

Ladies and Gentlemen,

The combination of ams AG and OSRAM Licht AG to form ams-OSRAM AG has created a global provider of optical, integrated systems thanks to the two parties' complementary leading-edge technologies in sensing, illumination and visualization. The expansion of our development capabilities and manufacturing network, combined with our global presence offers our customers and partners innovations and product developments in key fields of mobile communications, the automotive industry and electronic industrial applications.

Thus, the integration of the ams OSRAM Group continued to characterize the work of the Supervisory Board in 2021. Major decisions were taken regarding the approval and implementation of the domination and profit and loss transfer agreement, the coordination of the joint strategy, the reorganization of internal structures and workflows, the appointment of management and bodies, our joint market presence and brand identity, the sale of subsidiaries and the delisting of the OSRAM Licht AG share, among other matters. The objective of the combination remains the rapid, common focus on future customer demands with a view to increasing both profitability and the share price in the long term.

Despite the progress made in integration, we also suffered setbacks in 2021, losing market share in our consumer business. The Supervisory Board analyzed this trend in detail, with the Management Board presenting strategies and specific plans designed to regain lost ground and realize growth opportunities.

### **Activities of the Supervisory Board**

The Supervisory Board has received regular written and oral reports on strategy and business development of the company and the group by the Management Board in its meetings during 2021 and dealt intensively with company matters. In general, the SB holds five scheduled meetings a year. During 2021, the SB convened nine meetings and conducted one additional strategy session. The increased number of meetings became necessary to have more time to evaluate the quarterly results of new enlarged group. The Chairman and Deputy Chairman of the SB held scheduled monthly telephone conferences with all members of the Management Board and frequent one-one telephone conferences with individual members of the Management Board to discuss day-to-day business development and strategic issues.

The increased number of Supervisory Board meetings in 2021 were largely held virtually in compliance with the restrictions imposed to prevent the spread of COVID-19. This unfortunately also applied to the Annual General Meeting, which unfortunately had to be held in virtual form due to the pandemic like in the previous year 2020. At this Annual General Meeting, the extension of the Supervisory Board was adopted and Ms. Brigitte Ederer and Ms. Margarete Haase were elected to the Supervisory Board as shareholder representatives. They join our body alongside the new employee representative Mr. Patrick Reinisch. The Annual General Meeting also approved the group's remuneration policy. Our shareholders and shareholder representatives subsequently provided us with valuable information on the structure of the remuneration report which has been incorporated in the enclosed remuneration report for 2021.

In the year under review, the Supervisory Board met on nine occasions, both with and without Management Board participation, to analyze and debate the economic situation and future potential of the company in detail and to take the respective necessary decisions. All of the Supervisory Board members took part in all of its meetings as well as in those of its committees, with the exception of one newly elected member for one meeting due to prior commitments. These meetings were supplemented by numerous direct interactions between Management Board and Supervisory Board members, in which the Management Board – above and beyond the scope of its monthly reports – gave detailed accounts of the business and financial situation of the group, developments in HR, projects and technologies, the status of investments and the production situation. In addition to the above-mentioned integration of the group, decisions were taken in respect of the Annual Report, the budget, the introduction of the employee profit-sharing program, the investment program for new LED production capacities encompassing micro-LED technology support, the safeguarding of cyber-security and the implementation of sustainability objectives, among other matters. An all-day strategy meeting with the management tackled the technical and commercial development of the individual business lines in the longer term, as well as the medium-term planning on which the annual budget is based.

In 2021 the Management Board and Supervisory Board again evaluated the economic success and implementation of major decisions taken over the previous years. Encouragingly, the majority of projects satisfied, or even exceeded the assumptions made. In the cases where this did not happen, an analysis resulted in significant findings that will be incorporated into future decisions. The Supervisory Board evaluated its own activities by means of a structured questionnaire, while new members participated in a special compliance workshop.

## Activities of the Committees

The Nomination Committee met three times, each meeting lasting around one hour, and evaluated potential future candidates on the MB or SB in accordance with the respective long-term succession planning. The Supervisory Board followed the recommendation of the Nomination Committee to extend the contract of CEO Alexander Everke for a further three years. The Nomination Committee also prepared the expansion of the Supervisory Board.

In 2021 the Audit Committee met five times with an average meeting duration of around two hours, mainly to debate the procedure for and audit of the Annual Report, for the most part in close collaboration with the auditors. The Chairman of the Audit Committee was in regular contact with the CFO, members of the financial departments and the auditors of the company. The Audit Committee's five meetings were concerned mainly with the effectiveness of Internal Audit, the internal control and risk management systems and the monitoring of the financial reporting process as well as with additional reporting requirements of the expanded group. The Audit Committee also supervised the international tender to select the auditor of the Group. At the Annual General Meeting, we will propose that all the group's major entities will be audited by an international auditing company with a view to driving integration forward in this area as well.

The Technology Committee also met five times with the Chief Technology Officer and the management of the development departments to tackle issues including the deployment of Big Data in production and development, particular customer and development projects, the development of micro-LED technology, the collaboration with universities, the innovation process and special matters concerning particular production processes. In 2021, issues relating to sustainable management and resource deployment became an additional area of responsibility in both committees, and in 2022 they were included in the Management Board's bonus targets for the first time.

The Compensation Committee assembled seven times with sessions lasting an average of around one hour, to evaluate and determine the targets and parameters of the annual variable management compensation, among other things. In addition, the Compensation Committee discussed and respectively prepared Management Board contracts and assisted the Management Board in setting up the group-wide profit-sharing system.

The LTIP Committee met once to assess the fulfillment of the established performance criteria of the long-term compensation plans, to decide on the granting of stock options to the members of the Management Board, and to approve the granting of stock options to additional beneficiaries by the Management Board in accordance with the terms of the LTIP 2019.

### **Financial Statements and Group Financial Statements 2021**

The Management Board presented the financial statements as of December 31, 2021 to the Supervisory Board. The financial statements according to local GAAP and the Management Report included in the annual report, insofar as it refers to the financial statements, have been audited by "KPMG Wirtschaftsprüfungs- und Steuerberatungs- GmbH", Porzellangasse 51, 1090 Vienna and have received the unqualified audit certificate. Additionally, the Management Board presented the consolidated financial statements as of December 31, 2021 to the Supervisory Board. The consolidated financial statements according to IFRS and the Management Report included in the annual report, insofar as it refers to the financial statements, have been audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs- GmbH, Porzellangasse 51, 1090 Vienna and have received the unqualified audit certificate as well.

The Supervisory Board reviewed and examined all presented documents and did not identify any issues or inconsistencies. Therefore, the Supervisory Board approves the financial statements as of December 31, 2021 and accepts the proposal of the Management Board to allocate an amount of EUR 13,370,805.02 to surplus reserves by using the entire net income in the amount of EUR 12,849,121.02 and releasing a part of the statutory reserve for treasury shares in the amount of EUR 521,684.00. This results in a balance sheet profit for the 2021 financial year of EUR 0.00.

The Supervisory Board furthermore acknowledges the consolidated financial statements as of December 31, 2021, which show a negative annual result of EUR -32,395,429.90 and equity capital of EUR 3,149,606,346.09.

### **Personal note of the Chairman**

In conclusion, allow me to make a personal comment: I have had the opportunity to guide the fortunes of our company since 1994 as a Supervisory Board member, CEO, shareholder and most recently as Supervisory Board Chairman. It is with great enthusiasm and commitment that I have supported its growth from a small Austrian semiconductor manufacturer with revenue of around EUR 60 million to a focused global provider of optical technologies with revenue of 80 times that figure in 2021. After these many years, I will not be standing for re-election at the Annual General Meeting and I would like to thank all those with whom I have had the privilege of working in the Supervisory Board, Management Board and the shareholder base, with particular thanks going to the employees of ams-OSRAM AG. I have very much appreciated our collaboration and wish you the continued success that our extraordinary company deserves.

**Hans Jörg Kaltenbrunner**

Chairman of the Supervisory Board