Half Year Report 2022

Key figures EUR millions (except earnings per share)	Q2 2022	Q2 2021*	Q1 2022	1st Half 2022	1st Half 2021*
Revenues	**1,183**	1,239	1,246	**2,429**	2,521
Gross margin in % (adjusted - see footnote 1)	**32%**	33%	33%	**32%**	34%
Result from operations (adjusted – see footnote 1)	**104**	109	126	**230**	251
EBIT margin in % (adjusted – see footnote 1)	**9%**	9%	10%	**9%**	10%
Net result (adjusted – see footnote 1)	**-54**	70	102	**48**	144
Basic / diluted earnings per share in CHF [2)] (adjusted – see footnote 1)	**-0.21 / -0.21**	0.29 / 0.29	0.40 / 0.40	**0.18 / 0.18**	0.63 / 0.63
Basic / diluted earnings per share in EUR (adjusted – see footnote 1)	**-0.21 / -0.21**	0.26 / 0.26	0.39 / 0.39	**0.18 / 0.18**	0.58 / 0.58
Operating cash flow	**100**	190	147	**247**	397
Net debt	**1,727**	1,908	1,853	**1,727**	1,908

[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

* 2021 financials reflect reclassification within functional cost categories

Solid second quarter results in demanding supply chain and more volatile market environment with revenues and operating profitability (adj.) fully in line with expectations

Report to shareholders on the second quarter and first half of 2022

- Second quarter revenues of EUR 1.18 billion and adjusted EBIT margin of 8.8% fully match with expectation range
- Nearing completion of portfolio re-alignment with disposals of Digital Systems Europe/Asia and architectural lighting business announced and closing of disposal of automotive lighting systems business (AMLS), on track to complete remaining planned disposal
- Robust customer engagement for future capabilities from 8” advanced LED and microLED manufacturing investment
- Planned retirement of approx. EUR 350 million of gross debt in the third quarter

Ladies and Gentlemen

Our business showed a solid performance in the second quarter where we delivered results fully in line with our previous guidance. We see supply chain and end market imbalances being enhanced by increasingly unfavorable macro-economic trends. Nevertheless, our automotive and industrial & medical businesses offered solid results in the quarter while our consumer business contributed attractively to group results.

We see strong customer traction and support for innovation roadmaps we are implementing as a leader in optical technologies. We are particularly excited about our robust customer engagement around the cutting-edge capabilities created by our investment in industry-leading 8” manufacturing capacity for applications in LED and microLED.

Our focus on the integration of ams OSRAM continues to be a priority with our initiatives for integration and synergy creation progressing as planned. In the quarter, we announced the disposals of the architectural lighting business Traxon as well as the Digital Systems Europe/Asia business for LED power supplies and related systems which is the last major planned disposal. In addition, we closed the disposal of the automotive lighting systems business (AMLS) at the beginning of July, which had been established after the dissolution of the OSRAM Continental joint venture. We are glad to confirm that we are nearing the completion of our portfolio re-alignment with only one smaller-scale disposal outstanding.

Ongoing imbalances in semiconductor and other supply chains have continued to impact volumes in several of our end markets, amplified by lockdown-related effects in Asia. In light of this situation, we realized a solid operational performance in the quarter. These imbalances continue and we have started to see a softening of forward demand trends in the automotive sector leading to order push-outs for the second half. We believe these reflect increasingly unfavorable global macro-economic developments and related challenges including expected inventory adjustments in the global automotive value chain.

Our portfolio of optical technologies offers exciting opportunities for mid- and long-term profitable growth across our end markets. We are strongly engaged in comprehensively focusing and streamlining our portfolio in line with these goals. We will continue highly dedicated R&D investments into our portfolio and defined growth drivers to create long-term value in optical solutions.

Financial results

Second quarter group revenues were EUR 1,183 million, down 5% sequentially compared to the first quarter 2022 and down 5% compared to same quarter 2021, influenced by deconsolidation effects. Adjusted[1] group gross margin for the second quarter 2022 was 32%, down from 33% for the first quarter as well as for the same quarter 2021. First half group revenues were EUR 2,429 million, compared to EUR 2,521 million for the same period 2021. Adjusted[Error! Bookmark not defined.] group gross m argin for the first half 2022 was 32% compared to 34% for the same period 2021.

The second quarter adjusted[1] group result from operations (EBIT) was EUR 104 million or 9% of revenues compared to EUR 126 million or 10% for the first quarter and EUR 109 million or 9% of revenues for the same period 2021 (unadjusted: EUR 216 million or 18% of revenues for the second quarter reflecting a substantial one-time effect from a disposal). The adjusted[1] group result from operations (EBIT) for the first half was EUR 230 million or 9% of revenues compared to EUR 251 million or 10% for the same period 2021.

Second quarter adjusted[1] group net result was EUR -54 million due to one-time effects compared to EUR 102 million for the first quarter and compared to EUR 70 million for the same quarter 2021 (unadjusted: EUR 58 million for the second quarter). Second quarter adjusted[1] diluted earnings per share[2] were EUR -0.21 or CHF -0.21 (EUR 0.22 or CHF 0.22 unadjusted). First half adjusted[1] group net result was EUR 48 million compared to EUR 144 million for the same period 2021. First half adjusted[1] diluted earnings per share[3] were EUR 0.18 or CHF 0.18 (EUR 0.28 or CHF 0.29 unadjusted).

Second quarter group operating cash flow was EUR 100 million while group free cash flow was positive with EUR 3 million. First half group operating cash flow was EUR 247 million with a free cash flow of EUR 37 million. Group net debt was EUR 1,727 million on 30 June 2022, translating into a group leverage of 1.9x net debt/adjusted[1] EBITDA. Through the scheduled repayment of the September 2022 USD convertible bond and a promissory note (Schuldscheindarlehen) in the third quarter we expect our gross debt position to be approx. EUR 350 million lower by the end of the third quarter. Cash and cash equivalents stood at EUR 1,413 million on 30 June 2022.

Business development

Our Semiconductors segment again offered the largest contribution to our results providing 68% of revenues in the second quarter. The segment's automotive business delivered good results in a demanding market environment where end-to-end supply imbalances continued to result in reduced production volumes. This constrained industry situation was additionally impacted by lockdown-related repercussions in Asia during the second quarter. The consumer market area performed solidly and in line with expectations in the second quarter. Lockdown-related impacts in Asia added to seasonal effects and created a less favorable demand situation with lower global smartphone shipments. Against this backdrop, we benefitted from the broad presence of our optical sensing solutions across consumer market segments and device classes. The industrial and medical market area continued its

[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] Based on 261,253,566 basic / 262,689,017 diluted shares

[3] Based on 261,250,065 basic / 262,076,070 diluted shares

attractive contribution to our results in the second quarter. Demand for advanced LED solutions in established and emerging applications as well as for imaging solutions remained robust in important markets. Optical innovation is a cornerstone of our strategy for profitable growth. Our R&D investments and product roadmaps remain clearly focused on growth opportunities that will drive innovative optical applications for automotive, consumer, industrial and medical markets.

Our Lamps & Systems (L&S) segment delivered an in-line performance in the second quarter contributing 32% of revenues. The L&S automotive business including legacy traditional lighting tracked expectations in the second quarter taking into account automotive supply chain volatility and imbalances next to stronger seasonal slowdowns in the aftermarket. The other L&S businesses offered solid contributions from their range of industrial, building-related and medical applications in line with respective end demand trends.

Outlook

For the third quarter 2022 we expect group revenues of EUR 1,150-1,250 million (EUR 1,190-1,290 million on a comparable portfolio basis) and an expected adjusted operating (EBIT) margin of 6-9%, based on currently available information and exchange rates. These expectations include a revenue deconsolidation effect for the third quarter from the closing of the disposal of the AMLS automotive lighting systems business which reduces expected third quarter revenues by around EUR 40 million on a comparable portfolio basis.

Expectations for the third quarter reflect a more demanding situation in key end markets and a more unfavorable macro-economic environment including expected inventory adjustments in the industry, amongst others driving overall reduced automotive production volumes and lower total smartphone volumes year-on-year. While expected revenues show a solid development, these end market trends cause decreased production volumes in our manufacturing operations in the third quarter, negatively impacting our margins. In light of these macro-economic trends, we are proactively implementing a range of cost mitigation measures while we manage through the evolving market environment. The expectations for the third quarter also incorporate disposal-related deconsolidation effects compared to the previous year.

Premstaetten, July 29, 2022

Alexander Everke, CEO
Thomas Stockmeier, CTO
Ingo Bank, CFO
Mark Hamersma, Chief Business Development Officer

Condensed Consolidated Interim Financial Statements as of June 30, 2022

(according to IAS 34 – unaudited)

Group Consolidated Statement of Income according to IFRS

(unaudited)

EUR million (except earnings per share)	Q2 2022	1st Half 2022	Q2 2021	1st Half 2021
Revenues	**1,183**	**2,429**	**1,239**	**2,521**
Cost of sales	-834	-1,695	-1,002	-1,867
Gross profit	**348**	**733**	**237**	**654**
Research and development expenses	-151	-313	-193	-360
Selling, general and administrative expenses	-157	-313	-187	-372
Other operating income	160	163	32	41
Other operating expense	17	-14	-6	-7
Result from investments in associates	-1	-1	-3	-7
Result from operations	**216**	**256**	**-119**	**-52**
Net financial result	-50	-100	-33	-90
Result before tax (contin. operations)	**166**	**156**	**-152**	**-142**
Income taxes	-108	-82	-8	-17
Net result (continuing operations)	**58**	**74**	**-160**	**-160**
Results from discontinued operations	0	0	2	0
Net result	**58**	**74**	**-158**	**-160**
Attributable to:				
Non-controlling interests	-	0	-1	-8
Shareholders of ams-OSRAM AG	58	73	-157	-153
Basic earnings per share in EUR	0.22	0.28	-0.60	-0.58
Diluted earnings per share in EUR	0.22	0.28	-0.60	-0.58
Basic earnings per share in EUR (continuing operations)	**0.22**	**0.28**	**-0.61**	**-0.58**
Diluted earnings per share in EUR (continuing operations)	**0.22**	**0.28**	**-0.61**	**-0.58**

Group Consolidated Statement of Comprehensive Income according to IFRS

(unaudited)

EUR million	Q2 2022	1st Half 2022	Q2 2021	1st Half 2021
Net result	**58**	**74**	**-158**	**-160**
Remeasurements of defined benefit plans	77	87	13	33
Fair value measurements of equity instruments (FVOCI)	0	0	-4	5
Items that will not be reclassified to profit and loss	**77**	**87**	**9**	**38**
Currency translation differences	168	228	-29	93
Fair value measurement of debt instruments (FVOCI)	-1	-1	0	0
Derivative financial instruments for hedging purposes	-8	-8	0	-11
Items that may be reclassified subsequently to profit and loss	**159**	**218**	**-29**	**81**
Other comprehensive income (loss), net of tax	**237**	**306**	**-20**	**119**
Total comprehensive income (loss)	**295**	**379**	**-178**	**-41**
Attributable to:				
Non-controlling interests	0	1	-1	-6
Shareholders of ams-OSRAM AG	295	379	-177	-35

Group Consolidated Balance Sheet according to IFRS

(unaudited)

EUR million	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	1,413	1,331
Financial investments short-term	29	6
Trade receivables	669	688
Inventories	985	938
Other receivables and assets	218	185
Assets held for sale	273	134
Total current assets	**3,588**	**3,282**
Property, plant and equipment	1,648	1,606
Intangible assets	3,965	3,989
Right-of-Use assets	263	260
Investments in associates	33	34
Deferred tax assets	110	182
Other non-current assets	176	143
Financial assets	157	147
Total non-current assets	**6,353**	**6,362**
Total assets	**9,941**	**9,644**
Liabilities and Equity		
Current liabilities		
Short-term interest-bearing loans and borrowings	411	480
Trade payables	683	710
Income tax payables	78	85
Current Provisions	249	328
Other current liabilities	1,370	1,359
Liabilities associated with assets held for sale	77	40
Total current liabilities	**2,868**	**3,001**
Interest-bearing loans and borrowings	2,730	2,646
Employee benefits	154	181
Deferred tax liabilities	196	205
Provisions	48	48
Other liabilities	391	413
Total non-current liabilities	**3,519**	**3,493**
Equity		
Issued capital	274	274
Additional paid-in capital	2,021	1,997
Treasury shares	-122	-122
Other components of equity	343	115
Retained earnings	1,028	877
Total equity attributable to shareholders of ams-OSRAM AG	**3,545**	**3,142**
Non-controlling interests	9	8
Total equity	**3,554**	**3,150**
Total liabilities and equity	**9,941**	**9,644**

Group Consolidated Statement of Cash Flows according to IFRS

(unaudited)

EUR million	Q2 2022	1st Half 2022	Q2 2021	1st Half 2021
Operating activities				
Net result	58	74	-158	-160
Reconciliation between net result and cash flows from operating activities				
Result from discontinued operations, net of tax	-	-	-2	0
Amortization, depreciation, and impairment[1)]	141	298	304	462
Expenses from stock option plans (acc. to IFRS 2)	13	24	11	22
Income taxes	108	82	8	17
Net financial result	50	100	33	90
Result from sales of businesses, intangible assets, and property, plant, and equipment, net	-152	-152	-24	-24
Result from sale of financial investments	-	0	-	0
Gains/losses from fair value measurement and sale of financial assets	-10	-10	-	-
(Gains) losses on investments accounted for using the equity method	1	1	0	5
Other adjustments for non-cash items	-1	-1	2	2
Change in current assets and liabilities				
Inventories	-72	-107	-25	-49
Trade receivables	-24	16	-11	-43
Other current assets	-11	-40	-31	-3
Trade payables	30	-19	98	120
Current provisions	-57	-72	-3	-16
Other current liabilities	26	70	5	17
Change in other assets and liabilities	13	9	3	8
Income taxes paid	-15	-28	-20	-52
Dividends received	1	1	-	-
Interest received	2	3	1	2
Cash flows from operating activities (continuing operations)	**100**	**247**	**190**	**397**
Cash flows from operating activities discontinued operations	-	-	-	-
Cash flows operating activities	**100**	**247**	**190**	**397**

[1)] Q2 2022 / H1 2022: EUR 93 million / EUR 209 million for property, plant and equipment; EUR 48 million / EUR 89 million for intangible assets

EUR million	Q2 2022	1st Half 2022	Q2 2021	1st Half 2021
Investing activities				
Additions to intangible assets and property, plant, and equipment	-97	-210	-44	-124
Acquisitions, net of cash and cash equivalents acquired	-7	-7	-429	-442
Purchases of investments	0	-1	-1	-9
Proceeds from sales of investments, intangible assets, and property, plant, and equipment	1	5	6	9
Proceeds from sales of businesses, net of cash and cash equivalents disposed	251	251	73	77
Cash flows from investing activities (continuing operations)	**148**	**39**	**-395**	**-490**
Cash flows from investing activities discontinued operations	-	-	-	-
Cash flows from investing activities	**148**	**39**	**-395**	**-490**
Financing activities				
Payments from capital increases in subsidiaries with non-controlling interests	-	-	13	13
Payments from transactions with former non-controlling shareholders	-	-3	-	-
Acquisition of treasury shares	0	0	0	-1
Sale of treasury shares	0	1	2	4
Proceeds from loans	-	0	1	96
Repayment of loans	-5	-67	-4	-169
Buyback of convertible bonds	-	-	-17	-17
Repayment of lease liabilities	-39	-56	-20	-33
Interest paid	-16	-62	-18	-73
Guaranteed dividends paid to shareholders of OSRAM Licht AG	-53	-53	-	-
Dividends paid to other non-controlling interests	-	-	-1	-1
Cash flows from financing activities (continuing operations)	**-112**	**-239**	**-44**	**-182**
Cash flows from financing activities (discontinued operations)	-	-	-	-
Cash flows from financing activities	**-112**	**-239**	**-44**	**-182**
Effects of changes in foreign exchange rates on cash and cash equivalents	65	65	-14	19
Net change in cash and cash equivalents	200	111	-263	-256
Cash and cash equivalents at the beginning of the period	1,250	1,339	1,615	1,609
Cash and cash equivalents at the end of the period	**1,450**	**1,450**	**1,352**	**1,352**
Less: Cash and cash equivalent of assets held for sale at the end of reporting period	37	37	12	12
Cash and cash equivalents at the end of the period (continuing operations)	**1,413**	**1,413**	**1,340**	**1,340**

Group Consolidated Statement of Changes in Shareholders' Equity according to IFRS

(unaudited)

EUR million	Issued capital	Additional paid-in capital	Treasury shares	Other compo-nents of equity	Retained earnings	Total equity attributable to share-holders of ams-OSRAM AG	Non-controlling interests	Total equity
Total equity as of January 1, 2021	**274**	**2,176**	**-127**	**-161**	**925**	**3,088**	**-61**	**3,027**
Net result	-	-	-	-	-153	-153	-8	-160
Other comprehensive income (loss), net of tax	-	-	-	91	27	117	2	119
Total comprehensive income (loss)	**0**	**0**	**0**	**91**	**-126**	**-35**	**-6**	**-41**
Share based payments	-	22	-	-	-	22	-	22
Dividends paid	-	-	-	-	-	0	-1	-1
Re-issuance of treasury shares	-	-	4	-	-	4	-	4
Acquisition of non-controlling interests	-	-57	-	-	-	-57	-	-57
Non-controlling interests - annual compensation	-	-188	-	-	-	-188	-	-188
Other changes	-	-5	-	-	-	-5	13	8
Total equity as of June 30, 2021	**274**	**1,949**	**-123**	**-70**	**799**	**2,829**	**-55**	**2,774**
Total equity as of January 1, 2022	**274**	**1,997**	**-122**	**115**	**877**	**3,142**	**8**	**3,150**
Net result	-	-	-	-	73	73	0	74
Other comprehensive income (loss), net of tax	-	-	-	228	78	306	0	306
Total comprehensive income (loss)	**-**	**-**	**-**	**228**	**151**	**379**	**1**	**379**
Share based payments	-	24	-	-	-	24	-	24
Re-issuance of treasury shares	-	-	0	-	-	0	-	0
Other changes	-	-	-	-	0	0	-	0
Total equity as of June 30, 2022	**274**	**2,021**	**-122**	**343**	**1,028**	**3,545**	**9**	**3,554**

Selected notes on the Condensed Consolidated Interim Financial Statements as of June 30, 2022

(unaudited)

1. Basis of preparation

The condensed consolidated interim financial statements as of June 30, 2022 were prepared in accordance with IAS 34. In line with IAS 34 (Interim Financial Reporting) the condensed consolidated interim financial statements do not include all information and disclosures that are required for a full set of financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2021. The interim consolidated financial statements have been prepared in million of Euros (EUR million). Due to rounding, differences may arise when individual amounts or percentages are added together.

2. Accounting policies as well as estimates and uncertainties

The accounting policies applied in these interim financial statements are essentially the same as those applied in the group's consolidated financial statements as of December 31, 2021, except for the changes described below.

Commencing with fiscal year 2022, changes in presentation were made to the Consolidated Income Statement with the primary objective of standardizing the presentation of functional costs throughout the ams OSRAM Group. The former ams and OSRAM companies had previously allocated costs to different functional cost categories. The presentation of the corresponding functional costs in the Consolidated Income Statement has been adjusted for fiscal year 2021 to ensure comparability. The reclassifications for the previous year are as follows:

EUR million	Q2 2021 after reclassification	Q2 2021 before reclassification	1st Half 2021 after reclassification	1st Half 2021 before reclassification
Cost of sales	-1,002	-1,005	-1.867	-1,873
Gross profit	**237**	**234**	**654**	**647**
Research and development expenses	-193	-179	-360	-334
Selling, general and administrative expenses	-187	-199	-372	-395
Other operating income	32	25	41	43
Other operating expense	-6	3	-7	-7

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 has a significant portion of the precious metal used in production that is recycled and could be used to return the obligation in kind. 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 valuation 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, except for the market price and currency risks described above, there is no discrepancy between the valuations.

In addition, a change was made to the reporting of the fee for precious metal borrowing. Starting with the current fiscal year, this fee has been reported within the financial result in accordance with its economic substance. These changes do not have any material impact on the presentation on ams OSRAM's net assets, financial position and result of operations.

New standards or amendments effective from January 1, 2022 have no material effect on the group's consolidated financial statements.

As of the reporting date June 30, 2022 indicators were examined whether assets need to be impaired. Market interest rates increased during the reporting period and the market capitalization was below book value of net assets in the recent past and as of June 30, 2022. The analysis, considering the current business development of the Group and other external sources, such as analyst estimates, did not yield any indication of impairment. Future developments and the effects on the Group will continue to be closely monitored.

Increased estimation uncertainties existed as of June 30, 2022, in particular due to the following risk factors:

- Uncertainties exist in particular regarding the assessment of global economic developments. The global economy continues to be negatively affected by further possible lockdowns in China, persistently high inflation in the US and Europe, persistent supply bottlenecks and the further course of the Ukraine war and its consequences.
- In addition, there are uncertainties regarding the continuous energy supply, especially with gas, mainly for the German and Austrian production sites. Should governments rationing occur due to a supply shortage, longer-term production losses or even shutdowns could result.
- Further COVID measures by the Chinese government in the form of lockdowns could have a negative impact on our production capabilities in China, especially at the Wuxi production site, as well as lead to distortions in supply chains at our customers.
- As a result of the geopolitical situation, we estimate the risk of cyber-attacks and associated damage up to disruptions in production to be higher.

A description of the main judgments to be made in applying accounting rules and the assumptions with a not insignificant risk that they could lead to changes in the value of assets and liabilities is included in the Annual Report 2021, Notes to the Consolidated Financial Statements in the Note 28. Contingencies.

3. Segment reporting

Segment information is presented on the basis of the internal reporting structure for the segments 'Semiconductors' and 'Lamps & Systems' and determined in accordance with the IFRS accounting policies. The segment "Semiconductors" focuses on semiconductor-based products and solutions (incl. LEDs) targeting the markets automotive, consumer, industrial and medical. The segment "Lamps

& Systems" comprises Automotive and Digital businesses, providing lamps and lighting systems focusing on the end markets automotive and industrial.

The geographic regions are structured by the three main regions in which sales occur: "EMEA" (Europe, Middle East and Africa), "Americas" and "Asia/Pacific". Revenues by geographical regions are based on the geographical billing location of customers.

The highest amount of revenue came from a customer in the Semiconductors segment and accounted for more than 10% of revenues (2021: more than 10%).

The segment indicator result from operations comprises gross profit, research and development expenses, administrative and selling expenses, other operating income and expenses, and the result from investments in associates.

Segment assets include only those assets that are directly attributable to the segment, such as segment-specific property, plant, and equipment, intangible assets, and right-of-use assets under leases.

EUR million	1st Half 2022/2021					
Business Segments	Semiconductors		Lamps & Systems		Total	
	2022	2021	2022	2021	2022	2021
Consolidated revenues	**1,587**	**1,622**	**842**	**899**	**2,429**	**2,521**
Research and development expenses [1)]	-271	-282	-42	-78	-313	-360
Depreciation, Amortization and Impairment	-247	-401	-51	-61	-298	-462
Result from operations	**102**	**-31**	**153**	**-21**	**256**	**-52**

[1)] Prior-year figures adjusted due to a change in the presentation of the consolidated income statement (see Note 2. Accounting policies)

EUR million	June 30, 2022/Dec 31, 2021					
Business Segments	Semiconductors		Lamps & Systems		Total	
	2022	2021	2022	2021	2022	2021
Segment assets	**4,965**	**4,960**	**911**	**896**	**5,876**	**5,856**
Reconciliation to consolidated financial statements						
Cash and cash equivalents					1,413	1,331
Inventories					985	938
Trade receivables					669	688
Deferred taxes					110	182
Financial assets					186	153
Assets held for sale					273	134
Investments in associates					33	34
Other unallocated assets					395	328
Total assets (continuing operations)					**9,941**	**9,644**

Revenues per geographical segments

EUR million	1st Half 2022/2021					
	Semiconductor		Lamps & Systems		Total	
	2022	2021	2022	2021	2022	2021
EMEA	425	392	328	296	753	689
Americas	144	125	285	377	429	502
Asia / Pacific	1,018	1,105	229	225	1,247	1,330
Total	**1,587**	**1,622**	**842**	**899**	**2,429**	**2,521**

Non-current assets by regions

EUR million	June 30, 2022	Dec 31, 2021
EMEA	2,705	2,767
Americas	857	862
Asia / Pacific	2,314	2,227
Total	**5,876**	**5,856**
thereof Austria	349	389
thereof Germany	1,925	1,929

4. Seasonality - economic cycles

Results may vary from quarter to quarter as revenues are derived from a number of end markets which may display different seasonal demand patterns over the course of a calendar year. The ams OSRAM Group also records substantial revenues in the automotive market area which can show cyclical developments. In addition, general economic cycles may have an additional impact on demand for the company's products across end markets. The ams OSRAM Group also derives a significant portion of its revenues from the consumer electronics market, which has in the past displayed significant cyclical and seasonal influences due to factors such as consumer acceptance of technologies, changes in buying behavior and seasonal demand before major holidays such as Christmas.

5. Financial Instruments

in EUR million		June 30, 2022		December 31, 2021	
	Category according to IFRS 9 [1]	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	FAaC	1,413	1,413	1,331	1,331
Trade receivables	FAaC	502	502	488	488
Trade receivables that are to be held/sold under a factoring agreement	FVOCI	159	159	183	183
Trade receivables that are to be sold under a factoring agreement	FVTPL	8	8	17	17
Other receivables and assets [2]					
Derivatives not designated in a hedge accounting relationship	FVTPL	29	29	6	6
Derivatives in connection with cash flow hedges	n.a.	-	-	0	0
Other financial assets	FAaC	41	41	41	41
Other non-current assets					
Option for early repayment of bonds	FVTPL	15	15	25	25
Other	FAaC	14	14	16	16
Financial investments					
Equity instruments	FVOCI	132	132	132	132
Equity instruments	FVTPL	5	5	5	5
Shares in investment funds	FVTPL	20	20	9	9
Assets held for sale	FAaC	74	74	19	19
Financial liabilities					
Interest-bearing loans	FLaC	3,141	3,156	3,126	3,530
Trade payables	FLaC	683	683	710	710
Other current liabilities [2] [3]					
Derivatives not designated in a hedge accounting relationship	FVTPL	6	6	2	2
Derivatives in connection with cash flow hedges	n.a.	24	24	12	12
Contingent purchase price liabilities due to business combinations	FVTPL	0	0	2	2
Obligation to acquire the non-controlling interests in OSRAM Licht AG	n.a.	861	861	862	862
Other financial liabilities	FLaC	197	197	244	244
Other non-current liabilities [2] [3]					
Derivatives not designated in a hedge accounting relationship	FVTPL	-	-	0	0
Contingent purchase price liabilities due to business combinations	FVTPL	-	-	0	0
Other financial liabilities	FLaC	315	315	320	320
Liabilities associated with assets held for sale	FLaC	44	44	18	18

[1] FAaC - Financial assets measured at amortized cost
FVOCI - Financial assets measured at fair value through other comprehensive income without recycling to profit or loss
FVPL - Financial assets or financial liabilities measured at fair value through profit or loss
FLaC - Financial liabilities measured at amortized cost
[2] Derivatives are forward exchange contracts.
[3] As of June 30, 2022, the balance sheet items Other liabilities and Other non-current liabilities include lease liabilities totaling EUR 260 million (previous year EUR 270 million), which are accounted for in accordance with IFRS 16.

The fair value of current financial assets and current financial liabilities essentially corresponds to their carrying amount due to their short maturities.

The following table shows, for the financial assets and liabilities measured at fair value, the level of fair value measurement hierarchy applicable to their fair value measurement. The levels have the following meaning:

- 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).

June 30, 2022 EUR million	Level 1	Level 2	Level 3	Total
Current financial assets	0	196	0	196
Non-current financial assets	0	143	29	172
Current financial liabilities	0	29	0	29
Non-current financial liabilities	0	0	0	0

December 31, 2021 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

Material long-term financial assets relate to the investment in LeddarTech Inc. (EUR 123 million), in Recogni, Inc. (EUR 7 million) and HLJ Technologies (EUR 5 million). The change in fair value of shares in investment funds of EUR 10 million is recognized in the net financial result. The change in other current financial liabilities from EUR 244 million to EUR 197 million resulted mainly from the payment of guaranteed dividends to shareholders of OSRAM Licht AG amounting to EUR 53 million.

Other non-current financial liabilities contain the obligation from dividends guaranteed to shareholders of OSRAM Licht AG of EUR 201 million and lease liabilities of EUR 114 million.

6. Property, plant & equipment

As of June 30, 2022, commitments to acquire fixed assets amounted to EUR 716 million (June 30, 2021: EUR 80 million), which will partly be cash-effective in the current and future fiscal years. These commitments are mainly due to the planned expansion investments in an 8-inch front-end production site for LED and microLED in Malaysia.

Investments in intangible assets and property, plant and equipment amounted to EUR 210 million in the first half of fiscal year 2022 (June 30, 2021: EUR 124 million) and mainly relate to technical

equipment and machinery as well as down payments for expansion investments in the production site in Malaysia.

7. Acquisitions, Disposals of Business Activities, and Assets and Liabilities Classified as Held for Sale

Acquisitions

On April 1, 2022, ams OSRAM obtained control in accordance with IFRS 10 over 7Sensing Software BV, Belgium (7Sensing) by acquiring additional 70% equity interest in the company. Prior to this acquisition, ams OSRAM held 30% equity interest in 7Sensing and accounted for the company as an investment in an associate by applying the equity method. Thus, ams OSRAM 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 Sensing Portfolio by providing software for diverse and consumer applications meeting current market demands.

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

EUR million	April 1, 2022
Trade receivables	1
Assets held for sale	2
Intangible assets	12
Technology	6
Goodwill	6
Interest-bearing loans and borrowings	3
Deferred tax liabilities	2
Total consideration transferred for 100% of equity	10
thereof cash and cash equivalents for 70% of the shares	7
thereof measurement of existing shares at fair value	3

Trade receivables are mainly from ams OSRAM Group. Fair value of trade receivables equals their gross carrying amount.

Assets held for sale contain tangible non-current assets related to 7Sensing's audio business which will be disposed of during 2022.

Prior to the acquisition, ams OSRAM provided a loan to 7Sensing amounting to EUR 3 million which was effectively settled on acquisition of controlling interests without any gain or loss recognized.

The purchase consideration 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 amounting to EUR 3 million. The gain on remeasurement of the previously held interest was recognized as other operating income.

The resulting goodwill (which is not deductible for tax purposes) amounting to EUR 6 million mainly reflects the know-how of 7Sensing's employees.

The costs related to the acquisition were insignificant and were recognized under selling, general and administrative expense.

Given that 7Sensing mainly provided engineering and development services to other ams OSRAM Group companies, the contribution towards consolidated revenues and net result is insignificant.

Disposal of Business Activities

Fluence Bioengineering Inc.

On May 2, 2022, ams OSRAM sold its horticulture lighting systems business to Signify N.V., Netherlands, in order to continue the strategic realignment. Prior to the sale, this business was reported in the segment "Lamps & Systems". As part of the transaction, 100% of the equity in Fluence Bioengineering Inc. and, to a lesser extent, other assets will be transferred to Signify N.V. In total, the pre-tax gain on disposal amounted to EUR 151 million and was recognized in other operating income.

EUR million	May 2, 2022
Cash and cash equivalents	3
Trade receivables and other current assets	55
Non-current assets	75
Assets	**133**
Current liabilities	29
Employee benefits	0
Long-term liabilities and provisions	2
Liabilities	**31**
Net assets	**102**

Assets and Liabilities Classified as Held for Sale

Automotive Lighting Systems (AMLS)

On March 25, 2022, ams OSRAM and Plastic Omnium GmbH, Munich signed a purchase agreement for the AMLS business (Automotive Lighting Systems), which was allocated to the segment “Lamps & Systems”. Following the signing of the purchase agreement, the asset and liabilities of the AMLS business were classified as a disposal group held for sale in accordance with IFRS 5. The transaction was completed on July 1, 2022, for a price approximately equal to the book value of transferred net assets (subject to adjustments for net working capital and similar items).

As of June 30, 2022, the assets, and liabilities to be transferred to Plastic Omnium are reported as follows:

EUR million	June 30, 2022
Cash and cash equivalents	33
Trade receivables and other current assets	86
Non-current assets	27
Assets	**146**
Current liabilities	34
Employee benefits	0
Long-term liabilities and provisions	2
Liabilities	**36**
Net assets	**110**

Traxon Technologies

On April 29, 2022, ams OSRAM signed an agreement to sell the Traxon Technologies business (part of the Lamps & Systems reporting segment), including the benchmark dynamic lighting controls e:cue, to Prosperity Lamps & Components Ltd., a privately-owned lighting company headquartered in Hong Kong. The transaction is a further step in the implementation of ams OSRAM's strategy to focus on core technology areas in illumination, visualization and sensing and to divest businesses that are not core to the company's strategy.

The transaction includes the disposal of Traxon companies in Hong Kong and USA as well as disposal of Traxon-business related assets in other countries. Closing of the transaction is expected by the end of the fiscal year 2022 for a price in the lower double-digit EUR million range.

On classification as held for sale, an impairment test was made resulting in an impairment loss of EUR 7 million on intangible assets which was included in other operating expense. Assets and liabilities of the Traxon business after impairment are presented below:

EUR million	June 30, 2022
Cash and cash equivalents	1
Trade receivables and other current assets	11
Non-current assets	16
Assets	**28**
Short-term interest-bearing loans and borrowings	0
Current liabilities	13
Employee benefits	1
Long-term liabilities and provisions	1
Liabilities	**15**
Net assets	**12**

Digital Systems (DS) Europe and Asia

On June 14, 2022 ams OSRAM signed an agreement on the sale of ams OSRAM's Digital Systems (DS) business conducted in the European and Asian countries to Inventronics (Hangzhou) Inc., a global supplier of LED drivers with headquarters in Hangzhou, China. Business line DS is part of

Lamps & Systems reporting segment and this transaction represents a further milestone in the implementation of ams OSRAM's strategy to focus on core technology areas and to divest businesses that are not core to the company's strategy.

The deal is structured as a share and asset deal whereby the DS business in Germany, Italy and China will be carved out in respective separate companies while in other locations DS-specific assets and liabilities will be transferred to the buyer. The purchase price on cash and debt-free basis and following customary adjustments for net working capital balances is in upper-double-digit EUR range. The closing of the transaction is expected in the first half of 2023, dependent on completion of carve-out procedures.

Assets and liabilities of the DS business, which are part of this transaction, are presented below:

EUR million	June 30, 2022
Cash and cash equivalents	3
Trade receivables and other current assets	67
Non-current assets	28
Assets	**98**
Short-term interest-bearing loans and borrowings	0
Current liabilities	21
Employee benefits	2
Long-term liabilities and provisions	3
Liabilities	**26**
Net assets	**72**

8. Treasury shares

The group acquired no treasury shares during the reporting period. 33,345 treasury shares have been sold to fulfill obligations from employee stock option plans.

9. Dividends

ams-OSRAM AG has not distributed any dividend during the reporting periods 2022 and 2021.

10. Number of employees

The average number of employees was 24,108 during the first half of 2022, compared to 26,240 during the first half of 2021.

11. Related parties

The following changes occurred in the reporting period. Two persons were elected to the supervisory board of the company as capital representatives with effect from the end of the annual general meeting on June 24, 2022:

- Wolfgang Leitner
- Andreas Gerstenmayer

In this context, the following two persons left the supervisory board of the company:

- Hans Jörg Kaltenbrunner
- Michael Grimm

There were no changes in related parties in the reporting period.

12. Subsequent events

The sale of the AMLS business to Plastic Omnium was closed on July 1, 2022. For further details please refer to the Note 7. Acquisitions, Disposals of Business Activities, and Assets and Liabilities Classified as Held for Sale.

Supplemental financial information

Reconciliation from adjusted figures to reported figures according to IFRS

EUR million	Q2 2022	1st Half 2022	Q2 2021*	1st Half 2021*
Gross profit – adjusted	**374**	**786**	**414**	**863**
Acquisition-related expense [1)]	-21	-40	-20	-40
Share-based compensation	0	-1	0	-1
Transformation costs	-4	-11	-6	-17
Asset restructuring	-	-	-151	-151
Gross profit – IFRS reported	**348**	**733**	**237**	**654**
Gross margin in % – adjusted	32%	32%	33%	34%
Gross margin in % – IFRS reported	30%	30%	19%	26%
Operating expenses – adjusted	**-270**	**-556**	**-305**	**-612**
Acquisition-related expense [1)]	-27	-42	-27	-47
Share-based compensation	-13	-23	-11	-22
Result from the sale of businesses	180	155	20	20
Transformation costs	-2	-10	-30	-38
Result from investments in associates	-1	-1	-3	-7
Operating expenses – reported	**-132**	**-478**	**-357**	**-706**
Result from operations – adjusted	**104**	**230**	**109**	**251**
Acquisition-related expense [1)]	-48	-82	-47	-88
Share-based compensation	-13	-25	-11	-23
Transformation costs	-6	-21	-36	-54
Result from the sale of businesses	180	155	20	20
Asset restructuring	0	0	-151	-151
Result from investments in associates	-1	-1	-3	-7
Result from operations – IFRS reported	**216**	**256**	**-119**	**-52**
Operating margin in % – adjusted	9%	10%	9%	10%
Operating margin in % – reported	18%	11%	-10%	-2%
Result from operations – adjusted	**104**	**230**	**109**	**251**
Amortization, depreciation and impairment (excluding acquisition-related expense) [1)]	114	224	109	232
EBITDA – adjusted	**217**	**453**	**218**	**483**
Result from operations – adjusted	**104**	**230**	**109**	**251**
Net financing result	-50	-100	-33	-90
Income tax result	-108	-82	-8	-17
Net result adjusted (continuing operations)	**-54**	**48**	**68**	**144**
Result from discontinued operations	0	0	2	0
Net result - adjusted	**-54**	**48**	**70**	**144**
Basic adjusted earnings per share (in EUR)	**-0.21**	**0.18**	**0.26**	**0.58**

* 2021 financials reflect reclassification within functional cost categories

[1)] Acquisition-related expense include amortization, depreciation and impairment of purchase price allocated assets, integration, carve-out and acquisition related costs

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This report is also available in German. All figures are unaudited.