

REPORT OF THE SUPERVISORY BOARD

With the following report, the Supervisory Board would like to inform you about its activities in the 2017 fiscal year.



Dr. Stefan Reineck, *Chairman of the Supervisory Board*

Dear Shareholders,
Dear Readers,

The Supervisory Board fulfilled its responsibilities as set forth by law, the articles of incorporation, and Company bylaws in 2017 and advised the Management Board on directing the Company and monitored its activities. The Supervisory Board was involved in all decisions that were of vital importance to the Company. The Management Board coordinated the Company's strategic orientation with the Supervisory Board and provided it with regular, prompt, and comprehensive information – both in written and verbal form – about corporate planning, business progress, and the Group's current position. When business development deviated from plans, deviations were explained in detail and reviewed by the Supervisory Board based on available documents and information. The Supervisory Board discussed significant business events extensively with the Management Board and gave its consent to the transactions requiring its approval. During the 2017 fiscal year, the Supervisory Board held a total of seven ordinary meetings.

As in previous years, in addition to participating in Supervisory Board meetings, the Chairman of the Supervisory Board maintained close contact with the Management Board and remained apprised of the business situation and significant events. In this communication, special focus was again placed on the development of the UV projection scanner product line of SUSS MicroTec Photonic Systems. In addition, the Deputy Chairman of the Supervisory Board interacted regularly with the Management Board and the auditors, BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, regarding accounting topics and the auditing of the annual financial statements.

MEETINGS AND MAIN TOPICS OF DISCUSSION

The Supervisory Board conducted regular discussions on the development of business, financial position, and strategic orientation at SUSS MicroTec SE, its subsidiaries, and the Group. The Management Board provided the Supervisory Board with comprehensive information about corporate planning, strategic direction, and the development of order entry, sales, liquidity, and earnings. In addition, the Supervisory Board reviewed the monitoring of the financial reporting process as well as the effectiveness of the internal control system, the risk management system, and the independence of the auditor. The main topics of the Supervisory Board meetings are discussed below.

The first ordinary Supervisory Board meeting for the 2017 fiscal year was held on February 9, 2017. At that meeting, the Supervisory Board held discussions about the Management Board's report on the fourth quarter of 2016, the preliminary figures for the 2016 fiscal year, and the agenda for the Shareholders' Meeting. The Supervisory Board discussed plans for the 2017 fiscal year as well as multi-year planning for 2017-2019. It further outlined the objectives and the bonus plan for the Management Board for the 2017 fiscal year. At this meeting, the Supervisory Board also discussed the targets and criteria for the composition of the Supervisory Board and addressed the topic of the planned transformation of SUSS MicroTec AG into SUSS MicroTec SE (Societas Europaea). In addition, the Supervisory Board conducted and documented an examination of the efficiency of its activities in accordance with Section 5.6 of the German Corporate Governance Code. Finally, the Supervisory Board approved planned investments in SUSS Micro-Optics in Switzerland.

Representatives of the auditor, BDO AG Wirtschaftsprüfungsgesellschaft, participated in the second meeting on March 29, 2017. They reported the key results of the audit of the separate and consolidated financial statements for the 2016 fiscal year to the Supervisory Board. The auditor explained the main findings of the audit of the separate and the consolidated financial statements to the Supervisory Board. The Supervisory Board acknowledged the Management Board's report for the 2016 fiscal year and on the current business situation in the first quarter of 2017. Following an in-depth examination, the Supervisory Board approved the separate and consolidated financial statements of SUSS MicroTec prepared for the 2016 fiscal year by the Management Board. In addition, the Supervisory Board approved the agenda with the proposals for the Shareholders' Meeting on May 31, 2017. Finally, the Supervisory Board addressed the Management Board bonus for 2016 and discussed targets for the Management Board for the 2017 fiscal year. Another focus of the Supervisory Board meeting was the

establishment of key performance indicators (KPIs) and metrics for the management of the operational business (Operations).

The third ordinary Supervisory Board Meeting was held on May 3, 2017. The Supervisory Board dealt with the current business situation in the first quarter of the 2017 fiscal year and the outlook for the entire 2017 fiscal year. It also discussed in depth the intercompany loans made to SUSS MicroTec Photonic Systems and the risks associated with these. The Supervisory Board subsequently approved a partial loan waiver of SUSS MicroTec AG to SUSS MicroTec Photonic Systems Inc. Additional topics of the meeting were strategic orientation as well as the status and development of SUSS MicroTec Photonic Systems Inc.

In the meeting on May 31, 2017, immediately before the ordinary Shareholders' Meeting, the Management Board informed the Supervisory Board about the current business situation. In addition, the Supervisory Board discussed the status and development of the SUSS MicroTec Photonic Systems Inc. UV scanner and laser stepper product lines. In the second part of the Supervisory Board meeting, following the Shareholders' Meeting, the Supervisory Board of SUSS MicroTec AG and SUSS MicroTec SE was constituted. In addition, the members of the Management Board of SUSS MicroTec SE were reappointed.

The fifth ordinary Supervisory Board Meeting in the 2017 fiscal year was held on August 9, 2017. The meeting covered, among other topics, the current business figures of the second quarter of 2017 and the outlook for the entire 2017 fiscal year. At this meeting, the Supervisory Board discussed the status of SUSS MicroTec Photonic Systems Inc. again, with a focus on the status and potential of the DSC300Gen3 UV projection scanner. Within the framework of the Supervisory Board Meeting, the Management Board presented the SUSS Academy project and the results of a current competitive analysis. The Supervisory Board was informed about the status of the transformation into a Societas Europaea.

On October 12, 2017, Mr. Robert Leurs was appointed to the Management Board of SUSS MicroTec SE.

On November 8, 2017, the sixth ordinary Supervisory Board meeting of the 2017 fiscal year was held. In this meeting, the Management Board reported on the current business situation in the third quarter as well as the outlook for the full year of 2017. The Supervisory Board also addressed the updating of the annual declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Law (AktG) as well as the preparation, review, and publication of the non-financial declaration in accordance with Section 315b of the German Commercial Code (HGB). In addition, the topic of Industry 4.0 was intensively discussed and the allocation of Management Board mandates starting on December 1, 2017, was determined. The Management Board also presented the SUSS Excellence Program at this meeting.

The last ordinary meeting of the 2017 fiscal year, which was held on December 08, 2017, focused on the current business situation and planning for the 2018 fiscal year. Furthermore, the Supervisory Board dealt extensively with corporate governance, particularly with finalizing the updated declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Law (AktG), the topic of compliance, and the fraud catalog of BDO AG Wirtschaftsprüfungsgesellschaft. The Supervisory Board addressed the Company's risk management and other Management Board issues. Also discussed were a change to the time accounts of SUSS MicroTec employees as well as the current situation of SUSS MicroTec Photonic Systems Inc.

When necessary, the Supervisory Board prepared its decisions in writing.

All Supervisory Board members participated in all meetings and decisions.

Supervisory Board member	Meeting participation	Personally present	Attendance
Dr. Stefan Reineck	7/7	7	100%
Jan Teichert	7/7	7	100%
Gerhard Pegam	7/7	7	100%
Dr. Myriam Jahn	4/4	4	100%

COMMITTEES

The Supervisory Board did not form any committees in the 2017 fiscal year due to its size of four members.

CORPORATE GOVERNANCE

The Supervisory Board also concerned itself during the 2017 fiscal year with the content and implementation of the German Corporate Governance Code. Information on the Company's corporate governance as well as an extensive report on the amount and pattern of remuneration for the Management and Supervisory Boards are provided in the Remuneration Report section of the condensed Management Report on pages 83 et seq. In January 2017, the Management and Supervisory Boards approved the annual declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Law (AktG) and made this declaration permanently available to shareholders on the Company's website.

In its meeting on February 9, 2017, the Supervisory Board conducted and documented an examination of the efficiency of its activities in accordance with Section 5.6 of the German Corporate Governance Code. No deficiencies were identified during this review. The examination of the efficiency of the Supervisory Board's activities is conducted at regular intervals by all members of the Supervisory Board exclusively in full council on the basis of Company-specific questions and checklists.

Conflicts of interest of members of the Management and Supervisory Boards, which would have to be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting, did not occur in the 2017 fiscal year.

AUDIT OF THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, audited the separate annual financial statements and management report of SUSS MicroTec SE as of December 31, 2017, prepared in accordance with the German Commercial Code (HGB), as well as the consolidated annual financial statements and Group management report as of December 31, 2017, and issued an unqualified audit opinion for both. The consolidated financial statements and Group management report were prepared in accordance with Section 315a HGB based on International Financial Reporting Standards, as they are to be applied in the EU. The auditor conducted the audit in accordance with the generally accepted German accounting principles promulgated by the Institute of Public Auditors in Germany (IDW).

The audit reports of BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, were presented to all members of the Supervisory Board and were extensively addressed at the financial statements meeting of the Supervisory Board on March 26, 2018, in the presence of the auditor. The auditor reported on the primary results of the audit and stated that there were no substantive weaknesses in the internal control and risk management systems. In particular, the auditor provided explanations on the net assets, financial position, and results of operations of the Company and the Group and was available to the Supervisory Board in order to provide additional information. The auditor also elaborated on the scope, key findings, and costs of the audit. The focus of this year's annual and consolidated financial statements audit formed the internal accounting-related control and IT system and, among other things, the assessment and recoverability of inventories and trade receivables, revenue recognition and the assessment of potential risks of plan deviations and margin losses in individual product segments. As particularly important test fields (Key Audit Matters), impairment tests were carried out on goodwill (consolidated financial statements) or financial assets (financial statements) as well as the accounting of a license income from a technology transfer. The completeness and correctness of the notes and of the management reporting, as well as the valuation and completeness of the provisions belonged to this year's main audit topics.

During the financial statements meeting on March 26, 2018, the Supervisory Board audited the annual financial statements of the Company and the Group as well as the condensed management report of SUSS MicroTec SE contained in the Group management report for the 2017 fiscal year. The Supervisory Board had no objections. The Supervisory Board noted the reports of the auditor after conducting a detailed examination with approval.

The separate annual financial statements prepared by the Management Board were approved by the Supervisory Board and, thus, adopted. The Supervisory Board also approved the consolidated annual financial statements. The Supervisory Board approved the combined management report of the SE and the Group and, in particular, the assessment regarding the further development of the Company.

COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BOARDS

There were two changes in the management board in the 2017 financial year. On October 12, 2017, the Supervisory Board appointed Robert Leurs effective December 1, 2017, for the duration of three years to the executive board of SUSS MicroTec SE. Mr. Leurs replaces Mr. Michael Knopp as Chief Financial Officer, who resigned after around ten years in the company as of April 30, 2017. In addition, the Executive Board consisted of the Chief Executive Officer Dr. Ing. Franz Richter and the Chief Operating Officer, Walter Braun.

Changes were also made to the Supervisory Board in the 2017 fiscal year. At the 2017 Shareholders' Meeting, the shareholders reelected the existing three Supervisory Board members Dr. Stefan Reineck, Jan Teichert, and Gerhard Pegam for a period of four years to the Supervisory Board of SUSS MicroTec SE. In addition, the body was expanded to four members with the addition of Dr. Myriam Jahn.

THANKS

The Supervisory Board would like to express its tremendous gratitude and appreciation to all employees and the Management Board of the Company for their outstanding work in the past fiscal year.

Garching, Germany, March 27, 2018

Dr. Stefan Reineck, Chairman of the Supervisory Board