

## **Compensation Report 2022**

The Executive and Supervisory Boards of the SINGULUS TECHNOLOGIES AG (the Company) have drawn up this compensation report pursuant to the requirements of Art. 162 German Stock Corporation Act ("AktG").

The report explains the main features of the compensation system for the Executive Board and Supervisory Board and provides individualized information on the compensation granted and owed to current and former members of the Executive Board and Supervisory Board in the fiscal year 2022.

For ease of reading, the masculine form is used in this report when referring to persons. It is representative of persons of any gender.

Due to rounding, it is possible that some numbers in this report do not add up precisely to the totals shown and that percentages presented do not accurately reflect the absolute values to which they relate.

This report has been formally audited by the Company's auditors in accordance with Art. 162 (3) of the German Stock Corporation Act (AktG); the corresponding audit certificate is included in this report.

## **Review of the past business year 2022**

The composition of the Executive Board changed in the year under review. Following the expiry of his appointment and service contract, Dr. rer. nat. Christian Strahberger left the Executive Board on October 31, 2022.

## **A) Compensation of the Executive Board**

### **I. Members of the Executive Board in the business year 2022**

#### *Dr.-Ing. Stefan Rinck*

Chief Executive Officer; Executive Board member responsible for Marketing & Sales, Technology, Research & Development as well as Strategy and International (CEO)

Since November 1, 2022, he is also responsible for the divisions Production, Semiconductor and Set-up Production China.

#### *Dipl.-Oec. Markus Ehret*

Executive Board member responsible for Finance, Controlling, Investor Relations, Human Resources and ESG (CFO).

Since November 1, 2022 he is also responsible for the division Procurement.

#### *Dr. rer. nat. Christian Strahberger*

Executive Board member responsible for Procurement, Production, Semiconductor and Set-up Production China (COO).

Dr. rer. nat. Christian Strahberger left the Executive Board as of October 31, 2022.

### **II. Description of the compensation structure**

#### **1. Overview compensation structure**

##### **1.1. Design and goals of compensation structure**

The compensation of the individual members of the Executive Board is determined and regularly analyzed by the Supervisory Board. It is the goal to appropriately remunerate the Executive Board members according to their functions and responsibilities and to consider the individual performance as well as the economic situation, the success and the future prospects of the company.

The compensation structure for the Executive Board of the Company is determined in accordance with the provisions of the Stock Corporation Act taking into account the recommendations of the German Corporate Governance Code and is geared towards a sustainable and long-term corporate development. The total compensation of the members of the Executive Board is comprised of a fixed and a variable component, divided into short-term and long-term components as well as benefits in kind. It is in line with its tasks and performance as well as with the size and situation of the Company. The compensation system ensures that both positive and negative developments are appropriately reflected in compensation (*Pay for Performance*). It takes into account both the performance of the Executive Board as a whole and the achievement of individual targets, thus remunerating the work performed by Executive Board members in a results-oriented and competitive manner and creating incentives for Executive Board members to increase the value of the Company. The compensation system is clearly structured and also easily comprehensible and transparent to shareholders.

To plan, manage and control its targets, the Company relies on the key performance indicators order intake, order backlog, sales, EBIT and liquidity. The financing of the operating activities is implemented via the capital market as well as loans from banks and investors.

Executive Board compensation is linked to these key performance indicators, the achievement of strategic goals and the share price via variable compensation. In this way, the compensation system makes a significant contribution to promoting the business strategy and the long-term and sustainable development of the Company. In particular the variable components (annual bonus due to agreed targets and share-based compensation) are aligned with the growth targets for the segments Solar, Semiconductor and Life Science.

The system aims to align the interests of the Executive Board with those of shareholders and other stakeholders. It is geared to providing effective incentives for strengthening the operational success of the Company and sustainably increasing its value. The structure of the long-term, variable component is designed to tie the members of the Executive Board to the Company in the long-term.

The fixed, non-performance-based part is composed of a fixed salary and benefits in kind. It is targeted to amount to 60 % of the target compensation. The high proportion of fixed compensation aims to prevent the Executive Board to enter unreasonably high risks to reach short-term targets.

The performance-related components are split in a variable bonus and a share-based compensation component (phantom stocks). The variable bonus is tied to achieving individual targets, which include financial, operating and strategic goals including sustainability goals. The phantom stock program is intended to create a long-term incentive and commitment effect by issuing virtual shares. After the lapse of a waiting period of two years the phantom stocks can be exercised in tranches of 25 % semi-annually if the share price of the company exceeds a specified minimum percentage level above the exercise price. The incentive effect is achieved through performance targets, vesting periods and staggered exercise. Effects from short-term share price increases, which are market-related and not company-related, are thus largely eliminated. The phantom stocks represent a compensation component with a multi-year assessment basis that links the compensation of the Executive Board members to the performance of the stock, thus creating an alignment of the interests of the Executive Board and the shareholders.

In its entirety the compensation frameworks takes into account the regulation of the Stock Corporation Act and the Corporate Governance Code.

## **1.2. Process to determine, implement and review the compensation**

Pursuant to Art. 87a AktG, the Supervisory Board of the Company is responsible for the structure of the system as such, the determination as well as the regular review of the Executive Board compensation system and the total compensation of the individual Executive Board members. In order to assess whether the compensation of the individual members of the Executive Board is in line with market practices, the Supervisory Board bases its determination of the amount of the target compensation on the situation of the Company, the compensation paid by comparable companies to the members of their management (horizontal comparison) as well as the salary level of the first and second management levels within the Company (vertical comparison). The Supervisory Board also ensures that compensation remains competitive so that Executive Board members can be retained and new ones

recruited. A balance is achieved through the size of the Executive Board, which currently has the statutory minimum number of members.

The Supervisory Board regularly reviews the structure and appropriateness of the compensation in the course of its first Supervisory Board meeting of the year. In the review the Board takes into consideration the individual performance and the extent of the responsibilities assumed compared with the other members of the Executive Board as well as the economic situation of the company.

In case of material changes in the compensation system, however at least every four years, the compensation system is presented in the course of the Annual General Meeting for approval. The applicable compensation system for members of the Executive Board was approved by the Annual General Meeting by resolution of June 28, 2018, and again after the end of the reporting period at the Annual General Meeting on July 19, 2023. Pursuant to Art. 87a (2) AktG, the Supervisory Board may temporarily deviate from the compensation system if this is necessary in the interests of the long-term welfare of the Company. The Supervisory Board has made use of this reduction option in the past due to the difficult economic situation of the Company. However, a reduction of the compensation was not implemented in the business year 2022, since the commitment of the Executive Board to safeguard the continuation was very high in the period under review.

### **1.3. Composition of the compensation**

The fixed, non-performance-based part is composed of a fixed annual salary and benefits in kind. The non-cash benefits include company cars and insurance.

The performance-based components are split in a variable bonus and phantom stocks. Furthermore, the contracts of the members of the Executive Board provide the Supervisory Board the possibility to grant one-off special payments for extraordinary performance in addition to the variable compensation components (**“One-time Bonus”**).

The compensation covers the entire activities of the Executive Board members, and accordingly also other Group-internal functions and activities of the respective Executive Board members.

At the request of the Executive Board, the Company takes out a life insurance policy for the Executive Board member concerned as part of a salary conversion scheme.

### **1.3.1. Fixed salary**

The fixed, non-performance based, annual salary of the members of the Executive Board is paid in twelve equal partial payments at the respective end of the months and for the last time for the full month during which the employment contract terminates. It is reviewed annually according to appropriateness and adjusted, if required. An adjustment can also be made by granting one-time bonus payments. There was no adjustment of the fixed salary during the year under review.

### **1.3.2. Variable bonus (target agreements)**

The variable bonus is tied to the achievement of individually agreed targets. These targets are reset annually by the Supervisory Board and individually agreed with the members of the Executive Board following the adoption of the budget for the subsequent year. They are based on the respective strategic objectives for the Company, operating and financial key indicators as well as sustainability goals, which have been defined by the Supervisory Board in consultation with the Executive Board. Generally, the targets consist of 50 % financial, 30 % operating and 20 % strategic targets. Strategic objectives also include the achievement of sustainability goals (ESG), which are set by the Supervisory Board. They are intended to guide the behavior of the Executive Board towards the implementation of the defined strategy. The amount of the bonus is subject to the respective percentage achievement of the target. The assessment basis is the amount corresponding to 80% of the applicable fixed salary. A weighted average is formed from the individual percentages achieved for each individual annual target. This is applied to the assessment basis to determine the amount of the bonus. The variable bonus may not exceed 80% of the fixed salary. If the annual targets are exceeded by the respective member of the Executive Board, the Supervisory Board may increase the target achievement to up to 120 % on a case by case evaluation at its sole discretion. In case of an assumed 100 % achievement of the annual targets on average the bonus corresponds to 80 % of the fixed salary. If the targets are not achieved or only partially by less than 50 %, the Supervisory Board decides at its sole discretion if and to what extent a bonus will be paid.

### **1.3.3. Phantom stocks**

The phantom stocks program is the second component of variable compensation and is intended to provide a long-term incentive and retention effect by linking compensation to the sustainable performance of the Company. The best indicator of performance is the share price.

The Supervisory Board determines the number of granted phantom stocks at its own discretion. Each individual phantom stock is designed as a virtual option and entitles after the lapse of a waiting period of two years and the achievement of a success target to receive a payment which corresponds to the difference at exercise between the respective exercise price and the reference price for a bearer share of the company with a nominal value of € 1.00 each. The exercise price corresponds to the simple average of the closing prices (or a relevant subsequent closing price) of the shares of the company on the Xetra platform (or a functionally equivalent subsequent system to the Xetra platform) at the Frankfurt Stock Exchange on the five trading days before the issue date. The reference price corresponds to the (non-weighted) simple average of the closing prices (or a relevant subsequent closing price) of the shares of the company on the Xetra platform (or a functionally equivalent subsequent system to the Xetra platform) at the Frankfurt Stock Exchange on the five trading days before the exercise date. The phantom stocks can be exercised for the first time after a vesting period of two years, which starts at the time of issuing the stocks.

After the end of the waiting period, the phantom stocks can be exercised each year within an exercise period. There are two exercise periods, the first begins after publication of the interim report for the first quarter, the second begins after publication of the interim report for the third quarter. During each exercise period only up to 25 % of the granted phantom stocks can be exercised. If an exercise tranche is not exercised during the exercise period, it can be additionally exercised during later exercise periods. Furthermore, the exercise of the phantom stocks is only possible upon reaching the success target, i.e. if the reference price at the time of the exercise is at least 15 % higher than the exercise price.

The term of the phantom stocks is five years each after the respective issue date. Phantom stocks, which are not exercised by the end of this term, expire without replacement and compensation.

#### **1.4. Maximum compensation**

Pursuant to Art. 87a Para. 1 Sent. 3 No. 1 AktG, the Supervisory Board has set the maximum compensation set out below:

The applicable Executive Board service agreements stipulate that the maximum compensation that the respective Executive Board member can receive in the course of a year (fixed and variable compensation including fringe benefits, a possible one-time bonus and pension contributions) is limited to 3.5 times the respective fixed salary.

In addition, separate maximum amounts are set for the variable compensation components. In the business year 2022, the maximum compensation level was not exceeded.

##### **1.4.1. Variable remuneration**

The variable annual bonus may not exceed 80 % of the fixed salary; this also holds true if the target achievement exceeds 100 %.

##### **1.4.2. Phantom stocks**

The granted cash compensation upon exercise of the phantom stocks is limited to three times the exercise price of each phantom stock. In addition, the granted cash compensation from the phantom stocks programs within a period of one year may not exceed the amount of the annual fixed salary. This also holds true if exercise tranches become due within one year, which result from phantom stock programs from different years.

##### **1.4.3. One-off compensation**

A potential extraordinary payment granted by the Supervisory Board may only amount to half of the fixed salary and is subject to the overall limit of the compensation, which the member of the Executive Board may receive during the course of one year.



## 2. Compensation for the business year 2022

The Company uses the vesting-oriented view for "compensation granted". Accordingly, compensation is (already) stated in the compensation report for the financial year in which the activity on which the compensation is based (one or more years) was fully performed. This view enables a meaningful comparison, as, for example, the variable short-term remuneration for the year 2022 is set against the earnings situation of the financial year 2022.

### 2.1. Fixed salary

The contractually agreed annual fixed compensation of the Executive Board members in the fiscal year 2022 was € 440 thousand for the Chairman of the Executive Board Dr.-Ing. Stefan Rinck, € 300 thousand for Mr. Markus Ehret and € 250 thousand pro-rata until October 31, 2022 for Dr. rer. nat. Christian Strahberger.

The amount of the fixed compensation depends on the function on the Executive Board and the length of service on the Executive Board.

### 2.2. Short-term variable compensation

In addition to the fixed salary, the company grants the members of the Executive Board an annually set variable gross compensation ("**Bonus**"). The respective amount is determined by the Supervisory Board for the respective business year on the basis of annually agreed targets.

Due to the economic situation, no new target agreements were agreed for the business year 2022. Accordingly, the determination of target achievement and the resulting bonus payment was no longer possible in the manner provided for in the contract. However, in view of the great commitment of the Executive Board to securing the continued existence of the Company in fiscal year 2022, the Supervisory Board has decided to grant a one-time lump-sum payment in lieu of the variable compensation contractually owed but no longer quantifiable under the terms of the employment contracts. Pursuant to the Supervisory Board's assessment, it was not appropriate to waive part of the agreed compensation altogether.

In line with the variable compensation system, the amount of the substitute payment was calculated on the basis of target achievement of around 25 % (as already for the

2020 and 2021 financial years) with a maximum full target achievement of 80 % of the respective fixed salary of the Executive Board members.

For Dr. rer. nat. Strahberger, the compensation was on granted on a pro-rata basis due to his leaving as of October 31, 2022. This payment, which replaced the contractually agreed variable compensation, amounted to € 88 thousand for Dr.-Ing. Stefan Rinck, € 60 thousand for Markus Ehret and € 50 thousand for Dr. rer. nat. Christian Strahberger (pro rata temporis until October 31, 2022).

The activity on which the variable compensation is based was performed in full by the balance sheet date.

The variable compensation is therefore classified as granted for the 2022 financial year, even if payment is not made until after the completion of the 2022 financial year.

### **2.3. One-time Bonus**

The Supervisory Board granted a one-time fixed bonus of € 100 thousand in recognition of Mr. Markus Ehret's special commitment to the financial stabilization of the Company, without which the Company would have had to file for insolvency. In the employment contracts and in the compensation system approved by the Annual General Meeting, the Supervisory Board has reserved the right to grant members of the Executive Board a one-time bonus at its discretion for exceptional performance.

## **2.4. Long-term variable compensation (phantom stocks)**

The Company grants the members of the Executive Board each year phantom stocks pursuant to the phantom stock program resolved by the Supervisory Board.

During the business year 2022, no phantom stocks from the programs in previous years were exercised by the Executive Board.

Due to the delayed adoption of the annual financial statements for fiscal year 2022, the phantom stocks for fiscal year 2022 were not issued until February 27, 2023, but with effect from June 17, 2022, because preliminary results for fiscal year 2021 were published on June 3, 2022 and these results were therefore reflected in the prices used to determine the exercise price. Dr.-Ing. Stefan Rinck was granted 150,000 phantom stocks and Markus Ehret 100,000 phantom stocks. Dr. rer. nat. Christian Strahberger had already left the Company at the time of granting these stocks.

Including the phantom stocks granted for fiscal year 2022, the members of the Executive Board held the phantom stocks described below at the end of fiscal year 2022:

Dr.-Ing. Stefan Rinck held 750,000 phantom stocks, which are composed as follows: (i) 150,000 phantom stocks granted under the 2017 program, (ii) 150,000 phantom stocks granted in fiscal 2018, (iii) 150,000 phantom stocks granted in fiscal 2019, (iv) 150,000 phantom stocks granted in fiscal 2020, and (v) 150,000 phantom stocks granted in fiscal 2022.

Markus Ehret held 500,000 phantom stocks, which are composed as follows: (i) 100,000 phantom stocks granted under the 2017 program, (ii) 100,000 phantom stocks granted in fiscal 2018, (iii) 100,000 phantom stocks granted in fiscal 2019, (iv) 100,000 phantom stocks granted in fiscal 2020, and (v) 100,000 phantom stocks granted in fiscal 2022.

At the time of his leaving the Company, Dr. rer. nat. Christian Strahberger held 100,000 phantom stocks, consisting of the 100,000 phantom stocks granted in the 2020 financial year, which expired without replacement upon his departure because the waiting period had not yet expired.

The accrued split of the attributable time value for the phantom stocks resulted in an income in the amount of € 432 thousand for the business year 2022. The phantom stocks of Dr.-Ing. Stefan Rinck generated income of € 213 thousand, the phantom stocks of Markus Ehret generated income of € 141 thousand, and the phantom stocks of Dr. rer. nat. Christian Strahberger generated expenses of € 78 thousand.

The activity on which the long-term, variable compensation is based was performed in full by the balance sheet date. The long-term, variable compensation is therefore classified as granted for the 2022 financial year, even if issuance of the phantom stocks is not made until after the completion of the 2022 financial year.

## **2.5. Other compensation**

In addition, the members of the Executive Board receive fringe benefits in kind, such as company cars or lump-sum compensation for use of private cars for professional purposes as well as casualty and personal liability insurances. Each individual Executive Board member has to pay taxes on these fringe benefits as part of the overall compensation.

The other compensation for the business year 2022 amounted to € 48 thousand for Dr.-Ing. Stefan Rinck, € 32 thousand for Mr. Markus Ehret and € 5 thousand for Dr. rer. nat. Christian Strahberger. The members of the Executive Board did not receive additional compensation in the business year 2022 for their activities as managing directors of subsidiaries. A lump-sum share in the amount of 15 % of the fixed salary and the annual variable compensation is deemed to be the compensation for these activities.

## **2.6. Application of malus and clawback during the reporting period**

The Executive Board contracts in force in fiscal year 2022 do not provide for the possibility of withholding (malus) and reclaiming compensation already paid out (clawback) for any of the Executive Board members because they were concluded before the malus and clawback rules became mandatory by law.

## 2.7. Overview individual compensation

The following table presents the individual total compensation of the Executive Board members and the relative share of the respective compensation component in total compensation in accordance with Art. 162 AktG. The activity on which compensation is based was performed in full by the balance sheet date. Compensation for the Executive Board activities is therefore classified as granted for the 2022 financial year, even if payment is not made until after the 2022 financial year.

| Gewährte und geschuldete Vergütung für das Geschäftsjahr 2022 |            |                    |                     |                               |                |  |   |                               |     |                |                               |   |  |
|---|------------|--------------------|---------------------|-------------------------------|----------------|--|---|-------------------------------|-----|----------------|-------------------------------|---|--|
| Gegenwärtige<br>Vorstandsmitglieder                           | Eintritt   | Letzte<br>Position | Feste Bestandteile  |                               |                | Variable Bestandteile                        |   |                               |     | Summe<br>in T€ | Gesamt-<br>vergütung<br>in T€ | Anteil der<br>festen<br>Vergütung<br>in % | Anteil der<br>variablen<br>Vergütung<br>in % |
|   |            |                    | Festgehalt<br>in T€ | Neben-<br>leistungen<br>in T€ | Summe<br>in T€ | Einjährige<br>variable<br>Vergütung<br>in T€ | Mehrjährige<br>variable<br>Vergütung<br>in T€ | Sonder-<br>zahlungen<br>in T€ |     |                |                               |   |  |
| Dr.-Ing. Stefan Rinck   | 01.09.2009 | CEO                | 440                 | 48                            | 488            | 88   | 226   | 0                             | 314 | 802            | 61                            | 39  |  |
| Markus Ehret  | 19.04.2010 | CFO                | 300                 | 32                            | 332            | 60   | 151   | 100                           | 311 | 643            | 52                            | 48  |  |
| Dr. rer. nat. Christian Strahberger                           | 01.11.2019 | COO                | 250                 | 5                             | 255            | 50   | 0   | 0                             | 50  | 305            | 84                            | 16  |  |
| Summe   |            |                    | 990                 | 85                            | 1.075          | 198  | 377   | 100                           | 675 | 1.750          | 61                            | 39  |  |

## 3. Granted benefits after the regular termination of service on the Executive Board

The members of the Executive Board receive a company pension plan financed by the company in the form of defined contributions. The company pays the members of the Executive Board an annual pension contribution in the amount of a specific percentage of their gross fixed annual salary set out in the employment contracts. This percentage shall not exceed 35 % of pensionable income. This form of pension enables the company to reliably calculate the – and accordingly also the long-term – expenses. The amount of the pension payment was calculated as a percentage of the fixed salary on the basis of an approximately targeted pension level, a hypothetical tenure and the expected interest rate development according to actuarial principles. However, the actual pension level is not fixed for a defined-contribution pension, since it depends on the tenure as an Executive Board member and the interest rate development.

The pension benefits include pensions and surviving dependents' pensions. With respect to the pension it is determined that if a member of the Executive Board retires from the company after completion of the age of 63, a monthly pension or a lump sum will be paid. If a member of the Executive Board retires from the company before the age of 63 but after completion of the age of 60, as an early pension an early monthly pension or an early lump sum will be paid, if the member of the Executive Board asks for the payment of the early pension benefits at the time of leaving the

company. The amount of the (early) retirement benefit is based on actuarial principles. In case of death of a member of the Executive Board before claiming (early) pension benefits, the surviving spouse will receive a surviving dependents' lump sum. The amount of the surviving dependents' capital is determined when the insured event occurs and corresponds to the respective premium refund due in the event of death before the start of the pension.

In case of death after claiming the (early) pension benefits through monthly payments, but before the lapse of 20 years after retirement, the surviving spouse will receive a temporarily limited surviving dependent's pension until the lapse of this 20-year period. If there is no surviving spouse entitled for benefits, under certain conditions the surviving children will receive surviving dependents' payments in equal parts.

The pension plan is outsourced to Towers Watson Second e-Trust e.V. ("**Association**") and is not a charge to the Company's balance sheet. The Association concludes a corresponding liability insurance to insure the pension benefits.

If a member of the Executive Board leaves the Company before the pension benefits are due, the proportional claim for pension benefits remains, regardless whether at the time of leaving the legal vesting applies pursuant to the relevant regulations of the employers' retirement benefits law.

The annual pension contribution for Dr.-Ing. Stefan Rinck amounts to 59.97 % since January 2012, for Mr. Markus Ehret to 31.58 % since January 1, 2018 and for Dr. rer. nat. Christian Strahberger amounted to 35.00 % since November 1, 2019 of the annual fixed salary. The annual pension contributions for the company paid in the year 2022 amounted to approx. € 464 thousand, with approx. € 264 thousand attributable to Dr.-Ing. Stefan Rinck, approx. € 95 thousand attributable to Mr. Markus Ehret and approx. € 105 thousand to Dr. rer. nat. Christian Strahberger.

#### **4. Severance policies**

In case of an early termination of the employment contract through statutory notice of termination or in case of termination of appointment to the Executive Board, the members of the Executive Board receive a severance payment limited to two years' compensation (severance cap). The amount is set according to the fixed salary excluding benefits in kind and ancillary benefits in addition to a lump-sum variable compensation in the amount of 25 % of the respective fixed salary considering the pension benefits. If the remaining term of the respective Executive Board employment contract is less than two years, the severance payment is reduced pro rata temporis to the remaining term of the employment contract. In case of an extraordinary dismissal for cause by the Company, there is no right to a severance payment.

#### **5. Claims in the event of death or permanent incapacity for work**

In the event of death, the employment contracts of all current members of the Executive Board provide for the continued payment of the fixed remuneration to his widow and dependent children for the month in which the death occurred and for the following nine months, but no longer than until the end date of the respective employment contract.

In the event of permanent incapacity for work and receipt of sick pay, the employment contracts of all current members of the Executive Board provide for entitlement to the difference between the net fixed salary and the net sick pay for a further period of nine months, at the longest, however, until the end date of the respective employment contract.

#### **6. Benefits by third parties**

No benefits by third parties were granted or promised to members of the Executive Board with respect to their work as Executive Board members during the period under review

## 7. Change of control clauses

The employment contracts of the Company historically included a change of control clause. Accordingly, the members of the Executive Board of the Company have an extraordinary termination right, which entitles them to terminate their employment within a period of one year after the change in control at any time with a notice period of six months. A change in control exists in this meaning, if (i) a shareholder has gained control in the meaning of Art. 29 WpÜG, or (ii) a controlling agreement pursuant to Art. 291 AktG has been concluded and become effective with the company as dependent company, or (iii) the company is merged to a different non-Group entity pursuant to Art. 2 Umwandlungsgesetz (UmwG), provided that the value of the different entity amounts to less than 50 % of the value of the company according to the agreed exchange ratio, or (iv) the completion of a take over or mandatory offer in the meaning of the WpÜG.

If the extraordinary termination right is exercised, the member of the Executive Board is entitled to an extraordinary payment in the amount of the sum of (i) the last paid fixed salary for three years, (ii) the sum of the variable compensation (bonus payments), which were paid for the last three years as well as (iii) the addition to pension benefits for three years. The entitlement to a special payment only exists if the employment contract at the time of a change in control has a remaining term of more than nine months. The same holds true in case of a leave or the termination of the employment contract by the Company after a change in control.

The Company has concluded a new employment contract with Dr.-Ing. Stefan Rinck in August 2022. Pursuant to the recommendations of the GCGC, this new contract does not include provisions in case of a change of control.

Within the term of the phantom stocks programs the option rights from the phantom stocks can also be exercised ahead of schedule, i.e. outside of the respective exercise periods and before the completion of the waiting time, if for the shares of company (i) a takeover offer in the meaning of Art. 29 Para 1 WpÜG has been published or (ii) a person in the meaning of Art. 29 Para. 2 gains control. In these cases, all phantom stocks can be exercised irrespective of the achievement of the performance targets.



## **B) Compensation of the Supervisory Board**

The system for the compensation of Supervisory Board members is based on the statutory requirements of the German Stock Corporation Act. The compensation for the Supervisory Board is set out in Art. 11 of the articles of incorporation of the Company. It is balanced overall and is based on the duties and responsibilities of the Supervisory Board members and on the situation of the Company, also taking into account the compensation arrangements of comparable companies. This enables the best possible monitoring and advice to be provided to the Executive Board, which in turn makes a significant contribution to a successful business strategy and the long-term success of the Company.

In addition to the reimbursement of expenses, the members of the Supervisory Board receive a fixed compensation in the amount of € 40 thousand for each full business year of being a member of the Supervisory Board, which is paid after completion of the business year. The Chairman of the Supervisory Board receives twice this amount, the Deputy Chairman one and a half times the fixed compensation.

Members of the Supervisory Board, who are only members of the Supervisory Board or who are Chairperson or Deputy Chairperson in the Supervisory Board for parts of the business year, receive a pro-rated fixed compensation. No performance-related compensation or financial or non-financial performance criteria are provided for. This best reflects the independent control and advisory function of the Supervisory Board, which is not geared towards short-term corporate success but to the long-term development of the Company.

The respective amount of the fixed compensation takes into account the specific function and responsibility of the members of the Supervisory Board. In particular, in accordance with Section G. 17 of the GCGC, the higher time demands of the Chairman and Vice Chairman is also taken into account through the correspondingly higher compensation. Attendance fees are not paid. There are no attendance fees. Compensation does not change even if the Supervisory Board meets frequently.

The Annual General Meeting shall determine the compensation of the members of the Supervisory Board in the Articles of Association at the proposal of the Executive Board and the Supervisory Board. The Annual General Meeting shall resolve on the compensation of the members of the Supervisory Board at least every four years. In

this context, a resolution confirming the existing remuneration is also permissible. The remuneration of the Supervisory Board was once again approved by the Annual General Meeting on July 19, 2023 after the reporting period.

The contractually agreed total compensation of the Supervisory Board amounted to € 180 thousand in the business year 2022.

The following table presents the compensation granted and owed to members of the Supervisory Board in fiscal year 2022 in accordance with Art. 162 of the German Stock Corporation Act (AktG). The activity on which compensation is based was performed in full by the balance sheet date. Compensation for the Supervisory Board activities is therefore classified as granted for the 2022 financial year, even if payment of the Supervisory Board compensation pursuant to Art. 11 of the Articles of Association was not made until after the 2022 financial year.

| Gegenwärtige<br>Aufsichtsratsmitglieder | Eintritt   | Letzte<br>Position  | Feste Bestandteile           |                              |                | Variable Bestandteile            |   |                               |   | Summe<br>in T€ | Gesamt-<br>vergütung<br>in T€ | Anteil der<br>festen<br>Vergütung<br>in % | Anteil der<br>variablen<br>Vergütung<br>in % |
|---|------------|---------------------|------------------------------|------------------------------|----------------|----------------------------------|---|-------------------------------|---|----------------|-------------------------------|---|--|
|   |            |                     | Grund-<br>vergütung<br>in T€ | Sitzungs-<br>gelder<br>in T€ | Summe<br>in T€ | Einhährige<br>Vergütung<br>in T€ | Mehrjährige<br>variable<br>Vergütung<br>in T€ | Sonder-<br>zahlungen<br>in T€ |   |                |                               |   |  |
| Dr.-Ing. Wolhard Lechnitz               | 29.05.2009 | Vorsitzender        | 80                           | 0                            | 80             | 0                                | 0   | 0                             | 0 | 80             | 100                           | 0   |  |
| Silke Landwehrmann                      | 11.08.2019 | Vorsitzende<br>Stv. | 60                           | 0                            | 60             | 0                                | 0   | 0                             | 0 | 60             | 100                           | 0   |  |
| Dr. rer. nat. Rolf Blessing             | 31.05.2011 | Mitglied            | 40                           | 0                            | 40             | 0                                | 0   | 0                             | 0 | 40             | 100                           | 0   |  |
| Summe                                   |            |                     | 180                          | 0                            | 180            | 0                                | 0   | 0                             | 0 | 180            | 100                           | 0   |  |

In the year under review, the members of the Supervisory Board did not receive any compensation or benefits for personally-performed services, in particular consulting or agency services.

### **C) Loans granted to the members of the Executive and Supervisory Board**

The company did not grant any members of the Executive Board or the Supervisory Board advance payments or loans during the year under review.

### **D) Comparative presentation of the change in compensation**

In accordance with Art. 162 Para. 11 Sent. 2 No. 2 AktG, the following table presents the development of the Company's earnings, the total annual compensation granted and owed to current and former members of the Executive Board and the Supervisory Board, and the annual change in the average compensation of employees considered over the last five financial years on a full-time equivalent basis. In the business year 2022, this averaged 294 persons. The compensation of all employees of the Company in Germany, including senior executives as defined in

Art. 5 (3) of the German Works Constitution Act (Betriebsverfassungsgesetz), was taken into account. In each case, all collectively agreed salary components or agreed fixed salaries, agreed bonuses and supplements, and any variable compensation components attributable to the 2022 financial year, such as bonuses or special payments, were included in the analysis. The components of the average employee compensation presented therefore correspond in principle to the compensation granted and owed to the members of the Executive Board and the Supervisory Board pursuant to Art. 162 Para. 1 Sent. 1 AktG.

|  | 2017<br>[in T€] | 2018<br>[in T€] | Jährliche<br>Veränderung<br>[in %] | 2019<br>[in T€] | Jährliche<br>Veränderung<br>[in %] | 2020<br>[in T€] | Jährliche<br>Veränderung<br>[in %] | 2021<br>[in T€]   | Jährliche<br>Veränderung<br>[in %] | 2022<br>[in T€] | Jährliche<br>Veränderung<br>[in %] |
|--|-----------------|-----------------|------------------------------------|-----------------|------------------------------------|-----------------|------------------------------------|-------------------|------------------------------------|-----------------|------------------------------------|
| <b>Gegenwärtige Vorstandsmitglieder</b>                                |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| Dr.-Ing. Stefan Rinck (CEO)  | 1.143           | 1.618           | 42                                 | 1.429           | -12                                | 1.250           | -13                                | 562 <sup>1)</sup> | -55                                | 802             | 43                                 |
| (davon ausgegebene Phantom Stocks)                                     | 472             | 683             |                                    | 516             |                                    | 588             |                                    | -                 |                                    | 226             |                                    |
| Markus Ehret (CFO)   | 741             | 1.104           | 49                                 | 966             | -12                                | 835             | -14                                | 379 <sup>1)</sup> | -55                                | 643             | 70                                 |
| (davon ausgegebene Phantom Stocks)                                     | 315             | 455             |                                    | 344             |                                    | 392             |                                    | -                 |                                    | 151             |                                    |
| Dr. rer. nat. Christian Strahberger (COO)<br>(01.11.2019 - 31.10.2022) | -               | -               | -                                  | 52              | -                                  | 711             | 1.267                              | 367 <sup>1)</sup> | -48                                | 305             | -17                                |
| (davon ausgegebene Phantom Stocks)                                     |                 |                 |                                    | -               |                                    | 392             |                                    | -                 |                                    | -               |                                    |
| <b>Frühere Vorstandsmitglieder</b>                                     |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| keine  | -               | -               | -                                  | -               | -                                  | -               | -                                  | -                 | -                                  | -               | -                                  |
| <b>Gegenwärtige Aufsichtsratsmitglieder</b>                            |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| Dr.-Ing. Wolfhard Lechnitz   | 80              | 80              | 0                                  | 80              | 0                                  | 76              | -5                                 | 80                | 5                                  | 80              | 0                                  |
| Dr. Silke Landwehrmann<br>(seit 11.08.2019)                            | -               | -               | -                                  | 16              | -                                  | 50              | 213                                | 60                | 20                                 | 60              | 0                                  |
| Dr. rer. nat. Rolf Blessing  | 40              | 40              | 0                                  | 40              | 0                                  | 38              | -5                                 | 40                | 5                                  | 40              | 0                                  |
| <b>Ehemalige Aufsichtsratsmitglieder</b>                               |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| Christine Kreidl<br>(04.12.2012 - 10.08.2019)                          | 60              | 60              | 0                                  | 36              | -40                                | -               | -                                  | -                 | -                                  | -               | -                                  |
| <b>Durchschnittliche Vergütung der Arbeitnehmer</b>                    |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| Arbeitnehmer der SINGULUS<br>TECHNOLOGIES AG                           | 70              | 76              | 8                                  | 73              | -3                                 | 58              | -20                                | 69                | 18                                 | 69              | 1                                  |
| <b>Ertragsentwicklung der Gesellschaft</b>                             |                 |                 |                                    |                 |                                    |                 |                                    |                   |                                    |                 |                                    |
| EBIT (IFRS) [in Mio. €]  | -1,2            | 6,8             | 667                                | -8,2            | -221                               | -36,8           | 349                                | -12,4             | 66                                 | 5,9             | -148                               |
| Jahresergebnis (HGB) [in Mio. €]                                       | -30,0           | -30,7           | -2                                 | -17,5           | 43                                 | -34,6           | 98                                 | -21,8             | 37                                 | -11,8           | -46                                |

<sup>1)</sup> In 2021 erfolgte keine Ausgabe von Phantom Stocks, so dass hier keine Anrechnung von Ausgabewerten der Phantom Stocks erfolgte

**REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE  
COMPENSATIONREPORT PURSUANT TO SECTION 162 PARA. 3 AKTG  
TO SINGULUS TECHNOLOGIES AG, KAHL AM MAIN, GERMANY**

**AUDIT OPINION**

We have formally audited the remuneration report of Singulus Technologies AG for the financial year from January 1 to December 31, 2022, to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the compensation report.

In our opinion, the information required by § 162 (1) and (2) AktG has been disclosed in all material respects in the accompanying compensation report. Our audit opinion does not extend to the content of the compensation report.

**Basis for the audit opinion**

We conducted our audit of the compensation report in accordance with § 162 (3) AktG and IDW Auditing Standards: The Audit of the Compensation Report in Accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibility under this regulation and this standard is further described in the Auditor's Responsibility section of our report. As an auditing practice, we have complied with the requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Practice of Public Accountants (IDW QMS 1). We have complied with the professional duties pursuant to the Wirtschaftsprüferordnung (German Auditors' Code) and the professional statutes for auditors / certified public accountants, including the requirements for independence.

**Responsibility of the Management Board and Supervisory Board**

The Board of Management and the Supervisory Board are responsible for the preparation of the compensation report, including the related disclosures, which complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary

to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our objective is to obtain reasonable assurance about whether the compensation report is free from material misstatement, whether due to fraud or error, in all material respects in accordance with § 162 (1) and (2) AktG, and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence about the formal completeness of the compensation report by comparing the disclosures made in the compensation report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

### **Limitation of liability**

For the performance of the engagement and our responsibility and liability, also in relation to third parties, the "General Engagement Terms for Auditors and Auditing Firms" in the version dated January 1, 2017, issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) apply.

**Düsseldorf, October 29, 2023**

Baker Tilly GmbH & Co. KG  
Auditing Company  
(Düsseldorf)

Christian P. Roos  
Certified Public Accountant

Thomas Gloth  
Certified Public Accountant