Report by the Management Board on Item 7 on the Agenda

The Management Board has prepared a written report on item 7 on the agenda in accordance with Section 221 (4)(2) and Section 186 (4)(2) of the German Stock Corporation Law (AktG). The tenor of this report is communicated as follows:

The authorization for the issuance of convertible and/or optional bonds puts the Company in a position to procure capital, also through the issuance of bonds which come with option or conversion rights to Company shares. At the same time, it should also be possible to issue convertible bonds which come with a conversion obligation.

The Company is expected to be granted the highest possible degree of flexibility in financing through the possibility of issuing convertible or optional bonds. In times when conventional types of financing, for example through bank loans, are difficult to access, authorization to issue convertible and/or optional bonds represents an alternative instrument. This instrument is to be used exclusively for financing the operating business activities and/or activities in the area of research and development of new products. In order to make optimum use of this leeway in the interest of the Company, the Management Board is expected to have the authorization to exclude the subscription right of shareholders to convertible or optional bonds in certain cases with the approval of the Supervisory Board. The proposed authorizations on the subscription right exclusion are in the interest of the Company; they are necessary, fitting, and appropriate.

The Management Board is initially authorized, with the approval of the Supervisory Board, to exclude any fractional amounts arising from the subscription right of shareholders as a result of the subscription ratio. The possibility of excluding the subscription right for fractional amounts allows for the issuance of convertible or optional bonds while maintaining a viable subscription ratio, thereby making it easier to carry out the subscription right of the shareholders.

The authorization also allows for the subscription right to be excluded insofar as is necessary to grant the bearers of options and conversion rights or of bonds equipped

with conversion obligations a subscription right to shares of SÜSS MicroTec AG in the extent to which they would be entitled after exercising the options or conversion rights or meeting the conversion obligations. This additional authorization of the Management Board, with the approval of the Supervisory Board to exclude the subscription right for granting dilution protection to the bearers or creditors of the convertible or optional bonds then issued by the Company, is based on the following considerations: The bearers or creditors of the convertible or optional bonds to be issued by the Company or a holding company are usually granted a dilution protection if the following occur: The Company increases its nominal capital during the conversion or option term while granting a subscription right to its shareholders, or it increases the nominal capital from the its own resources, or it issues additional convertible or optional bonds or grants other options, etc. In capital market practice, the dilution protection is either granted by adjusting the convertible or optional bond conditions (compensation payment in cash, reduction of a possible additional payment amount, or adjustment of the exchange ratio) or by granting a subscription right to the new convertible or optional bonds. The Management Board, with the approval of the Supervisory Board, decides which of the two possibilities is appropriate, and does so a timely manner prior to utilizing the authorization to issue additional convertible or optional bonds. In order to avoid being limited to the first alternative from the outset (compensation payment in cash, reduction of a possible additional payment amount, or adjustment of the exchange ratio), the Management Board is expected to be authorized to exclude the subscription right of shareholders to the new convertible or optional bonds with the approval of the Supervisory Board insofar as is necessary to grant bearers of already-issued convertible or optional bonds a subscription right in the extent to which they would have been entitled had they made use of their conversion right or option prior to being issued new convertible or optional bonds. The new convertible or optional bonds to be issued excluding the subscription right to bearers of convertible or optional bonds are given to these individuals at the same conditions offered to the shareholders of the Company.

Furthermore, the subscription right can be excluded by the Management Board with the approval of the Supervisory Board provided that the respective convertible or optional bonds are issued at a price that does not significantly undercut their theoretical fair value. Excluding the subscription right in this way gives the Company the opportunity to also seize on favorable market situations in the short term and to issue the convertible or optional bonds in the framework of a private placement or a public tender. The interests of shareholders are protected through the modalities of this subscription right exclusion. The volume of the shares to be based on the convertible or optional bonds issued under exclusion of the subscription right through the exercise of the conversion right or option is limited to 10% of the Company’s current nominal capital, i.e. subscription or conversion rights to 1,701,912 shares. This overall figure allows for those treasury shares as well as those shares from approved capital that are sold or

issued during the period of this authorization under exclusion of the subscription right in accordance with Section 186 (3)(4) of the German Stock Corporation Law (AktG). This protects shareholders from a dilution of their participation quota. Shareholders are protected from an economic dilution of their investment in that the convertible or optional bonds must be issued at a price that does not significantly undercut their theoretical fair value. In order to comply with this requirement, the Management Board will carefully determine the fair value of convertible or optional bonds and potentially with the intervention of an investment bank. Given the determination of the issue price not significantly below the notional fair value as set out in the authorization, the value of the (excluded) subscription right tends towards zero, meaning there is no economic disadvantage to shareholders from a subscription right exclusion, the more so as they are able to sustain their quotable investment through the purchase of shares on the stock market.

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Frank Averdung Michael Knopp Christian Schubert