.25% | 848 | 1,035 | 52 | 983 | - |
| Interest-bearing loans and borrowings | | 3,126 | 3,699 | 593 | 2,328 | 778 |

On September 25, 2017, ams-OSRAM AG issued a convertible bond with a nominal amount of USD 350 million. The nominal amount of USD 320 million still outstanding following the repurchase thereof in earlier fiscal years, was repaid in 2022 as scheduled.

On February 26, 2018, ams-OSRAM AG issued a convertible bond with a nominal amount of EUR 600 million. The nominal amount still outstanding following the repurchase thereof in earlier fiscal years stood at EUR 447 million as of December 31, 2022 (2021: EUR 447 million). The term of the bond is seven years. The holders of the convertible bond have the right to convert the bond into a total of 4,410,412 ordinary shares at any time (conversion price: EUR 83.8392 per share). This option constituted equity in the amount of its fair value of EUR 82 million at the time of issue and is not measured subsequently. No bonds had been converted by December 31, 2022.

On March 22, 2021, ams OSRAM announced a repurchase program for this convertible bond, under which all outstanding convertible bonds can be repurchased with a total volume of up to EUR 100 million. The repurchase program started on April 8, 2021. By the time the program ended on December 30, 2021, convertible bonds with a total nominal value of EUR 77 million had been repurchased at a purchase price of EUR 67 million. This resulted in financial income of EUR 5 million and reduced the liabilities on the balance sheet by EUR 73 million.

In July 2020, ams-OSRAM AG issued bonds that were split into a EUR 850 million tranche and a USD 450 million tranche. The interest rate is 6% for the Euro tranche and 7% for the U.S. Dollar tranche. The maturity date for both tranches is July 31, 2025. ams OSRAM can repay the senior notes ahead of schedule at any time up to 2023.

On November 3, 2020, ams-OSRAM AG issued a convertible bond with a nominal amount of EUR 760 million. The term of the bond is seven years. The holders of the convertible bond have the right to convert the bond into a total of 27,416,137 ordinary shares at any time (conversion price: EUR 27.7209 per share). This option constitutes equity at a fair value of EUR 151 million at the time of issue and is not measured subsequently. No bonds had been converted by December 31, 2022.

Risk of Change of Interest Rates

| in EUR million | Current | | Non-current | |
|--|------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Fixed rate loans and borrowings | 148 | 394 | 2,529 | 2,619 |
| Floating rate loans and borrowings | 21 | 86 | 106 | 27 |
| Interest-bearing loans and borrowings | 169 | 480 | 2,635 | 2,646 |

| in EUR million | 2022 | | 2021 | |
|--|---------|---------|---------|---------|
| Impact on Consolidated Statement of Income | +100 BP | -100 BP | +100 BP | -100 BP |
| Floating rate loans | -2 | 2 | -1 | 1 |

20. Government Grants

| in EUR million | 2022 | 2021 |
|--|-----------|-----------|
| R&D premium | 27 | 16 |
| Project-related research funding | 7 | 9 |
| COVID-19 subsidies | 0 | 4 |
| Total Government Grants | 34 | 30 |
| Of which reduction of acquisition costs of subsidized assets | 5 | 1 |
| Of which offset against the respective expense items | 25 | 23 |
| Of which recognized in other operating income | 4 | 6 |

In 2022, ams OSRAM either offset the recognized government grants with the relevant expense items, deducted these grants from the cost of subsidized assets or recognized them as other operating income, respectively, when the assistance did not have a specific relation to projects or types of costs.

Government grants are recognized when there is a high level of assurance that the conditions attached to the grants will be complied with and that the grants will actually be received. Depending on the type of government grant, the high level of certainty required for recognition arises by way of an enforceable right upon fulfillment of certain conditions or through the approval of grant applications.

Grants for the purchase or production of non-current assets are generally recognized as a reduction of the cost of the assets concerned and reduce future depreciation and amortization. Grants related to expenses are recognized in profit or loss in the corresponding expense item, as the subsidized expenses are incurred. Grants relating to both expense items and the purchase or production of non-current assets are divided into asset-related and expense-related grants on the basis of the underlying items. Government assistance without a specific relation to projects or types of costs are recorded as other operating income.

21. Employee Benefits

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

Defined Benefit Plans

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

Germany

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

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

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

USA

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

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

The company provides other post-employment benefits in the form of two closed medical benefit plans (including a life insurance component). For one of these plans, the amount of the obligation depends on the expected cost trend, while the benefits in the other plan are based on fixed amounts.

Unfunded Commitments

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

Defined Contribution Plans

The defined contribution plans are structured in such a way that the Company pays contributions to public or private institutions on the basis of statutory or contractual provisions or on a voluntary basis, without assuming any obligation to provide further benefits to employees. In the calendar year 2022, contributions to defined

contribution plans amounted to EUR 9 million (2021: EUR 11 million). The contributions are recognized in profit or loss.

Actuarial Assumptions

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

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

Funding Policy and Investment Strategy

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

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

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

The investment strategy, hedging rules, and changes in the proportion of commitments covered by plan assets are regularly reviewed, with the participation of external experts in the international asset management industry, to permit an integral view of plan assets and defined benefit obligations. A plan's asset allocation is evaluated regularly, in order to initiate appropriate measures at a very early stage.

This is done by looking at the duration of the related defined benefit obligation and analyzing trends and events that may affect asset values.

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

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

Notes on the Obligations Presented in the Consolidated Financial Statements

The consolidated balance sheet contained the items below, related to pension plans and similar commitments as of December 31, 2022.

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

Commitments by Type and Financial Position

| in EUR million | 2022 | 2021 |
|---|-------------|------------|
| DBO for funded plans | -805 | -1,083 |
| Fair value of plan assets | 795 | 1,146 |
| Non-capitalizable plan assets due to asset celling | -4 | -4 |
| Funded status of funded plans (Funding ratio: 98%, Previous year: 105%) | -13 | 58 |
| DBO for unfunded plans (without funding) | -132 | -149 |
| Funded status | -145 | -91 |
| Thereof pension plans | -89 | -27 |
| Thereof similar commitments | -56 | -64 |
| Reconciliation to the financial position | | |
| Obligation for employee benefits | -164 | -163 |
| Liabilities associated with assets held for sale | -2 | - |
| Other assets | 21 | 73 |

In the year under review, the previously closed Canadian pension plan was sold to an external insurer in return for the transfer of part of the plan assets. As the obligation sold in the transaction (EUR 38 million) was higher than the plan assets transferred at the time of the transaction, a gain on plan transfer ('settlement gain') of EUR 1 million was recognized. The remaining plan assets of EUR 4 million may not be capitalized in the balance sheet until regulatory approval of the distribution of the funds ('asset ceiling') has been obtained.

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

Defined Benefit Costs

| in EUR million | 2022 | 2021 |
|---|-----------|------------|
| Current service cost | 23 | 28 |
| Past service cost/(income) | 1 | -2 |
| Settlement loss/(gain) | -1 | 0 |
| Net interest expense (income) | 2 | 2 |
| Liability administration cost | 1 | 1 |
| Defined benefit cost recognized in consolidated statement of income | 26 | 29 |
| Thereof Germany | 15 | 20 |
| Thereof USA | 4 | 4 |
| Thereof other countries | 7 | 6 |
| Return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset) | 272 | 16 |
| Actuarial (gains) and losses arising from changes in financial assumptions | -281 | -91 |
| Actuarial (gains) and losses arising from experience adjustments | 21 | 2 |
| Gains (losses) from changes in non-capitalizable plan assets due to asset celling | 0 | 4 |
| Remeasurements of the net defined benefit liability (asset) recognized in consolidated statement of other comprehensive income | 12 | -69 |
| Thereof Germany | 27 | -64 |
| Thereof USA | -2 | -6 |
| Thereof other countries | -13 | 1 |
| Defined benefit cost | 38 | -40 |

The expected contributions to defined benefit plans in fiscal year 2023 come to EUR 17 million.

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

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

Development of the Present Value of the DBO

| in EUR million | 2022 | 2021 |
|--|--------------|--------------|
| DBO at beginning of fiscal year | 1,234 | 1,301 |
| Current service cost | 23 | 28 |
| Past service cost/(income) | 1 | -2 |
| Settlement | -38 | 0 |
| Interest cost | 19 | 16 |
| Remeasurements: | | |
| Actuarial (gains) and losses arising from changes in financial assumptions | -281 | -91 |
| Actuarial (gains) and losses arising from experience adjustments | 21 | 2 |
| Plan participants' contributions | 8 | 6 |
| Benefits paid | -65 | -61 |
| Divestments | -9 | -4 |
| Foreign currency translation effects | 25 | 34 |
| Other | 0 | 4 |
| DBO at the end of fiscal year | 936 | 1,234 |
| Thereof Germany | 585 | 753 |
| Thereof USA | 264 | 331 |
| Thereof other countries | 87 | 150 |

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

Change in Plan Assets

| in EUR million | 2022 | 2021 |
|---|------------|--------------|
| Fair value of plan assets at beginning of fiscal year | 1,146 | 1,139 |
| Interest income | 17 | 14 |
| Remeasurement: | | |
| Return on plan assets, excluding amounts including in net interest on the net defined benefit liability (asset) | -272 | -16 |
| Employer contributions | -20 | 17 |
| Plan participants' contributions | 5 | 3 |
| Benefits paid | -51 | -37 |
| Settlements | -38 | 0 |
| Divestments | -10 | -2 |
| Liability administration cost | -1 | -1 |
| Foreign currency translation effects | 20 | 28 |
| Fair value of plan assets at end of fiscal year | 795 | 1,146 |
| Thereof Germany | 556 | 790 |
| Thereof USA | 199 | 267 |
| Thereof other countries | 40 | 90 |

Refunds from plan assets in Germany for benefits paid in the previous year directly by the employer in the amount of EUR 23 million, are recorded as negative employer contributions. In the financial year, contributions to plan assets mainly took the form of employer contributions to the pension fund in Switzerland and amount to EUR 3 million.

Composition of Plan Assets

| in EUR million | 2022 | 2021 |
|---|------------|--------------|
| Equities | | |
| Global equities (excl. emerging markets) | 65 | 118 |
| Emerging markets equities | 12 | 20 |
| Fixed income | | |
| Fixed income | 170 | 248 |
| Corporate bonds | 461 | 641 |
| Mixed funds | 47 | 66 |
| Commodities | 4 | 0 |
| Cash and similar assets | 43 | 43 |
| Plan assets that do have a quoted market price in an active market | 802 | 1,136 |
| Derivative financial instruments | -7 | 10 |
| Plan assets that do not have a quoted market price in an active market | -7 | 10 |
| Fair value of plan assets at end of fiscal year | 795 | 1,146 |

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

Key Assumptions for the Calculations of the DBO

| | 2022 | 2021 |
|--------------------------------------|---|---|
| Discount rate | 4.00% | 1.56% |
| Germany | 3.82% | 1.02% |
| USA | 5.20% | 2.93% |
| Expected pension development* | 1.79% | 1.44% |
| Germany | 1.88% | 1.46% |
| USA | 0.00% | 0.00% |
| Mortality tables | | |
| Germany | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G |
| USA | Pri-2012 Healthy Generational Projected | Pri-2012 Healthy Generational Projected |

The US Society of Actuaries usually publishes an annual update of its projection tables (Mortality Improvement Scale) and subsequently uses it to measure the ams OSRAM Group's pension obligations in the United States. No update of the projection tables was published in the reporting period, however. Accordingly, the demographic measurement parameters were not adjusted.

The financial measurement parameters are weighted using the amount of the obligation at the end of the reporting period and include all pension plans and similar commitments.

The measurement assumptions determined at the beginning of ams OSRAM's fiscal year are used to determine the current service cost as well as the interest income and interest expenses for the obligations in existence.

The following sensitivity analysis shows the effects of a change in actuarial assumptions on the amount of the defined benefit obligation as of December 31, 2022.

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

Sensitivity Analysis

| in EUR million | Effect on DBO as of December 31, 2022 | |
|-----------------------------|---------------------------------------|--------------------------|
| | 50-basis-points increase | 50-basis-points decrease |
| Discount rate | -44 | 49 |
| Rate of pension progression | 21 | -19 |

A 10% decrease in mortality probability for each age bracket would result in an increase of EUR 21 million in the DBO. The weighted average duration of the DBO for defined benefit plans and similar commitments was 10.3 years.

22. Equity

The share capital was unchanged year on year, consisting of 274,289,280 bearer shares with a par value of EUR 1.00 each. The holders of ordinary shares are entitled to receive dividends based on the distributable net income ('Bilanzgewinn') shown in the separate financial statements of the parent company prepared in accordance with the Austrian Commercial Code (UGB) and resolved upon by the General Meeting. The holders have one vote per share at the Company's General Meeting. All shares rank equally with regard to the Company's residual assets.

Contingent Capital

In recent years, the General Meeting has authorized the Management Board on several occasions to issue a limited number of new shares for a specific purpose (contingent capital increases in accordance with section 159 (2) of the Austrian Stock Corporation Act (AktG)). The current authorization, which was resolved upon by the General Meeting in June 2017, empowers the Management Board to carry out a contingent increase in the share capital in accordance with section 159 (2) Z 1 AktG of up to EUR 8,441,982.00 by issuing 8,441,982 no-par-value bearer shares to creditors of financial instruments in accordance with section 174 AktG, provided that the creditors of the financial instruments make use of their conversion and/or pre-emption rights with respect to the Company's shares. These possible shares are reserved for the convertible bond issued in U.S. dollars in 2017 and the convertible bond issued in Euros in 2018.

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

Authorized Capital

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

The General Meeting on June 2, 2021 resolved to create further authorized capital of 3.84% of the current share capital of EUR 274,289,280.00; this equates to a potential share capital increase of up to EUR 10,544,963.00. With the approval of the Supervisory Board, the Management Board is authorized until June 1, 2026 to increase the share capital against cash and/or contribution in kind, directly disapplying the pre-emption right if needed, and to amend section 3 of the Articles of Association accordingly.

Additional Paid-in Capital

Additional paid-in capital comprises:

- the difference between paid-in capital when shares are issued and the par value of the shares
- expenses for share-based compensation recognized in accordance with IFRS 2
- the fair value of the conversion options resulting from the issue of the convertible bonds issued in Euros
- the difference resulting from the acquisition of further shares in OSRAM Licht AG (see note 17. Other Liabilities).

Treasury Shares

In recent years, the General Meeting has authorized the Management Board to acquire treasury shares in amounts that are within the statutory limits. The current authorization arising from the General Meeting held on June 2, 2021 empowers the Management Board to acquire treasury shares in accordance with section 65 (1) Z4 and Z8 and (1a) and (1b) AktG in an amount equivalent to up to 10% of the share capital. The treasury shares can be acquired either via the stock market or over the counter. Furthermore, the pro rata disposal rights that may arise with such acquisitions can be excluded (reverse disapplication of pre-emption rights).

Furthermore, the Management Board has been authorized:

- to decide, in accordance with section 65 (1b) AktG, to sell or use treasury shares by way of sale other than via the stock market or through a public offer, applying analogously the rules on disapplying the pre-emption rights of shareholders,
- for a period of five years (until June 1, 2026), to sell treasury shares at any time via the stock market or through a public offer or in any other legally permitted manner, including over the counter, whereby the Management Board can also decide on the exclusion of the general purchase option.
- to reduce the Company's share capital by retiring no-par-value bearer treasury shares without the adoption of a further resolution by the General Meeting. The Supervisory Board is authorized to adopt resolutions in respect of amendments to the Articles of Association resulting from the reduction; and
- to use treasury shares to settle stock options of employees, executives, and members of the Management Board of the Company or of its affiliates,
- to use treasury shares to settle convertible bonds,
- to use treasury shares as consideration for the acquisition of companies, operations, partial operations, or shares in one or more companies in Austria or abroad.

Other Components of Equity

The other components of equity contain cumulative currency translation differences, which amounted to EUR 280 million as of December 31, 2022 (2021: EUR 115 million), arising on the translation of the annual financial statements of foreign subsidiaries.

Accumulated Other Comprehensive Income

| in EUR million | Defined benefit obligations | Equity instruments FVOCI | Debt instruments FVOCI | Derivative financial instruments held for hedging | Total |
|--|-----------------------------|--------------------------|------------------------|---|------------|
| Balance as of January 1, 2022 | 61 | -16 | -1 | -14 | 30 |
| Changes from portfolio transactions | -13 | 22 | - | - | 9 |
| Other changes | -13 | -84 | -2 | 23 | -75 |
| Balance as of December 31, 2022 | 35 | -77 | -3 | 10 | -35 |

| in EUR million | Defined benefit obligations | Equity instruments FVOCI | Debt instruments FVOCI | Derivative financial instruments held for hedging | Total |
|--|-----------------------------|--------------------------|------------------------|---|------------|
| Balance as of January 1, 2021 | -16 | -12 | 0 | 7 | -21 |
| Changes from portfolio transactions | 15 | -4 | - | - | 11 |
| Other changes | 62 | 0 | -1 | -21 | 40 |
| Balance as of December 31, 2021 | 61 | -16 | -1 | -14 | 30 |

Non-controlling Interests

Owing to the domination and profit and loss transfer agreement between ams Offer GmbH, which is a wholly owned subsidiary of ams-OSRAM AG, and OSRAM Licht AG, under which the minority shareholders have a time-limited right to sell their shares in OSRAM Licht AG, the value of OSRAM Licht AG assigned to the non-controlling interests constitutes a liability rather than an item of equity (see note 17. Other Liabilities).

Management of Capital

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

shares are considered possible measures for ensuring capital adequacy. Given the current end market and the economic environment, ams OSRAM has decided to suspend its dividend policy for fiscal 2022 to focus on strengthening its business position in 2023.

The Management Board aims to achieve a balance between profitability and liquidity that is customary in the industry. To this end, long-term assurance of liquidity is monitored, as is profitability. Profitability is measured on the basis of Earnings Before Interests and Taxes (EBIT).

23. Statement of Cash Flows

The cash flow statement is prepared using the indirect method. Cash and cash equivalents comprise cash on hand and bank deposits with a term of up to three months. The other non-cash expense of fiscal year 2022 in the amount of EUR 14 million resulted mainly from the realization of exchange differences of items recorded in equity (see note 4. Expenses). In fiscal year 2021, a non-cash gain of EUR 96 million arose mainly from the increase in the carrying amount of LeddarTech Inc.

24. Earnings per Share

| in EUR million | 2022 | 2021 |
|---|--------------|--------------|
| Net result (in EUR million) | -444 | -32 |
| Net result attributable to non-controlling interests (in EUR million) | 1 | -1 |
| Net result attributable to shareholders of ams-OSRAM AG (in EUR million) | -444 | -31 |
| Weighted average number of shares outstanding | 261,266,718 | 261,149,317 |
| Earnings per share (basic) | -1.70 | -0.12 |
| Weighted average number of diluted shares | 261,266,718 | 261,149,317 |
| Earnings per share (diluted) | -1.70 | -0.12 |
| Dividends per share (paid in fiscal year) | 0.00 | 0.00 |

In principle, the options issued under LTIP 2014, SSOP 2017, SLTIP 2018, SSOP 2019 and LTIP 2019 may result in a dilutive effect. This dilution would occur, however, only if the options resulted in the issue of shares at a price below the average market price. Such dilutive effects have to be taken into account only if they lead to lower earnings per share or a higher loss per share. In fiscal year 2022 and in the previous year, no dilutive effects had to be taken into account with respect to the issued options.

Since fiscal year 2018, it has been possible for the issue of the convertible bond in Euros to give rise to dilutive effects. Since 2020, it has been possible for new convertible bonds issued in Euros to give rise to dilutive effects. Such dilutive effects have to be taken into account only if they lead to lower earnings per share or a higher loss per share. In fiscal year 2022 and in the previous year, no dilutive effects had to be taken into account with respect to the convertible bond issued in Euros.

Treasury Shares

| in shares | 2022 | 2021 |
|---|--------------------|--------------------|
| Reconciliation of number of outstanding shares | | |
| Outstanding shares as of January 1 | 261,192,432 | 260,670,748 |
| Acquisition and sale of treasury shares | 91,276 | 521,684 |
| Capital increase | - | - |
| Outstanding shares as of December 31 | 261,283,708 | 261,192,432 |
| Reconciliation of number of diluted shares | | |
| Weighted average number of shares outstanding as of December 31 | 261,266,718 | 261,149,317 |
| Capital increase | - | - |
| Dilutions related to issue of stock options | - | - |
| Dilutions related to the issue of convertible bonds | - | - |
| Weighted number of diluted shares | 261,266,718 | 261,149,317 |
| Reconciliation of number of treasury shares | | |
| Treasury shares as of January 1 | 13,096,848 | 13,618,532 |
| Acquisition of treasury shares | - | 0 |
| Sale of treasury shares | - | 0 |
| Usage as part of share-based compensation | -91,276 | -521,684 |
| Treasury shares as of December 31 | 13,005,527 | 13,096,848 |

25. Financial Instruments and Management of Financial Risk

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

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

Credit Risk

Credit risk arises when a customer or a counterparty of a financial instrument is unable to meet its payment obligations. In accordance with the treasury and risk management policy, investments and transactions involving derivative financial instruments are carried out only with a diversified selection of financial institutions having a high level of creditworthiness. Individual credit limits for customers and financial institutions are defined on the basis of external and internal data and are monitored on an ongoing basis. There was no disproportionate concentration of credit risks as of the balance sheet date.

Interest-rate Risk

ams OSRAM may be exposed to interest-rate risk, especially as a result of rising finance costs due to an increase in interest rates; conversely, falling interest rates lead to lower interest income from deposits. This interest-rate risk is mitigated on the liabilities side as a result of more than 95% of financial liabilities having a fixed interest rate. On the assets side, interest-rate risk primarily arises in connection with short-term time deposits that are linked to the market interest rate. The offsetting asset-side and liability-side exposures naturally reduce the overall exposure.

Currency Risk

Financial transactions in the semiconductor industry are predominantly conducted in U.S. dollars. All transaction and translation risks are monitored on an ongoing basis in order to hedge against currency risk. Within the Group, cash flows in the same currency are netted. Exchange-rate fluctuation affecting transactions in foreign

currencies primarily relate to the U.S. dollar. Depending on the specific risk situation, net risks attaching to line items on the balance sheet and, where applicable, to planned transactions are also hedged using derivative financial instruments, primarily forward exchange contracts.

Liquidity Risk

Liquidity risk is the risk that the Company cannot fulfill its financial obligations at the maturity date. The borrowing taken out in connection with the acquisition of OSRAM has increased the Company's need for funding. ams OSRAM carries out short-term and long-term liquidity planning and corporate planning at regular intervals in order to monitor and manage liquidity risk. As of December 31, 2022, the liquidity reserve in the form of cash and cash equivalents amounted to EUR 1,087 million (2021: EUR 1,331 million). ams OSRAM also had at its disposal unused committed credit facilities from banks amounting to EUR 1,026 million (2021: 1,001 million).

Future Payments for Financial Liabilities

| in EUR million | 0 – 1 year | 2 – 5 years | More than 5 years | Total |
|--|--------------|--------------|-------------------|--------------|
| Interest-bearing loans and convertible bonds | 277 | 2,968 | - | 3,245 |
| Trade payables | 811 | - | - | 811 |
| Lease liabilities | 50 | 136 | 58 | 244 |
| Obligation to acquire the non-controlling interests in OSRAM Licht AG and obligation from dividends guaranteed to shareholders of OSRAM Licht AG | 885 | 81 | - | 966 |
| Other financial liabilities | 151 | - | - | 151 |
| Liabilities from derivative financial instruments | 26 | - | - | 26 |
| Total | 2,200 | 3,185 | 58 | 5,443 |

The amount and timing of the cash payments for the obligation to purchase the non-controlling interests in OSRAM Licht AG depend on when, and to what extent, the non-controlling minority shareholders exercise their right to sell their shares to ams OSRAM.

Carrying Amounts and Fair Values of Financial Assets and Liabilities

| in EUR million | Category according to IFRS 9 | December 31, 2022 | | December 31, 2021 | |
|---|------------------------------|-------------------|------------|-------------------|------------|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | | |
| Cash and cash equivalents | FAaC | 1,087 | 1,087 | 1,331 | 1,331 |
| Trade receivables | FAaC | 464 | 464 | 488 | 488 |
| Trade receivables that are to be held/sold under a factoring agreement ¹ | FVOCI | 61 | 61 | 183 | 183 |
| Trade receivables that are to be sold under a factoring agreement | FVTPL | 8 | 8 | 17 | 17 |
| Other receivables and assets ² | | | | | |
| Derivates not designated in a hedge accounting relationship | FVTPL | 5 | 5 | 6 | 6 |
| Derivates in connection with cash flow hedges | n.a. | 16 | 16 | 0 | 0 |
| Other financial assets | FAaC | 51 | 51 | 41 | 41 |
| Other non-current assets | | | | | |
| Option for early repayment of bonds | FVTPL | - | - | 25 | 25 |
| Other | FAaC | 4 | 4 | 16 | 16 |
| Financial investments | | | | | |
| Equity instruments ³ | FVOCI | 59 | 59 | 132 | 132 |
| Equity instruments | FVTPL | - | - | 5 | 5 |
| Shares in investment funds | FVTPL | - | - | 9 | 9 |
| Assets held for sale | | | | | |
| Receivables and other assets | FAaC | - | - | 19 | 19 |
| Shares in investment funds | FVTPL | 10 | 10 | - | - |

| in EUR million | Category according to IFRS 9 | December 31, 2022 | | December 31, 2021 | |
|---|------------------------------|-------------------|------------|-------------------|------------|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | | |
| Interest-bearing loans | FLaC | 2,803 | 2,785 | 3,126 | 3,530 |
| Trade payables | FLaC | 811 | 811 | 710 | 710 |
| Other current liabilities ^{2,4} | | | | | |
| Derivatives not designated in a hedge accounting relationship | FVTPL | 25 | 25 | 2 | 2 |
| Derivates in connection with cash flow hedges | n.a. | 1 | 1 | 12 | 12 |
| Contingent purchase price liabilities due to business combinations | FVTPL | - | - | 2 | 2 |
| Obligation to acquire the non-controlling interests in OSRAM Licht AG | n.a. | 843 | 843 | 862 | 862 |
| Other financial liabilities | FLaC | 239 | 239 | 244 | 244 |
| Other non-current liabilities ⁴ | FLaC | 252 | 252 | 320 | 320 |
| Liabilities associated with assets held for sale | FLaC | 14 | 14 | 18 | 18 |

1 As of June 30, 2021, trade receivables of EUR 168 million were reclassified from the fair value through profit or loss measurement category (FVTPL) to the fair value through other comprehensive income measurement category (FVOCI) because the business model for the sale of trade receivables under factoring programs had changed.

2 The derivatives are mainly forward exchange contracts.

3 The equity instruments assigned to the FVOCI category are set out in note 30. Group Companies

4 As of December 31, 2022, other current liabilities and other non-current liabilities included lease liabilities totaling EUR 217 million (2021: EUR 270 million) accounted for in accordance with IFRS 16.

Aggregated Carrying Amounts

| in EUR million | Category according to IFRS 9 | 2022 | 2021 |
|--|------------------------------|-------|-------|
| Financial assets | | | |
| Financial assets measured at amortized cost | FAaC | 1,634 | 1,895 |
| Debt instruments measured at fair value through other comprehensive income | FVOCI | 61 | 183 |
| Equity instruments measured at fair value through other comprehensive income | FVOCI | 59 | 132 |
| Financial assets at fair value through profit or loss | FVTPL | 23 | 62 |
| Financial liabilities | | | |
| Financial liabilities at amortized cost | FLaC | 4,119 | 4,418 |
| Financial liabilities at fair value through profit or loss | FVTPL | 25 | 3 |

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

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

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

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

Level 2: inputs, other than quoted prices included in Level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation Category

| 2022 in EUR million | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|---------|---------|---------|-------|
| Current financial assets | 0 | 100 | 0 | 100 |
| Non-current financial assets | 0 | 0 | 59 | 59 |
| Current financial liabilities | 0 | 26 | 0 | 26 |
| Non-current financial liabilities | 0 | 0 | 0 | 0 |

| 2021 in EUR million | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|---------|---------|---------|-------|
| Current financial assets | 0 | 206 | 0 | 206 |
| Non-current financial assets | 6 | 148 | 18 | 172 |
| Current financial liabilities | 0 | 13 | 2 | 15 |
| Non-current financial liabilities | 0 | 0 | 0 | 0 |

The change in the carrying amount of non-current financial assets of Level 3 in fiscal year 2022 primarily resulted from the reclassification of the investment in LeddarTech Inc. from Level 2 to Level 3. The investment was written down from EUR 123 million to EUR 50 million in the year under review, with the amount being recognized in other comprehensive income. In the previous year, the measurement was based on a capital increase in November 2021.

ams OSRAM uses derivative financial instruments, especially forward exchange contracts, to hedge against exchange-rate fluctuation. Certain derivative financial instruments that are used to hedge planned transactions and pending transactions (hedged items) and that meet the requirements for hedge accounting are accounted

for as cash flow hedges. Derivative financial instruments are initially recognized on the trade date.

There is an economic relationship between each of the hedged items and the hedging instruments, as the terms of the forward exchange contracts match those of the highly probable planned transactions, in terms of both the nominal amount and the expected payment date. The underlying risk of the forward exchange contracts is identical to that of the hedged risk components. A hedge ratio of 1:1 was therefore specified. To test hedge effectiveness, OSRAM uses the dollar offset method, which involves comparing the change in the fair value of the hedging instruments to the change in the fair value of the hedged items attributable to the hedged risks. As of December 31, 2022, the net balance of the cumulative change in the fair values of the hedging instruments was EUR 15 million (2021: EUR -12 million), whereas the fair values of the hedged items changed by EUR -15 million (2021: EUR 12 million).

Forward Exchange Contracts Designated as Hedging Instruments

| in USD million | Maturity | | | | Total |
|--|----------------|---------------|---------------|----------------|------------|
| | up to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | |
| Balance as of December 31, 2022 | | | | | |
| Nominal amount in USD million | 104 | 82 | 74 | 28 | 287 |
| Average forward rate (EUR/USD) | 1.007 | 1.006 | 1.035 | 1.044 | |

| in USD million | Maturity | | | | Total |
|--|----------------|---------------|---------------|----------------|------------|
| | up to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | |
| Balance as of December 31, 2021 | | | | | |
| Nominal amount in USD million | 104 | 118 | 118 | 62 | 401 |
| Average forward rate (EUR/USD) | 1.201 | 1.182 | 1.163 | 1.152 | |

In connection with cash flow hedges, a realized hedging result before taxes amounting to EUR -43 million (2021: EUR -1 million) was reclassified from other comprehensive income within retained earnings to the consolidated statement of income, where it was recognized under cost of sales. This reclassification was due to the realization of the hedged item. Hedging gains of EUR 23 million (2021: hedging loss of 21 million) were recognized under other comprehensive income in the course of the fiscal year.

Currency Risk

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

USD Exposure

| Nominal amounts in USD million | 2022 | 2021 |
|----------------------------------|------|------|
| Net currency risk before hedging | 83 | -247 |
| Net currency risk after hedging | 31 | -402 |

Sensitivity Analysis

Appreciation/depreciation of the Euro by 10% against the following currencies would have affected equity and the Group's statement of income as follows:

Sensitivity Analysis

| in EUR million | 2022 | | | |
|----------------|---------------|---------------|---------------|---------------|
| | Profit & Loss | | Equity | |
| | +10% increase | -10% decrease | +10% increase | -10% decrease |
| USD | 11 | -13 | 24 | -29 |

| in EUR million | 2021 | | | |
|----------------|---------------|---------------|---------------|---------------|
| | Profit & Loss | | Equity | |
| | +10% increase | -10% decrease | +10% increase | -10% decrease |
| USD | 32 | -40 | 63 | -77 |

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

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

The following exchange rates were used during the fiscal year:

Exchange Rates

| In foreign currency units | | Middle Spot Exchange Rate December 31 | | Annual Average Exchange Rate Fiscal Year | |
|---------------------------|-----|---------------------------------------|-------|--|-------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | US-Dollar | USD | 1.065 | 1.133 |
| Malaysian Ringgit | MYR | 4.691 | 4.718 | 4.623 | 4.890 |
| Swiss Franc | CHF | 0.985 | 1.033 | 1.003 | 1.080 |
| Singapore Dollar | SGD | 1.429 | 1.528 | 1.452 | 1.586 |
| Chinese Renminbi | CNY | 7.347 | 7.196 | 7.073 | 7.607 |

The functional currency of the parent company is the Euro (EUR). The functional currency of the subsidiaries is the relevant national currency or the US Dollar (USD).

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

26. Changes in Liabilities to Cash Flows from Financing Activities

Cash Flow and Cash Flow Reconciliation

| in EUR million | Loans | Convertible Bonds | Bonds | Lease liabilities | Total |
|--|-------------|-------------------|--------------|-------------------|--------------|
| Balance as of January 1, 2022 | 560 | 1,319 | 1,247 | 270 | 3,396 |
| Proceeds from loans | 32 | - | - | - | 32 |
| Repayment of loans | -134 | - | - | - | -134 |
| Repayment of convertible bonds | - | -334 | - | - | -334 |
| Repayment of lease liabilities | - | - | - | -109 | -109 |
| Interest paid | -16 | -19 | -81 | -10 | -125 |
| Changes in cash flows from financing activities | -117 | -353 | -81 | -119 | -670 |
| Interest paid | 16 | 19 | 81 | 10 | 125 |
| Effects of changes in foreign exchange rates | - | 51 | 22 | 9 | 82 |
| Non-cash interest expenses | - | 38 | 2 | 9 | 49 |
| Other changes | - | - | - | 38 | 38 |
| Balance as of December 31, 2022 | 459 | 1,074 | 1,271 | 217 | 3,020 |

| in EUR million | Loans | Convertible Bonds | Bonds | Lease liabilities | Total |
|--|-------------|-------------------|--------------|-------------------|--------------|
| Balance as of January 1, 2021 | 755 | 1,333 | 1,215 | 290 | 3,593 |
| Proceeds from loans | 97 | - | - | - | 97 |
| Repayment of loans | -287 | - | - | - | -287 |
| Repurchase of convertible bonds | - | -67 | - | - | -67 |
| Repayment of lease liabilities | - | - | - | -75 | -75 |
| Interest paid | -22 | -19 | -82 | -14 | -137 |
| Changes in cash flows from financing activities | -212 | -86 | -82 | -89 | -469 |
| Interest paid | 22 | 19 | 82 | 14 | 137 |
| Effects of changes in foreign exchange rates | -5 | 20 | 25 | 15 | 56 |
| Non-cash interest expenses | - | 38 | 7 | 9 | 54 |
| Other changes | - | -5 | - | 31 | 26 |
| Balance as of December 31, 2021 | 560 | 1,319 | 1,247 | 270 | 3,396 |

27. Disposals of Business Activities and Property, Plant, and Equipment; Assets and Liabilities Classified as Held for Sale

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

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

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

Disposals of Business Activities

Fluence Bioengineering Inc. (Fluence)

On May 2, 2022, ams OSRAM sold its horticulture lighting systems business to Signify N.V., Eindhoven, Netherlands, to make further progress with its strategic realignment. This business had been reported in the Lamps & Systems segment prior to the disposal. As part of the transaction, 100% of the shares in Fluence Bioengineering Inc. and, to minor extent, additional assets were transferred to Signify N.V.

The total gain on the disposal came to EUR 151 million and was recognized in other operating income (see note 3. Other Operating Income). Cash inflows from the disposal less the cash disposed of amounted to EUR 251 million and were recorded under cash flows from investing activities.

Automotive Lighting Systems (AMLS)

On July 1, 2022, ams OSRAM sold its AMLS (Automotive Lighting Systems) business to Plastic Omnium GmbH, Munich, Germany, as part of its strategic realignment. AMLS had been reported in the Lamps & Systems reporting segment prior to the disposal. The gain on the disposal after adjustments for contractually agreed items (working capital and similar items) and the derecognition of the cumulative currency translation reserve deriving from the deconsolidation of foreign subsidiaries amounted to EUR 1 million and was recorded in other operating income (see note 3. Other Operating Income). Cash inflows from the disposal net of cash disposed of amounted to EUR 85 million and were recorded under cash flows from investing activities.

Traxon Technologies (Traxon)

On December 1, 2022 ams OSRAM sold its Traxon Technologies business, including the dynamic lighting controls 'e:cue', to Prosperity Lamps & Components Ltd., Hong Kong. This business had been reported in the Lamps & Systems segment prior to the disposal. The transaction is another step in the implementation of the strategy of ams OSRAM to focus on its core technologies. The loss on the disposal of EUR 3 million was recognized in other operating expenses. In addition, an impairment loss of EUR 7 million was recognized on goodwill in April 2022 and also recorded in other operating expenses, when these business activities were designated to be sold (see note 4. Expenses). Cash inflows from the disposal net of cash disposed of amounted to EUR 10 million and were recorded under cash flows from investing activities.

ams OSRAM will support Traxon with transitional sales services in selected countries over a period of several months; after that, the associated employees and assets will also be transferred to the Prosperity Group.

Assets and Liabilities as of the Respective Dates of Divestiture

| in EUR million | Fluence | AMLS | Traxon | Total |
|--|------------|------------|-----------|------------|
| Cash and cash equivalents | 3 | 33 | 5 | 41 |
| Trade receivables and other current assets | 18 | 48 | 3 | 69 |
| Inventories | 38 | 37 | 5 | 81 |
| Non-current assets | 75 | 28 | 16 | 118 |
| Assets | 133 | 147 | 29 | 308 |
| Current liabilities | 29 | 34 | 10 | 73 |
| Employee benefits | - | 0 | 2 | 3 |
| Non-current liabilities and provisions | 2 | 3 | 1 | 6 |
| Liabilities | 30 | 37 | 14 | 81 |
| Net assets | 102 | 110 | 15 | 227 |

Assets and Liabilities Classified as Held for Sale

Digital Systems Europe and Asia

In June 2022, ams OSRAM signed an agreement on the sale of the Digital Systems (DS) business in Europe and Asia to Inventronics Inc., Hangzhou, China, a global provider of LED drivers. DS is part of the Lamps & Systems business segment. This transaction represents another milestone in the implementation of ams OSRAM's strategy to focus on core technologies and to sell businesses that are not part of the core corporate strategy.

The transaction is structured as a share and asset deal, with the DS business in Germany, Italy and China being carved out into separate entities, while DS specific assets and liabilities in other locations are transferred to the buyer. The purchase price is expected to be in the upper two-digit million Euro range, after customary adjustments for working capital items and on a cash and debt-free basis. The transaction is expected to be closed in the first half of the next fiscal year and depends on the finalization of the carve-out procedures.

Assets and Liabilities Classified as Held for Sale – DS Europe and Asia

| in EUR million | December 31, 2022 |
|---|-------------------|
| Cash and cash equivalents | 3 |
| Trade receivables and other current assets | 5 |
| Inventory | 73 |
| Non-current assets | 24 |
| Asset held for sales | 104 |
| Current liabilities | 27 |
| Employee benefits | 5 |
| Non-current liabilities and provisions | 3 |
| Liabilities associated with assets held for sale | 34 |
| Net assets | 70 |

Clay Paky S.p.A.

In December 2022, ams OSRAM signed an agreement with ARRI AG, Munich, Germany, on the sale of Clay Paky S.p.A., Seriate, Italy. Clay Paky is a leading global supplier and a worldwide reference brand on the market for professional high-end entertainment lighting, and is part of the Lamps & Systems business segment. The sale is another step in the Group's strategic realignment. The sale is expected to be closed during the first half of 2023.

On classification as held for sale in accordance with IFRS 5, an impairment loss of EUR 44 million was recognized for the non-current tangible and intangible assets, as well as on inventories. The impairment was recorded in other operating expenses (see note 4. Expenses). The impairment of non-current assets led to the derecognition of a previously reported deferred tax liability, which resulted in tax income of EUR 4 million.

Assets and Liabilities Classified as Held for Sale – Clay Paky S.p.A.

| in EUR million | December 31, 2022 |
|---|-------------------|
| Cash and cash equivalents | 9 |
| Trade receivables and other current assets | 24 |
| Inventory | 8 |
| Asset held for sales | 41 |
| Current liabilities | 15 |
| Liabilities associated with assets held for sale | 15 |
| Net assets | 26 |

Fund investments

In December 2022, ams OSRAM signed an agreement with DES Holdings VI(B) LLC, Wilmington, USA, on the sale of investments in two funds – Unternehmertum VC Fonds II GmbH & Co. KG and Partech Entrepreneur Fund III FPCI – that were held by the Group's Venture Capital business, Fluxunit GmbH. Prior to the conclusion of the agreement, the fund investments were classified as financial assets and measured at fair value through profit or loss. The net financial result from the measurement of the two funds at fair value amounted to a gain of less than EUR 1 million in the reporting year. The funds' fair value upon classification as held for sale amounted to EUR 10 million. The closing of the sale took place on January 27, 2023.

28. Related Parties

Identity of related parties

The Company has business relationships with the following related parties:

- associates
- unconsolidated subsidiaries
(in 2022 and 2021, this was solely ams Sensors Hong Kong Ltd.)

Related parties in key positions within the Company:

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

The Company's Governing Bodies:

Members of the Management Board: Alexander Everke, Ingo Bank, Dr. Thomas Stockmeier, Mark Hamersma

Members of the Supervisory Board: Dr. Margarete Haase (Chairwoman, since June 24, 2022; previously Member until June 24, 2022), Dr. Wolfgang Leitner (Vice Chairman, since June 24, 2022), Andreas Gerstenmayer (member, since June 24, 2022), Brian Krzanich (member), Dr. Monika Henzinger (member), Yen Yen Tan (member), Kin Wah Loh (member), Mag. Brigitte Ederer (member), Günter Kneffel (employee representative), Andreas Pein (employee representative), Sabine Radesey (employee representative), Patrick Reinisch (employee representative), Hans Jörg Kaltenbrunner (retired on June 24, 2022) and Michael Grimm (retired on June 24, 2022).

Remuneration

The Management Board's remuneration as of December 31, 2022 and as of December 31, 2021 was as follows:

Management Board's remuneration

| in EUR million | 2022 | 2021 |
|----------------------|------|------|
| Salary | | |
| Salary, not variable | 3 | 3 |
| Salary, variable | 5 | 3 |
| Options | 8 | 23 |
| Other | 0 | 2 |

No expenses were incurred in fiscal year 2022 for severance payments for member of the Management Board (2021: expenses of EUR 1 million).

In the reporting year, the members of the Management Board were granted a total of 1,549,509 options (2021: 1,913,293 options) to acquire shares in ams-OSRAM AG. All of these options were granted from the LTIP 2019, including 995,900 PSUs and 553,609 SPSUs (2021: 1,186,243 PSUs and 727,050 SPSUs). The exercise price for PSUs is EUR 1.00 (2021: EUR 1.00) and for SPSUs EUR 10.75 (2021: EUR 16.15). In the reporting year, a total of 410,873 options (2021: 498,260 options) for the acquisition of shares in ams-OSRAM AG vested and were available for exercise by the Management Board.

For details of the terms and conditions and the measurement of the options for the acquisition of shares in ams-OSRAM AG under LTIP 2014, SSOP 2017, SLTIP 2018, SSOP 2019, and LTIP 2019, and any anti-dilution measures, please refer to note 4. Expenses.

Management Board members' holdings of ams-OSRAM AG shares and financial instruments

| Number | 2022 | 2021 |
|---------|-----------|-----------|
| Shares | 93,825 | 93,825 |
| Options | 6,773,104 | 5,534,686 |

The members of the Management Board hold financial instruments for the acquisition of shares in ams-OSRAM AG only as part of performance-related share-based

compensation plans. As of December 31, 2022, persons related to the members of the Management Board held 4,750 shares (2021: 4,750 shares) and no financial instruments (2021: 0 financial instruments).

The remuneration for the Company's Supervisory Board amounted to EUR 1 million (2021: EUR 1 million). All remuneration was and is paid directly by the Company. The remuneration shown relates to the amounts actually paid in the fiscal year. The remuneration and the amounts payable for fiscal year 2022 were set at the General Meeting held on June 24, 2022.

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

Supervisory Board members' holdings of ams-OSRAM AG shares and financial instruments

| Number | 2022 | 2021 |
|---------|------|---------|
| Shares | 0 | 135,000 |
| Options | 414 | 414 |

As of December 31, 2022, persons related to the members of the Supervisory Board held 2,041,650 shares (2021: 3,500 shares) and no financial instruments (2021: 0 financial instruments) for the acquisition of shares in ams-OSRAM AG.

There are no ongoing loan arrangements with members of the Supervisory Board or Management Board or persons related to them.

Transactions with Associates

| in EUR million | Sales of goods and services and other income | | Purchases of goods and services and other expense | |
|----------------|--|------|---|------|
| | 2022 | 2021 | 2022 | 2021 |
| Associates | 11 | 9 | 0 | -15 |



The loans granted to associates amounted to EUR 4 million as of December 31, 2022 (2021: EUR 5 million). As of December 31, 2022, cumulative loss allowances on loans and receivables amounted to EUR 4 million (2021: EUR 1 million).

These equity investments constitute strategic equity investments.

29. Auditor's Fee

The expenses for the auditor's fee for auditing the 2022 separate and consolidated financial statements totaled EUR 0.5 million (2021: EUR 0.6 million). In the fiscal years 2022 and 2021 no fees were incurred for other consultancy services or for special audit services and insurance services.

30. Group Companies

| | Accounting method | Country of incorporation | Functional currency | Ownership interest | |
|--|--------------------|--------------------------|---------------------|--------------------|---------|
| | | | | 2022 | 2021 |
| 7 Sensing Software SASU | Fully consolidated | France | EUR | 100.00% | - |
| AMK Inv Systems Pte. Ltd. | Deconsolidated | Singapore | USD | - | 100.00% |
| ams Asia Inc. | Fully consolidated | Philippines | PHP | 100.00% | 100.00% |
| ams Cayman Inc. | Deconsolidated | Cayman Islands | USD | - | 100.00% |
| ams China Co. Ltd. | Fully consolidated | China | RMB | 100.00% | 100.00% |
| ams Holding USA Inc. | Deconsolidated | USA | USD | - | 100.00% |
| ams International AG | Fully consolidated | Switzerland | CHF | 100.00% | 100.00% |
| ams Italy S.r.l. | Fully consolidated | Italy | EUR | 100.00% | 100.00% |
| ams Korea Co. Ltd. | Deconsolidated | Korea | KRW | - | 100.00% |
| ams Offer GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| ams R&D analogni polprevodniki, d.o.o. | Deconsolidated | Slovenia | EUR | - | 100.00% |
| ams R&D Spain S.L. | Fully consolidated | Spain | EUR | 100.00% | 100.00% |
| ams R&D UK Limited | Fully consolidated | United Kingdom | GBP | 100.00% | 100.00% |
| ams Semiconductors India Pvt Ltd. | Fully consolidated | India | INR | 100.00% | 100.00% |
| ams Sensors Asia Pte. Ltd. | Fully consolidated | Singapore | USD | 100.00% | 100.00% |
| ams Sensors Belgium BV | Fully consolidated | Belgium | EUR | 100.00% | 100.00% |
| ams Sensors Germany GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| ams Sensors Holdings Asia Pte. Ltd. | Fully consolidated | Singapore | USD | 100.00% | 100.00% |
| ams Sensors Hong Kong Ltd. | At cost | Hong Kong | HKD | 100.00% | 100.00% |
| ams Sensors Malaysia Sdn. Bhd. | Fully consolidated | Malaysia | MYR | 100.00% | 100.00% |
| ams Sensors Netherlands BV | Fully consolidated | Netherlands | EUR | 100.00% | 100.00% |
| ams Sensors Taiwan Co. Ltd. | Fully consolidated | Taiwan | TWD | 100.00% | 100.00% |
| ams Sensors UK Limited | Fully consolidated | United Kingdom | GBP | 100.00% | 100.00% |
| ams Sensors USA Inc. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| ams-OSRAM Asia Pacific Pte. Ltd.(former: ams Sensors Singapore Pte. LTD) | Fully consolidated | Singapore | USD | 100.00% | 100.00% |
| Applied Sensor Sweden Holding AB | Fully consolidated | Sweden | SEK | 100.00% | 100.00% |
| AWAIBA Holding SA | Fully consolidated | Switzerland | CHF | 100.00% | 100.00% |

| | Accounting method | Country of incorporation | Functional currency | Ownership interest | |
|--|--------------------|--------------------------|---------------------|--------------------|---------|
| | | | | 2022 | 2021 |
| CMOSIS International NV | Deconsolidated | Belgium | EUR | - | 100.00% |
| Heptagon Holding AG | Fully consolidated | Switzerland | CHF | 100.00% | 100.00% |
| Heptagon Holding CA Inc | Fully consolidated | USA | USD | 100.00% | 100.00% |
| Heptagon Oy | Fully consolidated | Finland | EUR | 100.00% | 100.00% |
| Incus Laboratories Limited | Fully consolidated | United Kingdom | GBP | 100.00% | 100.00% |
| KeyLemon SA | Fully consolidated | Switzerland | CHF | 100.00% | 100.00% |
| OSRAM Licht AG | Fully consolidated | Germany | EUR | 80.35% | 79.91% |
| Princeton Optronics Inc. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| RF Digital Corp. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| Seven Sensing Software BV ¹ | Fully consolidated | Belgium | EUR | 100.00% | 30.00% |

1 Reported under associates in the previous year

Entities held by OSRAM Licht AG (Group share in OSRAM Licht AG: 80.35%)

| | Accounting method | Country of incorporation | Functional currency | Ownership interest OSRAM Licht AG | |
|--|--------------------|--------------------------|---------------------|-----------------------------------|---------|
| | | | | 2022 | 2021 |
| | | | | | |
| ams France S.à.r.l. | Deconsolidated | France | EUR | - | 100.00% |
| ams OSRAM Automotive Lighting Systems GmbH | Deconsolidated | Germany | EUR | - | 100.00% |
| ams OSRAM Automotive Lighting Systems Italia S.r.l. | Fully consolidated | Italy | EUR | 100.00% | 100.00% |
| ams OSRAM Automotive Lighting Systems Kunshan Co. Ltd. | Deconsolidated | China | CNY | - | 100.00% |
| ams OSRAM Automotive Lighting Systems USA Inc. | Deconsolidated | USA | USD | - | 100.00% |
| ams Sensors Portugal | Fully consolidated | Portugal | EUR | 100.00% | 100.00% |
| ams-OSRAM International GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| ams-OSRAM Japan Ltd. | Fully consolidated | Japan | JPY | 100.00% | 100.00% |
| ams-OSRAM Korea Ltd. | Fully consolidated | Korea | KRW | 100.00% | 100.00% |
| ams-OSRAM Taiwan Ltd. | Fully consolidated | Taiwan | TWD | 100.00% | 100.00% |
| ams-OSRAM USA Inc. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| Clay Paky S.p.A. | Fully consolidated | Italy | EUR | 100.00% | 100.00% |
| Fluence Bioengineering B.V. | Deconsolidated | Netherlands | EUR | - | 100.00% |
| Fluence Bioengineering, Inc. | Deconsolidated | USA | USD | - | 100.00% |
| Fluxunit GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| Light Distribution GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OOO OSRAM | Fully consolidated | Russia | RUB | 100.00% | 100.00% |
| Optotronic GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| Optotronic S.r.l. | Fully consolidated | Italy | EUR | 100.00% | 100.00% |
| OSRAM (Malaysia) Sdn. Bhd. | Fully consolidated | Malaysia | MYR | 100.00% | 100.00% |
| OSRAM (Thailand) Co., Ltd. | Fully consolidated | Thailand | THB | 100.00% | 100.00% |
| OSRAM A/S | Fully consolidated | Denmark | DKK | 100.00% | 100.00% |
| OSRAM AB | Fully consolidated | Sweden | SEK | 100.00% | 100.00% |
| OSRAM AS | Fully consolidated | Norway | NOK | 100.00% | 100.00% |
| OSRAM Asia Pacific Ltd. | Fully consolidated | Hong Kong | HKD | 100.00% | 100.00% |

| | Accounting method | Country of incorporation | Functional currency | Ownership interest OSRAM Licht AG | |
|--|--------------------|--------------------------|---------------------|-----------------------------------|---------|
| | | | | 2022 | 2021 |
| | | | | | |
| OSRAM Asia Pacific Management Company Ltd. | Fully consolidated | China | CNY | 100.00% | 100.00% |
| OSRAM Benelux B.V. | Fully consolidated | Netherlands | EUR | 100.00% | 100.00% |
| OSRAM Beteiligungen GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Beteiligungsverwaltung GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Česká republika s.r.o. | Fully consolidated | Czech Republic | CZK | 100.00% | 100.00% |
| OSRAM China Lighting Ltd. | Fully consolidated | China | CNY | 90.00% | 90.00% |
| OSRAM Co., Ltd. | Fully consolidated | Korea | KRW | 100.00% | 100.00% |
| OSRAM Comercio de Solucoes de Iluminacao Ltda. | Fully consolidated | Brazil | BRL | 100.00% | 100.00% |
| OSRAM d.o.o. | Fully consolidated | Croatia | HRK | 100.00% | 100.00% |
| OSRAM de Colombia Iluminaciones S.A.S. | Fully consolidated | Colombia | COP | 100.00% | 100.00% |
| OSRAM de México S.A. de C.V. | Fully consolidated | Mexico | MXN | 100.00% | 100.00% |
| OSRAM GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Guangzhou Lighting Technology Limited | Fully consolidated | China | CNY | 100.00% | 100.00% |
| OSRAM Kunshan Display Optic Co., Ltd. | Fully consolidated | China | CNY | 100.00% | 100.00% |
| OSRAM Lighting (Pty) Ltd. | Fully consolidated | South Africa | ZAR | 100.00% | 100.00% |
| OSRAM Lighting AG | Fully consolidated | Switzerland | CHF | 100.00% | 100.00% |
| OSRAM Lighting Middle East FZE | Fully consolidated | United Arab Emirates | USD | 100.00% | 100.00% |
| OSRAM Lighting Private Limited | Fully consolidated | India | INR | 100.00% | 100.00% |
| OSRAM Lighting Pte. Ltd. | Fully consolidated | Singapore | SGD | 100.00% | 100.00% |
| OSRAM Lighting S.A.S.U. | Fully consolidated | France | EUR | 100.00% | 100.00% |
| OSRAM Lighting S.L. | Fully consolidated | Spain | EUR | 100.00% | 100.00% |
| OSRAM Limited | Fully consolidated | United Kingdom | GBP | 100.00% | 100.00% |
| OSRAM Ltd. | Fully consolidated | Japan | JPY | 100.00% | 100.00% |
| OSRAM Ltd. | Fully consolidated | Canada | CAD | 100.00% | 100.00% |
| OSRAM OLED GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Opto Semiconductors (China) Co., Ltd. | Fully consolidated | China | CNY | 100.00% | 100.00% |
| OSRAM Opto Semiconductors (Malaysia) Sdn Bhd | Fully consolidated | Malaysia | MYR | 100.00% | 100.00% |

| | Accounting method | Country of incorporation | Functional currency | Ownership interest OSRAM Licht AG | |
|---|--------------------|--------------------------|---------------------|-----------------------------------|---------|
| | | | | 2022 | 2021 |
| OSRAM Opto Semiconductors Asia Ltd. | Fully consolidated | Hong Kong | HKD | 100.00% | 100.00% |
| OSRAM Opto Semiconductors Trading (Wuxi) Co., Ltd. | Fully consolidated | China | CNY | 100.00% | 100.00% |
| OSRAM Oy | Fully consolidated | Finland | EUR | 100.00% | 100.00% |
| OSRAM Pty. Ltd. | Fully consolidated | Australia | AUD | 100.00% | 100.00% |
| OSRAM Romania S.R.L. | Fully consolidated | Romania | RON | 100.00% | 100.00% |
| OSRAM S.A. | Fully consolidated | Argentina | ARS | 100.00% | 100.00% |
| OSRAM S.A. de C.V. | Fully consolidated | Mexico | MXN | 100.00% | 100.00% |
| OSRAM S.p.A. – Società Riunite OSRAM Edison Clerici | Fully consolidated | Italy | EUR | 100.00% | 100.00% |
| OSRAM Sales EOOD | Fully consolidated | Bulgaria | BGN | 100.00% | 100.00% |
| OSRAM SBT GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Servicios Administrativos, S.A. de C.V. | Fully consolidated | Mexico | MXN | 100.00% | 100.00% |
| OSRAM SL GmbH | Fully consolidated | Germany | EUR | 100.00% | 100.00% |
| OSRAM Sp. Z o.o. | Fully consolidated | Poland | PLN | 100.00% | 100.00% |
| OSRAM SYLVANIA INC. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| OSRAM Taiwan Company Ltd. | Fully consolidated | Taiwan | TWD | 100.00% | 100.00% |
| OSRAM Teknolojileri Ticaret Anonim Sirketi | Fully consolidated | Turkey | TRY | 100.00% | 100.00% |
| OSRAM, a.s. | Fully consolidated | Slovakia | EUR | 100.00% | 100.00% |
| OSRAM, Lda | Fully consolidated | Portugal | EUR | 100.00% | 100.00% |
| P.T. OSRAM Indonesia | Fully consolidated | Indonesia | IDR | 100.00% | 100.00% |
| RGI Light (Holdings) Limited | Deconsolidated | United Kingdom | GBP | - | 100.00% |
| RGI Light Limited | Deconsolidated | United Kingdom | GBP | - | 100.00% |
| Ring Automotive Limited | Fully consolidated | United Kingdom | GBP | 100.00% | 100.00% |
| Sylvania Lighting Services Corp. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| Traxon Technologies LLC | Deconsolidated | USA | USD | - | 100.00% |
| Traxon Technologies Ltd. | Deconsolidated | Hong Kong | HKD | - | 100.00% |
| Vixar, Inc. | Fully consolidated | USA | USD | 100.00% | 100.00% |
| Yekta Setareh Atllas Co. (P.J.S.) | Deconsolidated | Iran | IRR | - | 100.00% |

31. Associates

| | Accounting method | Country of incorporation | Functional currency | Ownership interest | |
|-------------------------------------|-------------------|--------------------------|---------------------|--------------------|--------|
| | | | | 2022 | 2021 |
| Circadian Zirclight LLC | At equity | USA | USD | 6.13% | 6.13% |
| Jinan Smart Sensing Sensor Co. Ltd. | At equity | China | CNY | 49.00% | 49.00% |
| New Scale Technologies Inc. | At equity | USA | USD | 34.00% | 34.00% |
| Sciosense Holding B.V. | At equity | Netherlands | EUR | 45.22% | 45.22% |

Associates held by OSRAM Licht AG (Group share in OSRAM Licht AG: 80.35%)

| | Accounting method | Country of incorporation | Functional currency | Ownership interest OSRAM Licht AG | |
|-----------------------------|-------------------|--------------------------|---------------------|-----------------------------------|--------|
| | | | | 2022 | 2021 |
| agrilution GmbH | At equity | Germany | EUR | 20.62% | 18.74% |
| Blickfeld GmbH | At equity | Germany | EUR | 11.93% | 11.93% |
| Bolb Inc. | At equity | USA | USD | 20.38% | 20.38% |
| CarbonBook (Motorleaf) Inc. | At equity | Canada | CAD | 12.94% | 12.94% |
| GoodIP GmbH | At equity | Germany | EUR | - | 10.00% |
| iThera Medical GmbH | At equity | Germany | EUR | 7.15% | 9.03% |
| Tvilight B.V. | At equity | Netherlands | EUR | 47.50% | 47.50% |
| VividQ Limited | At equity | United Kingdom | GBP | 5.89% | 5.89% |

32. Other Equity Investments

| | Accounting method | Country of incorporation | Functional currency | Ownership interest | |
|---|-------------------|--------------------------|---------------------|--------------------|--------|
| | | | | 2022 | 2021 |
| Bellus 3D | FVOCI | USA | USD | - | 3.26% |
| GreenTropism | FVOCI | France | EUR | 2.38% | 2.38% |
| HLJ Technologies Co. Ltd. | FVTPL | Taiwan | TWD | - | 12.50% |
| Leman Micro Devies | FVOCI | Switzerland | CHF | 11.39% | 11.39% |
| RF Micron Inc. d/b/a Axzon ¹ | FVOCI | USA | USD | 9.83% | 9.83% |
| Silicon Alps Cluster GmbH | FVOCI | Austria | EUR | 4.00% | 4.00% |

Other Equity Investments held by OSRAM Licht AG (Group share in OSRAM Licht AG: 80.35%)

| | Accounting method | Country of incorporation | Functional currency | Ownership interest OSRAM Licht AG | |
|---|-------------------|--------------------------|---------------------|-----------------------------------|--------|
| | | | | 2022 | 2021 |
| beaconsmind AG | FVOCI | Switzerland | CHF | - | 2.68% |
| Caruso GmbH | FVOCI | Germany | EUR | 1.00% | 1.00% |
| GSB - Sonderabfall-Entsorgung Bayern GmbH | FVOCI | Germany | EUR | 0.07% | 0.07% |
| ILOF - Intelligent Lab On Fiber Ltd. | FVOCI | United Kingdom | GBP | 0.98% | - |
| KNX Association cvba | FVOCI | Belgium | EUR | 2.96% | 2.96% |
| LAMP NOOR (P.J.S.) Co. ¹ | FVOCI | Iran | IRR | 20.00% | 20.00% |
| LeddarTech Inc. | FVOCI | Canada | CAD | 19.20% | 19.20% |
| Luminaerospace LLC | FVOCI | USA | USD | - | 2.00% |
| Partech Partners S.A.S. | FVTPL | France | EUR | 5.46% | 5.46% |
| Recogni, Inc. | FVOCI | USA | USD | 5.80% | 5.33% |
| SiLC Technologies Inc. | FVOCI | USA | USD | 3.48% | 4.86% |
| TetraVue, Inc. | FVOCI | USA | USD | 6.36% | 6.36% |
| Unternehmertum VC Fonds II GmbH & Co. KG | FVTPL | Germany | EUR | 6.06% | 6.06% |

¹ Reported under associates in the previous year

33. Events after Balance Sheet Date

On January 30, 2023, ams OSRAM announced that, after more than seven years, Alexander Everke will retire from his position as Chief Executive Officer effective March 31, 2023, and will resign from the Company's Management Board. The Supervisory Board has appointed Aldo Kamper as a member and Chairman of the Management Board effective April 1, 2023. He has been CEO of Leoni AG, Nuremberg, a global provider in the field of energy and data management for the automotive industry, since 2018. He previously held various management positions at OSRAM for more than 15 years, including General Manager of the Opto Semiconductors business. Mr. Everke will actively support the handover of his duties and will remain available for consultation for ams OSRAM until the end of 2023.

Premstaetten, February 27, 2023

Alexander Everke
Chairman of the Management Board
CEO

Ingo Bank
Member of the Management Board
CFO

Dr. Thomas Stockmeier
Member of the Management Board
CTO

Mark Hamersma
Member of the Management Board
CBO

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of ams-OSRAM AG, Premstaetten, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31 December 2022, and the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Standards Board and as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

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

Key Audit Matters

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

Impairment test in accordance with IAS 36

Refer to notes section 12 .

Risk for the Consolidated Financial Statements

IAS 36 requires the Company to allocate its goodwill to cash-generating units and to test these units as well as intangible assets with indefinite useful lives for impairment at least annually and whenever there is an indication these intangible assets may be impaired ("impairment test"). At December 31, 2022, the carrying amount of goodwill amounted to EUR 2,821 million and of trademarks to EUR 229 million. In the fiscal year, an impairment loss was recognized on goodwill in the amount of EUR 287 million.

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

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

This results in particular in the risk that

- the cash-generating units have not been determined correctly and their changes have not been made in accordance with the provisions of IAS 36,
- the methods used do not comply with the requirements of IAS 36 or,
- assumptions and other measurement bases are not appropriate

and, therefore, a required impairment loss is not or not correctly recognized in the financial statements.

Our Response

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

- We gained an understanding of the approach and valuation methods.
- We evaluated the determination of the cash-generating units and assessed their appropriateness.
- We have assessed whether the valuation methods applied comply with the requirements of IAS 36. We compared the consistency of the parameters and input factors used in the valuations with external market estimates and existing reference values and assessed their appropriateness. We also verified the mathematical accuracy of the valuations. Furthermore, we assessed the methodologically appropriate derivation and the appropriateness of the amount of the weighted average cost of capital. For this purpose, we compared the assumptions and parameters underlying the cost of capital with our own as-

sumptions and publicly available data. These assessments were made with the involvement of valuation specialists.

- We have reconciled the planning data used to determine future cashflows with the budgets approved by the Supervisory Board.
- In addition, we have assessed whether the disclosures on impairment testing in the consolidated financial statements are appropriate and relevant.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

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

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

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

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

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

Moreover:

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

clude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Group Management Report

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

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

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

Opinion

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

Statement

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



Engagement Partner

The engagement partner is Mr Johannes Bauer.

Vienna, 28 February 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Johannes Bauer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

Glossary

| | | | |
|----------------------------------|--|---------------------------|--|
| 8" | 8 inches: diameter of wafer used for chip production. | Matrix headlamps | Integrated intelligent light source based on a monolithic structured LED chip with >25,000 individually addressable pixels, enables adaptive driving beam and projection capabilities |
| AR/VR | Augmented reality/virtual reality. AR is an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information. VR is a simulated experience that can be similar to or completely different from the real world. Applications of virtual reality include entertainment, education and business. | microLED | Tiny, microscopic LED with structure size of <50 µm. Display technology uses arrays of these microscopic LEDs. |
| ADAS | Advanced driver-assistance systems are groups of electronic technologies that assist drivers in driving and parking functions, increasing car and road safety. ADAS use automated technology such as sensors and cameras to detect nearby obstacles or driver errors and respond accordingly. | Micro-modules | Combination and assembly of different single optical components (e.g. emitters, optics, detectors, ICs) into one integrated module with a very small form factor. |
| 3D technologies / sensing | Sensing technologies incorporating the acquisition of depth information to capture image or spatial data in three dimensions. | NTE – Near to eye | Augmented-reality systems allow smart glasses to merge the virtual and physical worlds. Projecting virtual information onto special eyeglasses, or directly onto the user’s retina. |
| C2X | Car-to-everything technology, also described as Car2X: Technology that allows cars/vehicles to communicate with their environment (“x”) as well as with each other. | OLED | Organic Light-Emitting Diode (LED); LED where the emissive electroluminescent layer is an organic compound that emits light in response to an electric current. OLEDs are used to create high performance digital displays for devices such as smartphones, television screens, and computer displays. |
| EEL | An edge-emitting laser is a semiconductor-based laser with light emission from the edge of the chip, in contrast to VCSEL, which emits light via the surface. | Pixel | A pixel is generally thought of as the smallest single component of a digital image. |
| EVIYOS | Proprietary highly-pixelated matrix headlamps technology of ams OSRAM with >25,000 individually addressable pixels | Photons | An elementary particle that is a quantum of the electromagnetic field, including electromagnetic radiation such as light and radio waves. |
| IC | An integrated circuit is an electronic circuit mounted on a thin wafer of semiconductor material, usually a few millimeters in size. | S&P Global CSA | The Standard & Poor’s (S&P) Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies’ sustainability practices. It covers over 10,000 companies from around the world and focuses on sustainability criteria that are both industry-specific and financially material. |
| LiDAR | Light detection and ranging is a measuring technology that measures distance by illuminating the target with pulsed laser light and processing the reflected pulses with a sensor. Differences in laser return times and wavelengths can then be used to make digital 3D representations of the target (3D LiDAR). | UV-C LED | Illumination of UV-C spectrum invisible light based on LED technology used for disinfection applications (e.g. air, surfaces, water). |
| LCD | A liquid-crystal display is a flat-panel display or other electronically modulated optical device that uses the light-modulating properties of liquid crystals combined with polarizers. Liquid crystals do not emit light directly, instead using a backlight or reflector to produce images in color or monochrome. | | |



Imprint

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