

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board carried out its duties with due diligence pursuant to the statutory requirements, articles of incorporation, and Company bylaws in the 2020 fiscal year. The Supervisory Board monitored the work of the Management Board diligently and regularly. On the following pages, the Supervisory Board reports on its activities in the 2020 fiscal year.



Dr. David Dean, *Chairman of the Supervisory Board*

Dear Readers,
Dear Shareholders,

The COVID-19 pandemic affected the world like no other event in 2020. The virus touched every country, continent, and segment of the population. All employees of SUSS MicroTec – whether at our production sites, in development, in cooperation with customers, or in management – clearly felt how their working methods had to be adapted to the new conditions. The Supervisory Board would therefore like to thank the Management Board and all employees for their flexibility, commitment, and tireless efforts on behalf of the Company, as well as for understanding for the protective measures and restrictions that have been necessary. Together, they have succeeded in achieving an exceptionally good fiscal year with a significant increase in sales and earnings.

The work of the Supervisory Board of SUSS MicroTec and its committees, which we report on in detail here, has also adapted to the new conditions.

The Management Board and Supervisory Board work in close collaboration – and during the past year often virtually – to keep developing the Company successfully. The discussions between the Supervisory Board and Management Board were always constructive, fruitful, and based on trust. 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 – in written and verbal form – about corporate planning, business progress, and the current position of the Group and the Company. 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 2020 fiscal year, the Supervisory Board held a total of seven ordinary meetings and five extraordinary meetings with the Management Board.

The Supervisory Board formed a Personnel Committee (Nomination Committee and Remuneration Committee) and an Audit Committee in the 2020 fiscal year. SUSS MicroTec reports on the appointment of the committees in the declaration on corporate governance, which is available to the public on the Company's website.

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 addition, the Supervisory Board's financial experts, Jan Teichert (until April 30, 2020) and Dr. Dietmar Meister (from May 20, 2020, as Chairman of the Audit Committee) worked in regular close consultation with the Management Board as well as with the annual report auditors, BDO AG Wirtschaftsgesellschaft based in Hamburg, branch office in Munich, on issues such as financial reporting, the annual audit, the internal control system, and the risk and compliance management system.

MEETINGS AND MAIN TOPICS OF DISCUSSION

The Supervisory Board conducted regular discussions on the development of business, financial position, and strategic orientation of SUSS MicroTec, 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 and management system, and the independence of the auditor.

The main topics of the individual Supervisory Board meetings will be discussed below. Due to the protective measures for COVID-19, some meetings of the Supervisory Board were held either via a video call or conference call in the 2020 fiscal year.

The 2020 fiscal year started with an extraordinary session of the Supervisory Board at the Company's headquarters in Garching on January 29, 2020. The Supervisory Board first discussed the current business situation as well as the preliminary result of the 2019 Annual Report. The main topic of the discussion was the production of UV projection scanners at the US production site in Corona, California. The development of the production area so far as well as the consequences and alternatives of continuing or shutting down the site were discussed. In addition, the possible impact on other locations of SUSS MicroTec, particularly Taiwan, were discussed. After intensive discussions

and consideration of the possible alternatives, the Supervisory Board agreed to discontinue the laser tool and scanner product lines and to close the production site in Corona, California.

The first ordinary Supervisory Board meeting for the 2020 fiscal year was held at the Sternenfels production site on February 14, 2020. During the meeting, the Supervisory Board focused on the planning to be refined for the 2020 fiscal year and the long-term objectives as well as the incentive plan for the Management Board for the 2020 fiscal year. Making a decision on the remuneration of the Management Board was pushed back until the approval of the planning for 2020. The meeting then discussed and approved the amendments to the Company bylaws for the Management Board and Supervisory Board proposed by the Supervisory Board. The Supervisory Board also dealt with the further development of responsibilities within the Management Board and also with the Company's organizational structure at the level below the Management Board. In this context, it also discussed future appointments to top positions within the Group. The agenda for the Shareholders' Meeting and the schedule for 2021 were laid out. The Supervisory Board additionally approved setting up a credit line as part of the syndicated loan. The Supervisory Board addressed the further development of corporate governance as well as the compliance management system in the Group. The Management Board also informed the Supervisory Board about the current status of processes relating to data privacy and IT security. Finally, as part of a self-assessment, the Supervisory Board conducted an efficiency review in accordance with Section 5.6 of the German Corporate Governance Code in order to examine the efficiency of the Supervisory Board's work. The assessment was based on a questionnaire developed by the Hans Böckler Foundation.

The second extraordinary meeting of the Supervisory Board was held as a conference call on February 27, 2020. At this meeting, planning for 2020 was discussed and agreed upon with reference to the evolving risk situation related to the COVID-19 pandemic.

Representatives from the auditor, BDO AG Wirtschaftsprüfungsgesellschaft, participated in the second ordinary session on March 30, 2020, which was held as a conference call due to the COVID-19 pandemic. They reported the key results of the audit of the separate and consolidated financial statements for the 2019 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 Management Board reported about the 2019 fiscal year as well as the current development of business. Following an in-depth examination, the Supervisory Board approved the separate and consolidated financial statements of SUSS MicroTec SE prepared

for the 2019 fiscal year by the Management Board. The Supervisory Board also approved the Supervisory Board report about its activities in the 2019 fiscal year. Further topics of this Supervisory Board meeting included, in addition to general Management Board matters, ratifying a loan waiver on behalf of SUSS MicroTec Photonic Systems. The Management Board updated the Supervisory Board on the acquisition of PIXDRO, reported about the hedging concept, and introduced new IT solutions. In addition, the results of the efficiency review were discussed. In the context of the COVID-19 pandemic, the cost management of the Company in the 2020 fiscal year, additional possibilities for savings, as well as the current status and necessary measures were additionally discussed. The Supervisory Board approved the Nonfinancial Group Declaration and discussed open items in preparation for the agenda of the Shareholders' Meeting, which was held on May 20, 2020.

The third ordinary Supervisory Board Meeting was held on May 7, 2020, as a conference call. The Supervisory Board dealt with the current business situation, the Quarterly Report for the first quarter of the 2020 fiscal year, and the outlook for the entire 2020 fiscal year. Other topics included cost management, pandemic-related measures, particularly in the area of HR, and alternative courses of action in the event of various developments in the cash flow profile. In addition, the Management Board provided details on and discussed the status of different projects with the Supervisory Board. The 2020 incentive planning for the secondary management level as well as the target agreements for the Director of Operations were discussed during this meeting. The Shareholders' Meeting and the report of the Chairman of the Supervisory Board were further topics of the meeting.

The fourth ordinary meeting on May 20, 2020, was held immediately after the Shareholders' Meeting as a video conference. The Supervisory Board, newly constituted after the by-elections to the Supervisory Board, met for the first time without a chair. Following the elections of the Supervisory Board Chairman and Deputy Chairman as provided for in the articles of incorporation, the Chairs and members of the Personnel and Audit Committees were elected. In the subsequent joint meeting with the Management Board, the Chairman of the Supervisory Board reported on the resolved allocation of roles within the Supervisory Board. Further focuses of this meeting included the reports from the Management Board on IT matters as well as COVID-19 measures and the plans for enterprise risk management. Subsequently, the Supervisory Board discussed matters relating to the Management Board and the procedure for filling the vacant Supervisory Board position.

The third extraordinary Supervisory Board meeting followed the onboarding workshop for the new Supervisory Board members in Garching on July 3, 2020. The conclusions from the workshop relevant to strategy could thus be discussed directly afterwards. The topics of risk management, responsibility for the Operations area at Management Board level, and the liquidity situation and forecast of the Company were further focuses of the meeting.

The fifth ordinary Supervisory Board Meeting was held on August 3, 2020, at the Swiss production site and headquarters SUSS MicroOptics in Hauterive. The meeting covered, among other topics, the current business figures of the second quarter of 2020 and the outlook for the entire 2020 fiscal year. The Management Board presented a results analysis from 2017 to 2019 and provided an update on ongoing projects, IT investments and digitalization projects, the organization, and the Operations area. The audit assignment for the auditors was discussed during this meeting and the proposal of the Management Board to expand the scope of the audit with extensions was approved. The Supervisory Board approved executing an extension option of the maturity date of tranches of the syndicated loan agreement.

The fourth extraordinary Supervisory Board Meeting was held in Garching on October 7, 2020. During this meeting, the Chairman of the Supervisory Board and the Chairman of the Audit Committee reported on current topics. The Supervisory Board approved the scope of the 2020 audit and commissioned BDO AG Wirtschaftsprüfungsgesellschaft with the audit of the 2020 Annual Report. For the 2022 fiscal year, a new invitation to tender for the audit services will be issued due to the rotation obligation pursuant to Art. 17 (1) EU-VO. The Management Board reported on the current business situation in ongoing projects, including the integration of SUSS MicroTec Netherlands following its acquisition. In the framework of this Supervisory Board Meeting, the Legal Department of the Company briefed the new members of the Supervisory Board and refreshed the briefing of experienced Supervisory Board Members regarding insider-related topics according to the provisions of the EU Market Abuse Directive.

On November 9, 2020, the sixth ordinary Supervisory Board meeting of the 2020 fiscal year was held as a video conference. At this meeting, the Management Board reported on the business situation in the third quarter, the outlook for the entire 2020 fiscal year, and gave a status report on the ongoing planning for the 2021 fiscal year. The Chief Executive Officer and the Chairs of the Personnel and Audit Committees each reported on important topics. The Management Board reported on the current situation in ongoing projects, including a detailed presentation of the results of the compliance analysis. Finally, the Supervisory Board, without

the participation of the Management Board, reported the further procedure regarding the statutory revisions pursuant to the German Act on Implementing the Shareholders' Rights Directive (ARUG II), consulted on Management Board matters, and passed resolutions to amend the Company bylaws of the Supervisory Board and the Personnel Committee.

The seventh ordinary meeting, which was held on December 7, 2020, as a video conference, covered the current business situation as well as the report of the Chairman of the Supervisory Board and the reports from the committees, including the approval of a non-auditing service by the Supervisory Board. The regular topic of business planning for the following year was discussed in detail and an extraordinary Supervisory Board meeting was scheduled to approve the final plan. Furthermore, the Supervisory Board discussed the status of the ongoing projects as well as personnel and succession planning. Another key issue discussed and approved was the updated declaration of compliance with the German Corporate Governance Code. The Supervisory Board, without the Management Board, then discussed the status of preparations for the new statutory revisions pursuant to the German Act on Implementing the Shareholders' Rights Directive (ARUG II), the resulting effects on the Company bylaws of the Supervisory Board, and approved an amended version. Furthermore, Management Board matters were discussed.

The fifth and last extraordinary Supervisory Board Meeting in the 2020 fiscal year was held on December 18, 2020. The focus of this session, held as a video conference, was the corporate planning for the 2021 fiscal year. The Supervisory Board approved the statement of income planning submitted by the Management Board for the 2021 fiscal year.

ADDITIONAL MEETINGS OF THE SUPERVISORY BOARD

As part of a succession regulation for the CEO, the appointment of a COO, and the search for a fifth Supervisory Board member, the Personnel Committee (Nomination Committee and Remuneration Committee) and the Supervisory Board have held a large number of extraordinary meetings without the Management Board via video conference since June 2020. A meeting attendance compensation was requested only for the three meetings on October 9, 2020, November 13, 2020, and November 19, 2020.

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

All Supervisory Board members participated in all meetings and decisions during their term of office.

Supervisory Board Member	Meeting participation	Of which: Personally present	Of which: Participation by telephone	Of which: Video Conference	Attendance (during ongoing term of office)
Dr. Stefan Reineck (until May 20, 2020)	5	2	3		100%
Jan Teichert (until April 30, 2020)	4	2	2		100%
Gerhard Pegam (until March 25, 2020)	3	2	1		100%
Dr. Myriam Jahn	15	5	3	7	100%
Dr. Dietmar Meister	15	5	3	7	100%
Dr. David Dean (since May 20, 2020)	10	3		7	100%
Jan Smits (since May 20, 2020)	10	3		7	100%
Dr. Bernd Schulte (since Nov. 6, 2020)	5			5	100%

MEETINGS OF THE PERSONAL AND AUDIT COMMITTEES

The **Personnel Committee** (Nomination Committee and Remuneration Committee), as of December 31, 2020, consisting of Supervisory Board members Dr. David Dean (Chairman), Dr. Myriam Jahn, Dr. Dietmar Meister, Jan Smits, and Dr. Schulte (from November 6, 2020) met for a large number of meetings by video conference in 2020. The main focuses of the committee meetings included the succession regulation for the CEO, the search for a COO, and the search for a fifth Supervisory Board Member, in addition to the further development of the remuneration systems for the Management Board and the Supervisory Board. All members of the Personnel Committee attended all of the meetings.

In the **Audit Committee**, with its constitution on May 20, 2020, the Supervisory Board members Dr. Dietmar Meister (Chairman), Dr. David Dean, and Jan Smits were elected. The committee deals in particular with the monitoring of accounting, the financial reporting process, corporate governance & compliance, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial

statements. The Chairman of the Audit Committee has expertise in the fields of accounting and auditing (Section 107 (4), Section 100 (5) of the German Stock Corporation Act (AktG)) as well as special knowledge and experience in the application of internal control procedures.

In 2020, the **Audit Committee** met once in a face-to-face meeting and twice by video conference. All members of the Audit Committee attended all of the meetings. In preparation for the quarterly financial statements as of March 31, 2020, June 30, 2020, and September 30, 2020, the Chairman of the Audit Committee discussed the quarterly figures to be published in detail with the Management Board. In addition to the aforementioned tasks and the quarterly accounting issues, the Audit Committee dealt with the following special topics, among others:

- Company bylaws for the Audit Committee
- Management Letter 2019
- Financial reporting processes for material business processes and accounting manual
- Risk management processes and reports
- Effects of IFRS for financial reporting
- Recommendation on the scope of the engagement of the auditor for the 2020 fiscal year and on the focal points of the audit
- Further development of the internal reporting system for the Supervisory Board

TRAINING / ONBOARDING OF NEW MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board Members Dr. David Dean and Jan Smits, appointed in May 2020, were familiarized with the Company, together with the other Members of the Supervisory Board, as part of a two-day onboarding workshop on July 2 and 3, 2020. At the workshop, the business model, the Company strategy, products, markets, and technologies as well as the individual business divisions were introduced and discussed in detail. The Supervisory Board Members got to meet other senior executives below the Management Board. Factory tours were held at the German production sites in Garching and Sternenfels. A factory tour was given at the Swiss production site of SUSS MicroOptics in Hauterive for all members of the Supervisory Board on August 4.

CORPORATE GOVERNANCE

The Supervisory Board also concerned itself during the 2020 fiscal year with the content and particularly with the revisions of

the German Corporate Governance Code 2020, as well as their implementation. Information on corporate governance at the Company is published in the corporate governance declaration. An extensive report on the amount and pattern of remuneration for the Management and Supervisory Boards is provided in the Remuneration Report section of the condensed Management Report on pages 42 et seq. In December 2020, the Management and Supervisory Boards approved the updated 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.

At its meeting on February 14, 2020, the Supervisory Board conducted its efficiency review and its documentation in accordance with the German Corporate Governance Code (GCGC) as part of a self-assessment. No deficits within the meaning of the GCGC were identified. The examination of the efficiency of the Supervisory Board's activities is conducted at regular intervals by all members using Company-specific questions and checklists. The Company bylaws of the Supervisory Board (as of December 2020) require an efficiency review and verification of the efficacy of the committees at least once a year as a self-assessment.

The focus areas of the examination of efficiency are as follows:

- The processes within the Supervisory Board
- The quality of the discussion
- The focus of the Supervisory Board
- The necessity of creating additional committees

In the 2020 reporting year, there continued to be no consultancy agreements or other service or labor contracts between the members of the Supervisory Board and the Company. Conflicts of interest among Management and Supervisory Board members to be immediately disclosed to the Supervisory Board occurred in one case in the 2020 fiscal year. It was discussed with the Supervisory Board and an appropriate approach was agreed to avoid conflicts of interests.

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, 2020, 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, 2020, and issued an unqualified audit opinion for each. The consolidated financial statements were prepared in accordance with Section 315 e HGB based on International Financial Reporting Standards (IFRS). 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 April 6, 2021, 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 focal points of this year's audit of the separate and consolidated annual financial statements were mainly the internal control and IT system as well as, inter alia, an evaluation of the possible impairment of assets and trade receivables, revenue recognition, and the evaluation of possible risks from plan deviations and margin compression in individual product segments. Particularly significant audit areas (key audit matters) include the impairment testing of goodwill and a right-of-use asset, as well as income recognition in the case of multi-component transactions in accordance with IFRS 15. In the individual financial statements of SUSS MicroTec SE, the valuation of the shares in SUSS MicroTec Inc. and the loans granted to it were also examined.

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 with the Group management report for the 2020 fiscal year on April 6, 2021, during the financial statements meeting. The Supervisory Board had no objections. After conducting a detailed examination, the Supervisory Board noted the reports of the auditor 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 condensed management report of the SUSS MicroTec 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 changes in the composition of the Supervisory Board in the 2020 fiscal year. Dr. Stefan Reineck stepped down from his position as a member and the Chairman of the Supervisory Board of SUSS MicroTec SE, effective at the conclusion of the ordinary Shareholders' Meeting for the 2019 fiscal year, which was held on May 20, 2020.

In addition, Jan Teichert stepped down from his position as a member and deputy chairman of the Supervisory Board of SUSS MicroTec SE with one month's notice effective April 30, 2020, in accordance with the articles of incorporation. Gerhard Pegam stepped down from his position as a member of the Supervisory Board of SUSS MicroTec SE with one month's notice effective March 25, 2020, in accordance with the articles of incorporation.

Dr. David Dean and Jan Smits were newly elected to the Supervisory Board of SUSS MicroTec SE during the ordinary Shareholders' Meeting on May 20, 2020. Dr. Dean was also elected as the Chairman of the Supervisory Board and Dr. Myriam Jahn was elected as his deputy.

Upon the corresponding request by the Supervisory Board, with the resolution from November 6, 2020, Dr. Bernd Schulte was appointed to the Supervisory Board as its fifth member. With the appointment of Dr. Schulte, the Supervisory Board of the Company now consists of five members and is thus fully appointed in accordance with the articles of incorporation.

THANKS

The Supervisory Board would again like to express its sincere thanks to all employees of the Company and to recognize in particular the work performed in the past fiscal year, especially given the difficult working conditions during the COVID-19 pandemic.

Garching, Germany, April 2021

signed

Dr. David Dean

Chairman of the Supervisory Board