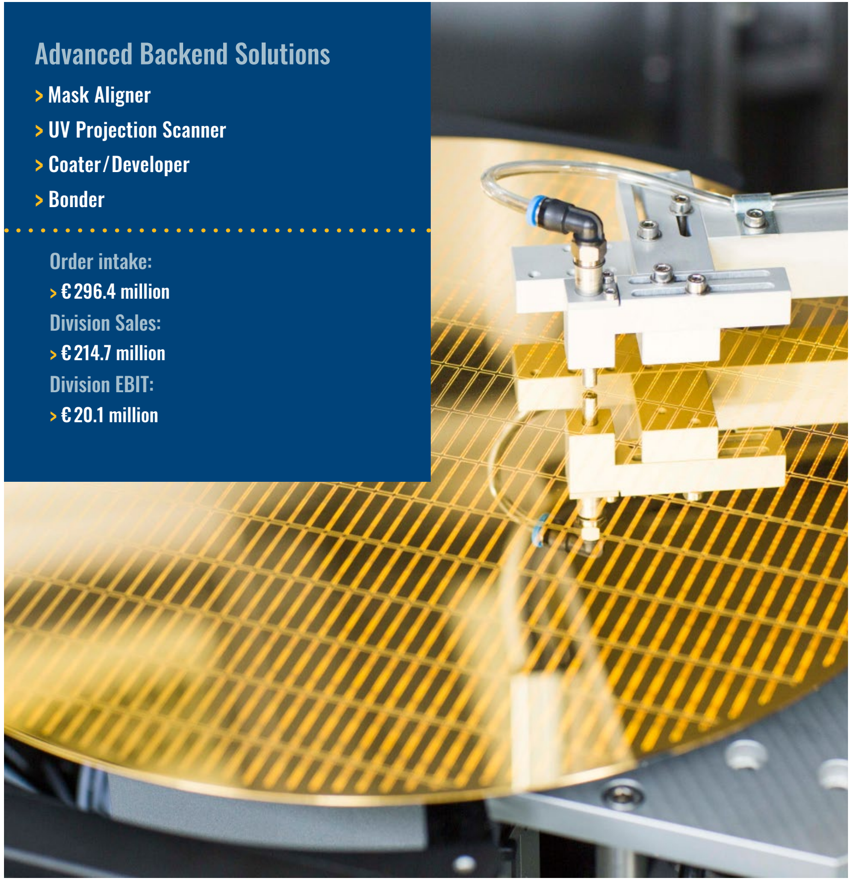
SÜSS MicroTec

ANNUAL REPORT 2023



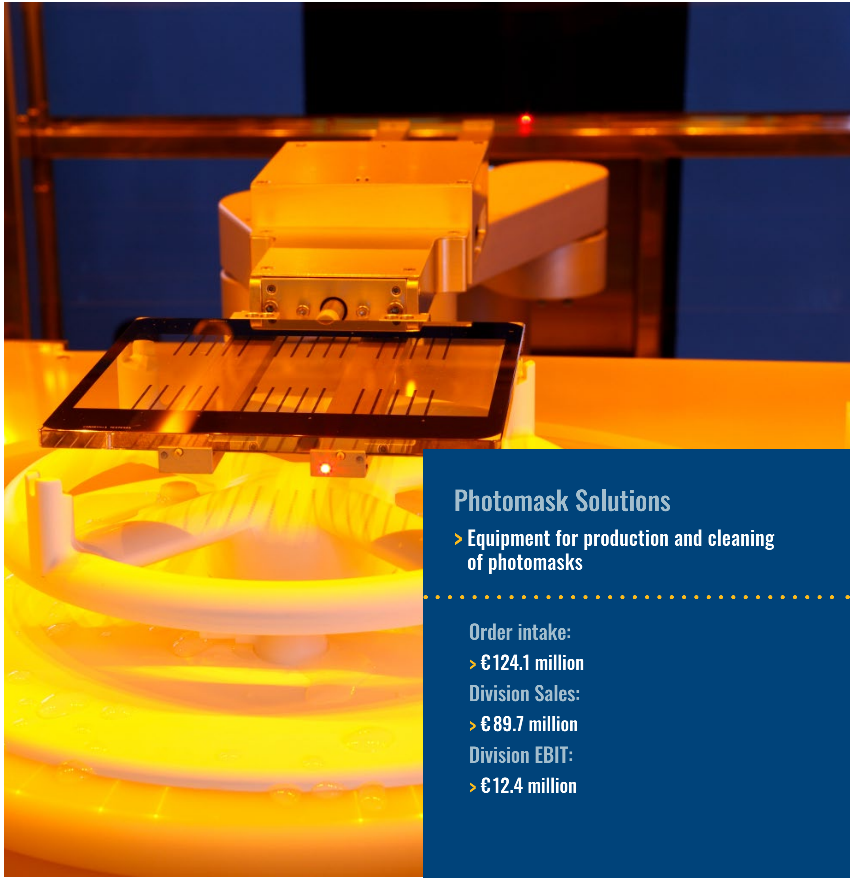
Advanced Backend Solutions

- > Mask Aligner
- > UV Projection Scanner
- > Coater/Developer
- > Bonder

Order intake:
> €296.4 million

Division Sales:
> €214.7 million

Division EBIT:
> €20.1 million



Photomask Solutions

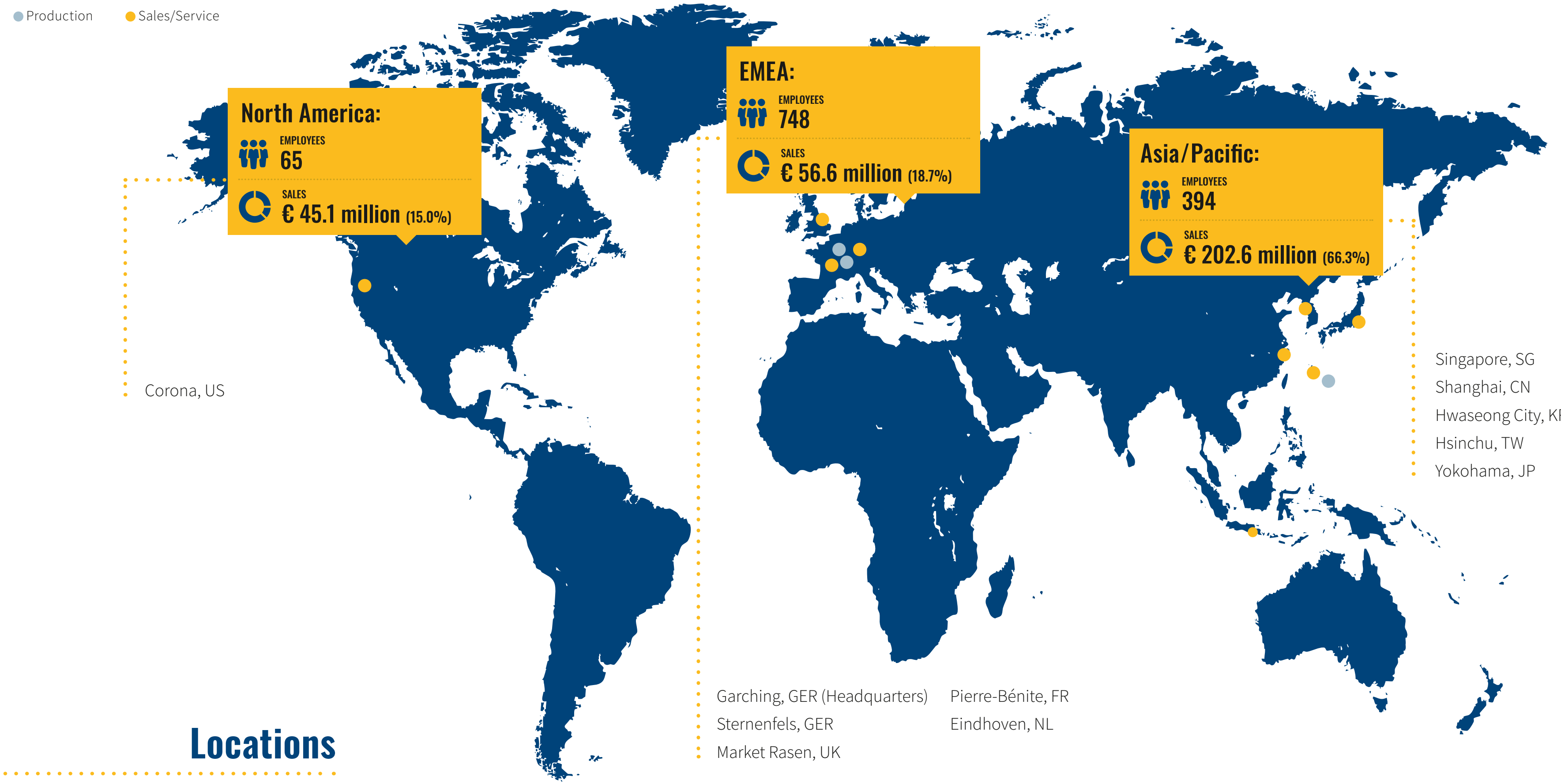
- > Equipment for production and cleaning of photomasks

Order intake:
> €124.1 million

Division Sales:
> €89.7 million

Division EBIT:
> €12.4 million

Locations



Corona, US

Garching, GER (Headquarters)
Sternenfels, GER
Market Rasen, UK
Pierre-Bénite, FR
Eindhoven, NL

Singapore, SG
Shanghai, CN
Hwaseong City, KR
Hsinchu, TW
Yokohama, JP

Key Figures

SUSS MicroTec Group – including SUSS MicroOptics

in € million	2023	2022	Change
Business Development			
Order intake	443.8	446.2	−0.5%
Order book as of December 31	464.5	346.4	34.1%
Total sales	327.2	299.1	9.4%
Gross profit	106.1	110.1	−3.6%
Gross profit margin	32.4%	36.8%	−4.4%-Points
Cost of sales	221.1	189.1	16.9%
Research and development costs[1]	33.1	30.1	9.9%
EBITDA	25.4	41.9	−39.3%
EBITDA-margin	7.8%	14.0%	−6.2%-Points
EBIT	16.1	32.8	−51.0%
EBIT-margin	4.9%	11.0%	−6.1%-Points
Net income	4.7	24.5	−80.8%
Earnings per share, basic (in €)	0.25	1.28	−80.5%

in € million	2023	2022	Change
Balance sheet and cash flow			
Equity	176.6	177.7	−0.6%
Equity ratio	47.8%	50.3%	−2.5%-Points
Balance sheet total	369.7	353.2	4.7%
ROCE	8.3%	19.4%	−11.1%-Points
Net Cash	28.6	41.3	−30.8%
Free Cashflow	−4.4	16.0	–
Further key figures			
Investments	8.2	7.9	3.8%
Investment ratio	2.5%	2.6%	−0.1%-Points
Depreciation	9.3	9.1	2.2%
Employees as of December 31	1,345	1,252	7.4%

1 See Notes letter B., Application costs were reclassified from distribution costs to research and development costs in order to ensure comparability with the current figures.

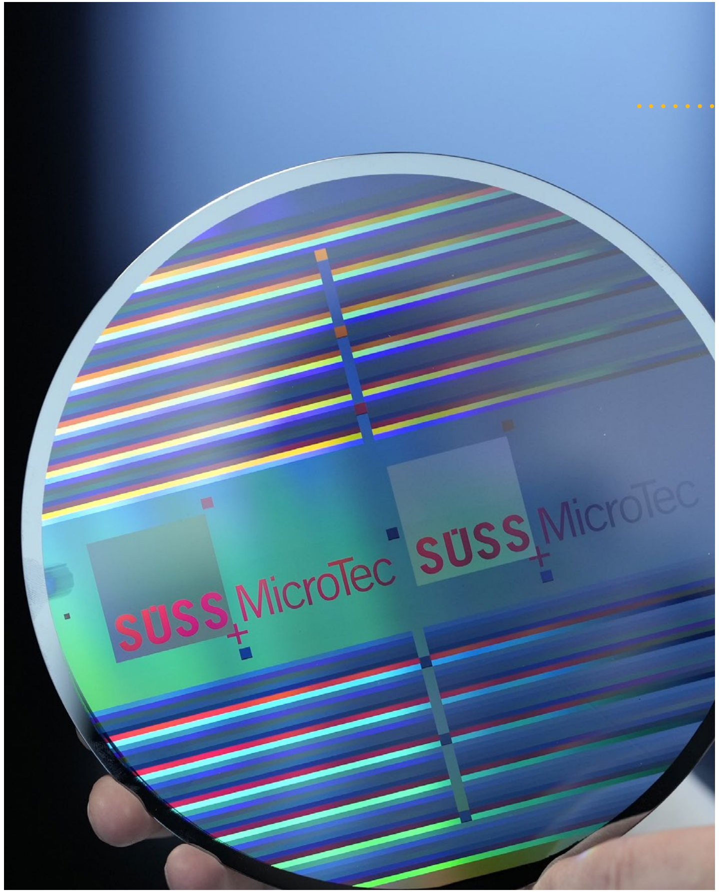
Key Figures

SUSS MicroTec Group – continuing operations

in € million	2023	2022	Change
Business Development			
Order intake	420.5	411.0	2.3%
Order book as of December 31	452.5	335.4	34.9%
Total sales	304.3	260.0	17.0%
Gross profit	103.9	100.6	3.2%
Gross profit margin	34.1%	38.7%	–4.6%-Points
Cost of sales	200.4	159.3	25.7%
Research and development costs[1]	31.3	28.7	9.0%
EBITDA	34.7	37.4	–7.3%
EBITDA-margin	11.4%	14.4%	–3.0%-Points
EBIT	27.8	31.5	–11.7%
EBIT-margin	9.1%	12.1%	–3.0%-Points
Net income (earnings after taxes)	17.3	23.3	–25.5%
Earnings per share, basic (in €)	0.91	1.22	–25.4%

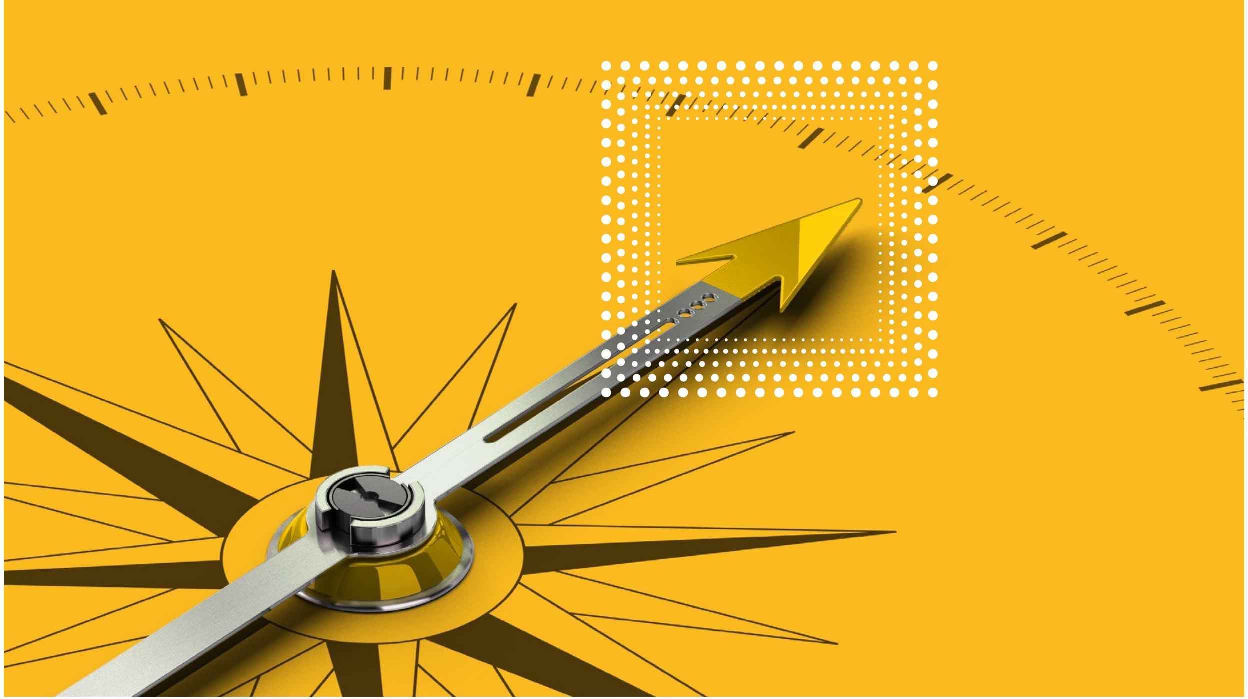
in € million	2023	2022	Change
Balance sheet and cash flow			
Equity	176.6	177.7	–0.6%
Equity ratio	47.8%	50.3%	–2.5%-Points
Balance sheet total	369.7	353.2	4.7%
ROCE	17.5%	23.6%	–6.1%-Points
Net cash	32.8	41.3	–20.6%
Free cash flow	7.9	17.0	–
Further key figures			
Investments	4.6	4.1	12.2%
Investment ratio	1.5%	1.6%	–0.1%-Points
Depreciation	6.9	5.9	16.9%
Employees as of December 31	1,207	1,091	10.6%

1 See Notes letter B., Application costs were reclassified from distribution costs to research and development costs in order to ensure comparability with the current figures.



Content

COMPANY



Letter to the Shareholders

from left to right: Dr. Thomas Rohe, Dr. Cornelia Ballwiesser and Burkhardt Frick

We recorded new orders worth

€420.5 million

in the financial year 2023

Dear Shareholders,

2023 was a year of very strong growth. With a 17% increase in sales to €304.3 million, we achieved a new record in our core business. As a result, we have continued and even accelerated the growth of recent years. Even more important is our focus on the future, where we like to grow further in the year to come. In the past twelve months, our customers have placed orders worth €420.5 million with us – which is the highest order intake in our company's history.

The biggest driver for new projects has been artificial intelligence, or AI in short. Applications such as ChatGPT, Dall-E, and Copilot have one thing in common: they all require very powerful AI chips. These AI chips consist of state-of-the-art logic chips to solve user queries and powerful memory chips because they process huge amounts of available data and content to come up with creative solutions. At SUSS MicroTec, we are proud to support this megatrend with our solutions in multiple ways. That is why we have chosen the AI theme, where humans and machines achieve unprecedented results, in the cover of this annual report.

What exactly do we contribute to AI-designated chips? First, our temporary bonding solutions help memory manufacturers produce high-performance memory, known as high-bandwidth memory, or HBM in short. These memory chips consist of eight or more very thin layers of memory stacked on top of each other. To do this, the circular wafer with a diameter of 30 centimeters must first be grinded down to a thickness of about 50 micrometers. To illustrate: this corresponds to a commercially available pizza with the thickness of an average human hair. To ensure that the wafer is not damaged during the thinning process and does not curl up, it is supported by a second substrate wafer from which it is later detached. This temporary connection between the two circular wafers is handled by our equipment, The total value of orders received for AI applications amounted to

€130 million

in 2023

for which we received the majority of AI-related orders totalling approximately € 130 million in the second half of 2023. We also help to combine these memory chips with the logic chip in a high-performance package at a later stage. A leading Taiwanese foundry is also using two of our solutions: our temporary bonding platform and our UV projection scanner.

Artificial intelligence is the hot topic in the semiconductor industry. The key question for all manufacturers and therefore for our customers is: How can we increase production capacity as quickly as possible? One thing is clear: this is not possible without additional production equipment from us and other equipment suppliers. That is why we are committed to growth.

Because growth always involves change, we are realising that we are undergoing a growth transformation. In concrete terms, this means that we are advancing our manufacturing and process capabilities. We are increasing the number of employees, especially in manufacturing and manufacturing-related areas. This will enable us to produce more tools – especially at our production site in Hsinchu, Taiwan, where we have started hiring more than 50 employees to build temporary bonders starting in the fall of 2023. Another way we are expanding capacity is by increasing our use of external manufacturing partners. Instead of sourcing individual components, we are building up strategic suppliers in Europe and Asia who manufacture entire modules for us. This is a targeted way of reducing our vertical integration.

Some of the measures associated with this growth transformation involve additional expenses and an initial decline in efficiency. These effects are visible in our figures: our gross profit margin was only 34.1%, and our EBIT margin was just 9.1%. We cannot be satisfied with that and must get through the learning curve quickly. We are confident to make a step forward as early as 2024. We expect the gross profit margin to be in the range of 35 to 38% this year. At the same time, the EBIT margin should improve to a range of 10% to 12%. 2024 will therefore be an important milestone on the way to achieving our mid-term target of an EBIT margin of at least 15% in 2025. We remain committed to this target. The same applies to our sales target of € 400 million for the same year.

When these 2025 targets were defined a few years ago, the MicroOptics business was still an integral part of this planning. This has changed in the meantime, as you have probably noticed. At the beginning of 2023, we announced that this segment would no longer be part of our core business due to a lack of synergies with the semiconductor segments. This was followed in November 2023 by the announcement that we had reached an agreement with Focuslight Technologies on the sale of our subsidiary SUSS MicroOptics S.A. The transaction was officially completed in January 2024. This move has sharpened our strategic focus. At the same time, we received cash totalling € 75 million. We will use these funds for targeted measures and investments in our core semiconductor business and our sites, such as the creation of additional cleanroom capacity for development and production and the energy-efficient optimization of buildings. Increased spending will also be required in the coming years to digitize our business processes and modernize our IT systems, such as the migration of our ERP system to S/4HANA. In addition, we are now financially well equipped to pre-finance our targeted growth further, for example by procuring materials for new orders at an early stage, and to maintain sufficient liquidity for industry-specific volatility.

Our sales guidance for the year 2024 is

€ 340–370 million

We look forward to 2024 with confidence. Our very high order book is the basis for further growth. We expect sales in the new fiscal year to be between € 340 million and € 370 million. At the midpoint of this range, this would represent an increase of 16.7%. The outlook beyond our mid-term targets for 2025 is also intact. The general market environment and special factors such as the increasing acceptance of AI applications and the construction of additional semiconductor fabs in North America, Europe and Asia should enable SUSS MicroTec to continue to grow. In addition, there is the potential of our two most important development projects: hybrid bonding and wafer cleaning. In both cases, we took an important step forward in 2023 and installed the first pilot systems at our application center in Sternenfels, Germany. These tools enable us to demonstrate the performance of our solutions to customers. In wafer cleaning, we are working to significantly improve the environmental friendliness of the cleaning process by replacing aggressive chemicals. Sustainability is therefore an integral part of our product development. You can read about this and much more in our non-financial statement, which is part of our management report.

We also view sustainability as a long-term success factor. This year we will celebrate our 75th anniversary. It is a great achievement that we have evolved over decades in the fast-moving semiconductor equipment industry. It is in our hands to continue to grow profitably based on execution of our high order book and promising future prospects.

We would like to thank our employees for their extraordinary commitment during the past year. A year characterized by growth, but also by demanding delivery schedules. We would also like to thank you, our shareholders, for the trust you have placed in us. We will continue to do everything in our power to create value for our company.

Best regards,

Burkhardt Frick
Chief Executive Officer (CEO)

Dr. Cornelia Ballwiesser
Chief Financial Officer (CFO)

Dr. Thomas Rohe
Chief Operating Officer (COO)

Report of the Supervisory Board

In the 2023 fiscal year, the Supervisory Board carried out its duties with due diligence pursuant to the statutory requirements, articles of incorporation, and Company bylaws. 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 2023 fiscal year.

Dear Readers,
Dear Shareholders,

The 2023 fiscal year was once again characterized by high incoming orders and an increased sales volume in the semiconductor equipment core business. In the two segments Advanced Backend Solutions and Photomask Solutions divisions, which represent our continuing business, order intake increased by 2.3% to a new record of €420.5 million. The strongest driver was the enormously high demand for temporary bonders, which are used to manufacture semiconductors for artificial intelligence applications. Sales in these two divisions rose by 17.0% to €304.3 million, also reaching an all-time high. Sales growth initially slowed in the second half of 2023, in particular due to significant delays in the delivery of systems to China since August 2023. The German customs and export control authorities had significantly intensified the documentation and inspection effort for deliveries to China without prior notice, with capacity bottlenecks at the responsible authorities leading to unpleasantly long processing times. This effect had a negative impact on sales and margins, particularly in the third quarter. However, the situation improved noticeably towards the end of the year. Earnings before interest and taxes (EBIT) from continuing operations fell from €31.5 million to €27.8 million.

The MicroOptics division is no longer included in the aforementioned key figures, as the Management Board and Supervisory Board have decided to sign an agreement on the sale of the subsidiary SUSS MicroOptics SA to Focuslight Technologies in November 2023. The closing of the transaction took place in January 2024.

The Supervisory Board closely followed the overall economic and political development as well as the market development in the semiconductor market and analyzed the corresponding effects on the Company. It was regularly informed by the Management Board about the current course of business; the situation in terms of net assets,

Dr. David Dean, Chairman of the Supervisory Board financial position, and results of operations; and sustainability issues. In addition to the Supervisory Board meetings, the Chair of the Supervisory Board was in close contact with the Management Board and informed himself about significant business transactions. In addition, the Chair of the Audit Committee held regular and intensive discussions with Chief Financial Officer Oliver Albrecht (until April 30, 2023) and Chief Financial Officer Dr. Cornelia Ballwiesser (since July 2023), with the auditors of the auditor Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, based in Düsseldorf, Munich branch, on issues relating to accounting, the audit of the financial statements, governance systems, and the audit of non-financial reporting.

Meetings and Main Topics of Discussion

The Supervisory Board conducted regular discussions on the development of the business, financial position, and strategic orientation of SUSS MicroTec and its subsidiaries. The Management Board regularly provided the Supervisory Board with comprehensive information about corporate planning, strategic direction, and the development of order intake, sales, liquidity, and earnings. Based on the findings and recommendations of the Audit Committee, the Supervisory Board also dealt with the monitoring of the accounting process for financial and non-financial reporting; the effectiveness of the internal control system, the risk management system, the compliance management system, and internal auditing; and the independence of the auditor. The Supervisory Board also discussed the status and further development of corporate governance in the Company. Compliance with the recommendations of the German Corporate Governance Code was discussed in particular.

The Management Board and Supervisory Board work in close collaboration to keep developing the Company successfully. The Supervisory Board regularly monitored the Management Board over the course of the fiscal year and advised it in various areas of corporate management. The discussions between the Supervisory Board and Management Board, whether virtual or face-to-face, 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 strategic decisions with the Supervisory Board and provided it with regular, prompt, and comprehensive information – in written and verbal form – about corporate planning, business development, and the current position of the Company and the Group, as well as planned changes to legal and organizational structures. The Supervisory Board discussed significant business transactions in detail with the Management Board. The Supervisory Board granted its approval for transactions requiring approval. In addition, the Supervisory Board regularly confirmed that the Management Board acted properly, lawfully, and appropriately. The Supervisory Board was given the necessary access to the Company's relevant business documents. A total of fourteen meetings were held in the 2023 fiscal year, five of which were ordinary meetings and nine of which were extraordinary meetings of the Supervisory Board (eight without the Management Board). Three meetings were held in physical form, four in virtual form, and seven in hybrid form. In the second half of the year, a strategy meeting with the Supervisory Board, the Management Board and other high level managers took place.

The main topics discussed at the Supervisory Board meetings in the 2023 fiscal year were once again diverse. In the first half of the year, the two appointments to the Management Board were the main focus of the Supervisory Board meetings. In addition, the annual financial statements, the consolidated financial statements, and the combined management report for the Company and the Group as of

December 31, 2022 (including the non-financial Group statement), were audited and approved. The outlook for the 2023 fiscal year was also discussed, current market developments and the separate Sustainability Report 2022 were discussed, and the proposal for the appropriation of profits was examined and approved. An intensive exchange took place with the auditors in regard to the focal points of the 2022 audit. It was also decided that the 2023 Annual Shareholders' Meeting will once again be held as an in-person event. In addition to regular status updates on business performance, current operational issues, the development of key performance indicators, and the progress of strategic projects, targets, and measures to improve sustainability and their communication were defined. The Management Board also informed the Supervisory Board in detail about the Capital Markets Day held in February 2023. In addition, a possible spin-off or sale of the MicroOptics division and the status of various strategic projects were discussed and debated at several meetings. The Supervisory Board received regular reports on the work of its committees (Audit Committee, Personnel Committee, and Sustainability Committee). The Management Board provided the Supervisory Board with comprehensive information on the current business situation and operational issues. General and specific HR and sustainability topics were also part of the meetings.

In addition to current business and market developments, the meetings in the second half of the year focused in particular on progress in the area of operations and the status of a possible sale of the MicroOptics division as well as the strategic development of the Company. In November 2023, the conclusion of an agreement on the sale of SUSS MicroOptics SA to Focuslight (HK) Investment Management Co. Ltd was approved. The closing of the transaction took place in January 2024.

The Management Board also reported on developments on the capital market and the discussions held with investors. The Supervisory Board received a progress report on strategic issues, innovations, and the product roadmap and discussed these in detail with the Management Board. The effectiveness and appropriateness of the internal control system, the risk management system, and the compliance management system were further focal points of the meetings. The focal points of the 2023 audit were also discussed.

In addition, the annual declaration of compliance with the German Corporate Governance Code was reviewed and approved at the December meeting of the Supervisory Board.

Some meetings of the Supervisory Board were also held in hybrid form in 2023. The following table provides an overview of the individual meeting attendance of the Supervisory Board members. All members of the Supervisory Board attended all meetings in 2023. Dr. Bernd Schulte attended all meetings that took place after the end of his temporary appointment to the Management Board as Chief Executive Officer.

Meetings of the Supervisory Board

Supervisory Board member	Attendance at meetings (during the term of office)	Of which: Attended in person	Of which: Attended virtually	Attendance (during the term of office)
Dr. David Dean	14	7	7	100%
Dr. Myriam Jahn	14	6	8	100%
Dr. Bernd Schulte[1]	5 (of 5)	4	1	100%
Jan Smits	14	5	9	100%
Prof. Dr. Mirja Steinkamp	14	5	9	100%

1 Dr. Bernd Schulte's Supervisory Board mandate was suspended from October 17, 2022 up to and including September 10, 2023, as he was delegated to the Management Board as its Chair during this period. Following his return to the Supervisory Board, Dr. Schulte attended five meetings of the Supervisory Board in the 2023 reporting year. He also attended another Supervisory Board meeting as a guest in June.

Committee Meetings

Personnel Committee

As of December 31, 2023, the Personnel Committee (also the Nomination and Remuneration Committee) continued to consist of the Supervisory Board members Dr. David Dean (Chair), Dr. Myriam Jahn, and Jan Smits. This committee deals with issues relating to the Management Board, in particular the preparation of the appointment of Management Board members, the skills profile, the preparation of Management Board service contracts, and the remuneration of Management Board members. In 2023, the Committee dealt intensively with the succession plan for the CEO and CFO positions on the Management Board and the extension of the COO's contract. Other focal points of the meeting were the determination of the respective target achievement of the members of the Management Board and the setting of targets for the members of the Management Board. All five meetings of the Personnel Committee were held in virtual form in 2023. All members of the Committee attended all meetings.

Meetings of the Personnel Committee

Supervisory Board member	Meeting participation	Of which: Attended in person	Of which: Attended virtually	Attendance
Dr. David Dean (Chair)	5	0	5	100%
Dr. Myriam Jahn	5	0	5	100%
Jan Smits	5	0	5	100%

Audit Committee

As of December 31, 2023, the Audit Committee consisted of the Supervisory Board members Prof. Dr. Mirja Steinkamp (Chair), Dr. David Dean, Dr. Bernd Schulte, and Jan Smits. The Audit Committee deals in particular with monitoring the accounting process for financial and non-financial reporting, the effectiveness and appropriateness of the internal control system, the risk management system, the internal audit system, and the compliance management system, as well as the audit of the financial statements, in particular the selection and independence of the auditor, the quality of the audit, and any additional services provided by the auditor.

The Audit Committee discusses with the auditor the assessment of the audit risk, the audit strategy, and the audit planning, as well as the audit results. The Chair of the Audit Committee regularly discussed the progress of the audit with the auditor and reported on this to the Committee. The Audit Committee also met with the auditor without the presence of the Management Board.

In the run-up to the publication of the annual financial statements and consolidated financial statements for the 2022 fiscal year, the two quarterly statements in the 2023 fiscal year, and the interim report as of June 30, 2023, these were discussed in detail with the Management Board in the Audit Committee.

The main topics of the Audit Committee meetings in the first quarter of 2023 were the discussion and audit of the annual financial statements of the individual companies, the consolidated financial statements (including the condensed Management Report for the Company and the Group) in accordance with HGB and IFRS, and the audit of the non-financial reporting in preparation for the Supervisory Board meeting to approve the financial statements. The Audit Committee also reviewed the internal control system, the risk early warning system, the risk management system, the compliance management system, and the assessment of the effectiveness and appropriateness of these four governance systems.

In the second quarter, the Audit Committee discussed with the Management Board the quarterly statement for the first quarter of 2023 and the first forecast for the current fiscal year, the non-financial reporting, the separation of the Remuneration Report from the Management Report, and its separate publication. Other key topics of the Audit Committee meetings were the current status of IT security and the future requirements resulting from the NIS2 Directive.

In the third quarter, the Audit Committee dealt with the interim report as of June 30, 2023, the risk management system, the internal audit system, the requirements for the disclosure of discontinued operations in accordance with IFRS, and the Company's current credit lines.

In the fourth quarter, the Audit Committee was informed about the quarterly statement for the third quarter of 2023, the third forecast for the current fiscal year, the auditors' current audit approach, and the current status of sustainability reporting. The Audit Committee also received an update on the further development of the internal control system, the internal audit system, the risk management system, and the compliance management system. In addition, the Supervisory Board defined the key audit areas for the 2023 audit of the annual and consolidated financial statements. Non-audit services provided by the auditors were also discussed.

The Audit Committee remained apprised of business development through regular review of the management reporting during the year. The Audit Committee held a total of five meetings in 2023: two in virtual form and three in hybrid form. All members of the Committee attended all meetings held during their active term of office.

Meetings of the Audit Committee

Supervisory Board member	Meeting participation	Of which: Attended in person	Of which: Attended virtually	Attendance
Prof. Dr. Mirja Steinkamp (Chair)	5	2	3	100%
Dr. David Dean	5	1	4	100%
Jan Smits	5	0	5	100%
Dr. Bernd Schulte[1]	1	0	1	100%

1 Dr. Bernd Schulte's Supervisory Board mandate was suspended from October 17, 2022, up to and including September 10, 2023, as he was delegated to the Management Board as its Chair during this period. In the 2023 reporting year, following his return to the Supervisory Board and thus to the Audit Committee, a meeting of the Audit Committee was held, which Dr. Schulte attended.

Sustainability Committee

As of December 31, 2023, the Sustainability Committee (ESG Committee) consisted of the Supervisory Board members Dr. Myriam Jahn (Chair), Jan Smits, and Prof. Dr. Mirja Steinkamp. The Sustainability Committee is responsible for monitoring and advising on the Company's environmental and sustainability programs as well as monitoring and advising on social and governance guidelines. It advises on non-financial reporting and proposes the non-financial targets for target setting as part of the Management Board remuneration for the Personnel Committee.

The Sustainability Committee met four times during the reporting period. The main topics of the first meeting in 2023 were the coordination and definition of sustainability targets for the Group. At the second meeting, the Committee received a status report on the current sustainability goals. In addition, measures to reduce CO_2 emissions (Scope 1 and 2) and to improve sustainability in the area of human resources were discussed. In the third meeting, the results from the validation of the materiality analysis and the Sustainability Strategy 2030 were discussed. All four meetings of the Sustainability Committee were held virtually in 2023. All members of the Committee attended all meetings.

Meetings of the Sustainability Committee (ESG Committee)

Supervisory Board member	Meeting participation	Of which: Attended in person	Of which: Attended virtually	Attendance
Dr. Myriam Jahn (Chair)	4	0	4	100%
Jan Smits	4	0	4	100%
Prof. Dr. Mirja Steinkamp	4	0	4	100%

Corporate Governance and Declaration of Compliance

As usual, the Supervisory Board dealt with corporate governance and compliance issues in the past fiscal year. In December 2023, the declaration of compliance for 2023 was adopted, in which no deviations from the current version of the German Corporate Governance Code were declared. Further information on corporate governance at the Company is published in the Corporate Governance Declaration. A detailed report on the amount and structure of the remuneration of the Management Board and Supervisory Board can be found in the Remuneration Report. On March 27, 2023, the Supervisory Board conducted its annual self-assessment of how effectively the Board as a whole and its committees perform their duties. This is reported in detail in the Corporate Governance Declaration.

In the 2023 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. No conflicts of interest among Management and Supervisory Board members to be immediately disclosed to the Supervisory Board were reported in the 2023 fiscal year.

Audit of the Annual and Consolidated Financial Statements

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, headquartered in Düsseldorf, Munich branch, audited the annual financial statements of SÜSS MicroTec SE as of December 31, 2023, prepared in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements as of December 31, 2023, prepared in accordance with International Financial Reporting Standards (IFRS), and the combined management report for the 2023 fiscal year, and issued an unqualified audit opinion in each case. The consolidated financial statements were prepared in accordance with Section 315 e HGB based on International Financial Reporting Standards (IFRS) as applicable in the EU. The auditor conducted the audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW).

The audit reports of Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, based in Düsseldorf, Munich branch, were submitted to all members of the Supervisory Board and were discussed in detail at the Supervisory Board's balance sheet meeting on March 22, 2024, in the presence of the auditor. The auditor reported on the key findings of its audit. 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. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, based in Düsseldorf, Munich branch, was appointed as auditor for SUSS MicroTec for the first time for the 2022 fiscal year. The lead auditor for the 2023 fiscal year was the auditor Valerie Knaack, who was responsible for the audit of the financial statements and consolidated financial statements of SUSS MicroTec alongside the auditor Tibor Abel. Ms. Knaack audited SÜSS MicroTec SE for the first time, while Tibor Abel audited the Company for the second time.

Key audit matters include the impairment testing of goodwill and the accounting treatment of discontinued operations in connection with the sale of the MicroOptics division, which was completed in January 2024. In addition, the completeness and valuation of provisions, as well as the completeness and accuracy of revenue recognition, were audited. Other focal points include the audit of the completeness and plausibility of the disclosures in the notes to the IFRS consolidated financial statements, including the implementation of new standards.

At its meeting on March 22, 2024, the Supervisory Board adopted the Company's annual financial statements for 2023 and approved the consolidated financial statements and the combined management report of SÜSS MicroTec SE for the 2023 fiscal year. The Supervisory Board had no objections. After conducting a detailed examination, the Supervisory Board noted the reports of the auditor with approval.

Composition of the Management and Supervisory Boards

In the past fiscal year, there were changes in the Management Board and the Supervisory Board of SÜSS MicroTec SE. Dr. Bernd Schulte, who was seconded to the company's Management Board as its Chair from October 17, 2022, up to and including September 10, 2023, due to the sabbatical and departure of Dr. Götz Bendele, returned to the Supervisory Board on September 11, 2023. During the period of his appointment, Dr. Bernd Schulte's mandate as a member of the Supervisory Board of SÜSS MicroTec SE was suspended.

The employment contract of Chief Financial Officer Oliver Albrecht duly ended on April 30, 2023, and was not extended by mutual agreement. Dr. Cornelia Ballwiesser has been a member of the Management Board and CFO since July 1, 2023. Her employment contract runs for three years until the end of June 2026. The Supervisory Board is convinced that it has gained an experienced board member and expert in areas such as finance and accounting for the Company. In addition, Burkhardt Frick began his work as a member of the Management Board and Chair of the Management Board of SÜSS MicroTec SE on September 11, 2023. He succeeded Dr. Bernd Schulte who was CEO on an interim basis. Burkhardt Frick is a proven industry expert and has worked successfully in international semiconductor equipment companies in various management positions worldwide.

In the 2023 fiscal year from May 1, 2023, to June 30, 2023, the Management Board consisted of two persons on a transitional basis. As of December 31, 2023, the Management Board had three members, as planned.

Due to the temporary appointment of Dr. Bernd Schulte to the Company's Management Board, the Supervisory Board of SÜSS MicroTec SE temporarily consisted of four members in the past fiscal year from January 1, 2023, up to and including September 10, 2023. As of December 31, 2023, the Supervisory Board had five members, as planned.

The Supervisory Board would like to thank Oliver Albrecht for his commitment and work in the service of the Company. The Supervisory Board would like to thank Dr. Bernd Schulte for his willingness and extraordinary commitment as Chief Executive Officer in the period from October 17, 2022, up to and including September 10, 2023.

Education and Training of the Supervisory Board

The members of the Supervisory Board are responsible for the training and further education measures required for their tasks. These can include changes to the legal framework, technological developments, and sustainability issues. As in every year, the members of the Supervisory Board received further training on current topics, with a focus on sustainability reporting and the Corporate Sustainability Reporting Directive (CSRD) as well as a responsible supply chain, IT security, and the NIS2 directive.

Thanks

My special thanks once again go to all our employees, who are fully committed to driving forward the Company's positive development and are also highly solution-oriented in the face of adversities such as the delays in deliveries to China, which had a negative impact on business performance in the second half of the year. I would like to thank the former and current members of the Management Board for their dedication and commitment in 2023, especially for their hard work in the sale of the MicroOptics division. I would like to thank my colleagues in the MicroOptics division for the very successful development of this business and wish them all the best for the future.

Garching near Munich, March 2024

Signed
Dr. David Dean
Chair of the Supervisory Board

Investor Relations

SUSS MicroTec in the Capital Market

€ 27.00

Analysts' average target share price for SUSS MicroTec as of December 31, 2023.

In 2023, the stock market outperformed expectations despite numerous negative factors, including rather weak global economic data, continued relatively high inflation (around 6 percent on average in Germany in 2023, source: RWI Economic Report as of the end of 2023), high energy prices, rising interest rates, the ongoing war in Ukraine, and the outbreak of war in Israel. Industry and private households were particularly impacted by stubbornly high inflation rates and the significant rise in interest rates. This resulted in a decline in industrial capital expenditure and private consumption, which certainly affected the capital markets adversely. However, due to the low valuation level at the end of 2022, many companies were able to make significant gains over the course of the year, which was also reflected in the performance of Germany's leading index, the DAX. After a weak stock market year in 2022 with the DAX closing at just under 14,000 points, Germany's leading index rose to over 16,000 points in the first half of 2023 and – apart from a few trading days – stayed above 16,000 points until the beginning of August. In August, September, and October, the index subsequently lost significant ground and fell below the 15,000 point mark. The DAX recovered again at the end of the year and closed the trading year at 16,751 points, up around 20 percent over the previous year. The indexes for mid and small caps performed less strongly. The MDAX rose around 8 percent year-on-year. The SDAX, which also includes SUSS MicroTec, increased by around 17 percent.

The SUSS MicroTec Share

The SUSS MicroTec share trended constantly upward in the first half of the year, just like the main benchmark indices. The SUSS MicroTec share rose from € 14.64 on January 2, 2023 – which was both the starting and lowest value of the year – to an interim all-year high of € 27.55 on June 23, 2023. The share price fell to just above the € 20 mark in August and September following the specification and adjustment of the annual forecast for the 2023 fiscal year. The share price stayed at this level until the end of October. After the second correction of the annual forecast on October 25, 2023, the SUSS MicroTec share lost more than 20 percent of its value within a few days and fell back to around € 16.00. However, it quickly recovered from this setback. The rebound was supported by the announcement of the sale of the loss-making MicroOptics division and an extremely high level of incoming orders in connection with the expansion of capacity for the production of microchips for artificial intelligence applications. Within a month, the share price climbed to over € 27.00 and stabilized at this level. We closed the stock market year on December 29, 2023, at an all-year high of € 27.70. Compared to € 15.14 at the end of 2022, our share price rose around 83 percent in 2023. This means we outperformed not only the SDAX but also the relevant benchmark index, the DAXsector Technology (Performance) Index (ISIN DE0009660209), which rose 32 percent during this period. The Philadelphia Semiconductor Sector Total Return (PHLX) benchmark index, for its part, gained 67 percent in 2023. The average daily trading volume of SUSS MicroTec shares on the German XETRA stock exchange in the 2023 fiscal year amounted to approximately 57 thousand shares (previous year: average daily trading volume of approximately 64 thousand shares). Due to the significantly higher price, this corresponded to an average Xetra trading volume of around € 1.29 million per day (previous year: average of around € 0.78 million per day).

An Overview of the SUSS MicroTec Share

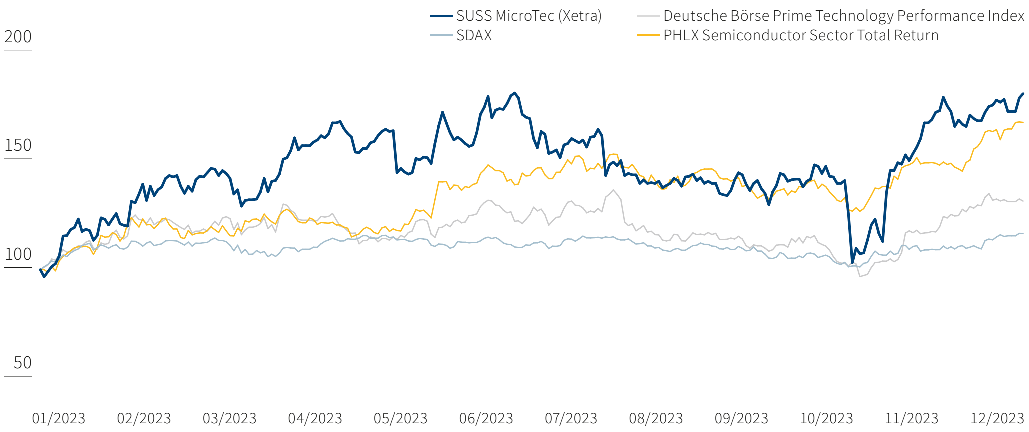
ISIN	DE000A1K0235
Reuters code	SMHN
Bloomberg code	SMHN:GR
Stock exchange segment	Prime Standard
Number of issued shares (December 31, 2023)	19,115,538
Description of securities	Registered shares
Designated sponsor	Stifel Europe Bank AG (until June 30, 2023) Hauck Aufhäuser (since July 1, 2023)
Initial public offering	May 18, 1999
Opening/closing price for the year in €[1]	€14.64/€27.70
Yearly high in €[1]	27.70 (December 29, 2023)
Yearly low in €[1]	14.64 (January 2, 2023)

1 XETRA closing price

Shareholder structure

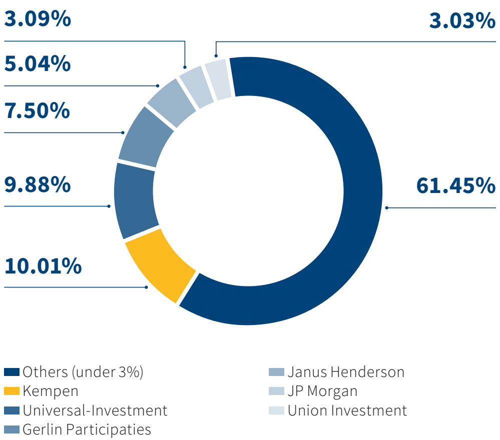
Our ownership information changed in the 2023 fiscal year as follows: On June 30, 2023, we were informed that the acting-in-concert agreement concluded on February 13, 2020, between Luxempart Pipe SARL (Luxembourg) and Gerlin NV (Netherlands) was terminated. Luxempart sold all its shares in the course of 2023. Gerlin NV (Gerlin Participaties Coöperatief U.A.) continues to hold a stake of 7.5 percent. In addition, Janus Henderson (United Kingdom) increased its stake from 4.02 percent last reported on July 12, 2021, to 5.04 percent. New major shareholders include J.P. Morgan (United Kingdom) and Union

Development of the SUSS MicroTec share from January 3, 2023 til December 31, 2023 (in %)



Investment (Germany) with stakes of 3.09 and 3.03 percent, respectively. The free float as defined by Deutsche Börse AG amounted to 92.5 percent at the end of 2023. The largest shareholders are fund companies, investment companies, and asset managers.

Ownership Information as of December 31, 2024



Analyst Recommendations

At the end of 2023, six banks and research firms covered the Company. The Hamburg-based institute AlsterResearch began coverage in 2023. At the end of 2023, four analysts recommended the SUSS MicroTec share as a buy, while two analysts gave the share a sell rating:

AlsterResearch	Buy (Sponsored Research)
DZ Bank AG	Sell
Hauck Aufhäuser	Buy
ODDO BHF	Sell
Stifel Europe Bank AG	Buy (Sponsored Research)
Warburg Research	Buy (Sponsored Research)

The average target price of the six analysts was €27.00 as of December 31, 2023.

Investor Relations Activities

Investor relations activities at SUSS MicroTec aim to provide the capital market with relevant information on the valuation of the SUSS MicroTec share. The Company therefore stays in close contact with shareholders and engages in open, continual communications with the capital market. All members of the Management Board attended a number of meetings with investors and analysts in 2023. A Capital Markets Day was held in Garching near Munich in February 2023, giving national and international capital market participants an opportunity to visit the production and application cleanrooms in Garching. The management also reported on the updated strategy, the prospects in the Advanced Backend Solutions and Photomask Solutions divisions, and the main development projects. The Company's targets for 2025 were also confirmed: sales of €400 million with an EBIT margin of at least 15 percent.

To attract new institutional investors and engage with existing shareholders, we took part in ten investor conferences in Europe and North America in 2023, some of which lasted several days. We also held three investor road shows and represented our Company at several virtual investor events. In addition, several expert meetings and visits to the largest development and production site in Sternenfels with individuals such as with the Senior Vice President R&D were offered over the course of the year. The IR activities also included numerous one-on-one meetings with investors and analysts as well. Conference calls with investors and analysts were held after the publication of the annual, quarterly, and mid-year figures.

Shareholders' Meeting

The ordinary Shareholders' Meeting of SÜSS MicroTec SE took place on May 31, 2023. The ordinary Shareholders' Meeting was held as a full-fledged face-to-face meeting at the Haus der Bayerischen Wirtschaft Conference Center in Munich. Our shareholders were thus once again able to gain a personal impression of the business situation and engage directly with the Company's Management Board and Supervisory Board.

Shareholders' questions were answered in the course of the ordinary Shareholders' Meeting. In his speech, then-CEO Dr. Bernd Schulte gave the participants an overview of the past fiscal year of 2022 and provided an outlook for 2023.

The Shareholders' Meeting approved the following decisions: In addition to the decision on discharging liability for the Management Board and the Supervisory Board, a vote was taken on the appointment of the auditor and on the appropriation of distributable profit. In addition, a resolution was passed on the cancellation of the Approved Capital 2018, the creation of new Approved Capital 2023 against cash and/or non-cash contributions with authorization to exclude subscription rights and the corresponding amendment to the articles of incorporation, and on the new authorization to acquire and use treasury shares in accordance with Section 71 (1)(8) German Stock Corporation Law (AktG) with possible exclusion of subscription rights and the option to redeem treasury shares by reducing the equity capital and revoking the existing authorization. All resolutions proposed to the Shareholders' Meeting were adopted with a majority of over 90 percent. Detailed voting results can be found on the Company website at **https://www.suss.com/en/investor-relations/shareholder-meeting**

Dividend

SUSS MicroTec adopted a dividend policy in 2022. This policy specifies that 20 to 40 percent of the Group's free cash flow shall be distributed as a dividend. Exceptions to this policy are permitted for reasons including general economic or cyclical developments, economic and financial circumstances, and thus the available distributable earnings of SÜSS MicroTec SE, or acquisitions or disposals of assets.

According to the Company's earnings appropriation proposal, the ordinary Shareholders' Meeting of SÜSS MicroTec SE passed a resolution on May 31, 2023, to distribute a dividend of € 0.20 per dividend-bearing no-par-value share, which, at 19,115,538 dividend-bearing no-par-value shares, translates into a distribution of € 3.8 million and approximately 23.8 percent of the free cash flow of the 2022 fiscal year.

Financial Calendar 2024

- **May 8, 2024**
  Quarterly Report Q1 2024
- **June 11, 2024**
  Annual General Meeting 2024, Munich
- **August 7, 2024**
  Half Year Report 2024
- **November 7, 2024**
  Nine Months Report 2024

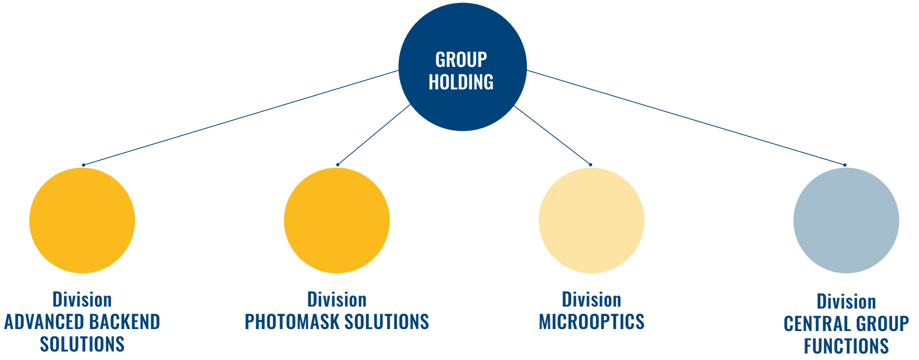
CONDENSED-MANAGEMENT REPORT

Basics of the Group

Business Activity, Sales Markets, and Division Structure

The SUSS MicroTec Group (subsequently SUSS MicroTec) develops, manufactures, markets, and maintains systems for the production of microelectronics, microelectromechanical systems, and related applications. Our largest market is the advanced backend of the semiconductor industry. Our lithography systems are primarily used in (advanced) packaging: Here, the chip structure is prepared at wafer level for contacting with end devices such as cellphones or tablets. We are also active in wafer-to-wafer bonding and, since 2021, in die-to-wafer bonding. The second major target market is the frontend of the value chain in the semiconductor industry. As the undisputed market leader, we offer systems for the production and cleaning of photolithographic masks. Our customers include the world's leading international manufacturers of photomasks and microchips as well as their foundries who produce according to external manufacturer specifications and do not have their own product development facilities. Asia, particularly Taiwan, Korea, and China, has generated the greatest contribution to sales for many years. We manufacture our systems mainly in Sternenfels and Garching (both Germany) and in Hsinchu (Taiwan). Regionally, approximately 64 percent of our suppliers are based in Germany and a total of approximately 73 percent in Europe. This corresponded to around 76 percent of the total purchasing volume in the 2023 fiscal year. We are currently working on establishing new partners for the procurement of various modules and components.

Segment Structure



1 Presentation as of December 31, 2023, including the MicroOptics division, which we report as discontinued operations in the report and whose sale was completed in January 2024

In the 2023 fiscal year, SUSS MicroTec was divided into two sales-generating divisions on the basis of continuing operations: Advanced Backend Solutions and Photomask Solutions. The former Lithography and Bonder divisions were merged into the newly formed Advanced Backend Solutions division with effect from January 1, 2023. Further information on this can be found in the "Advanced Backend Solutions division" section.

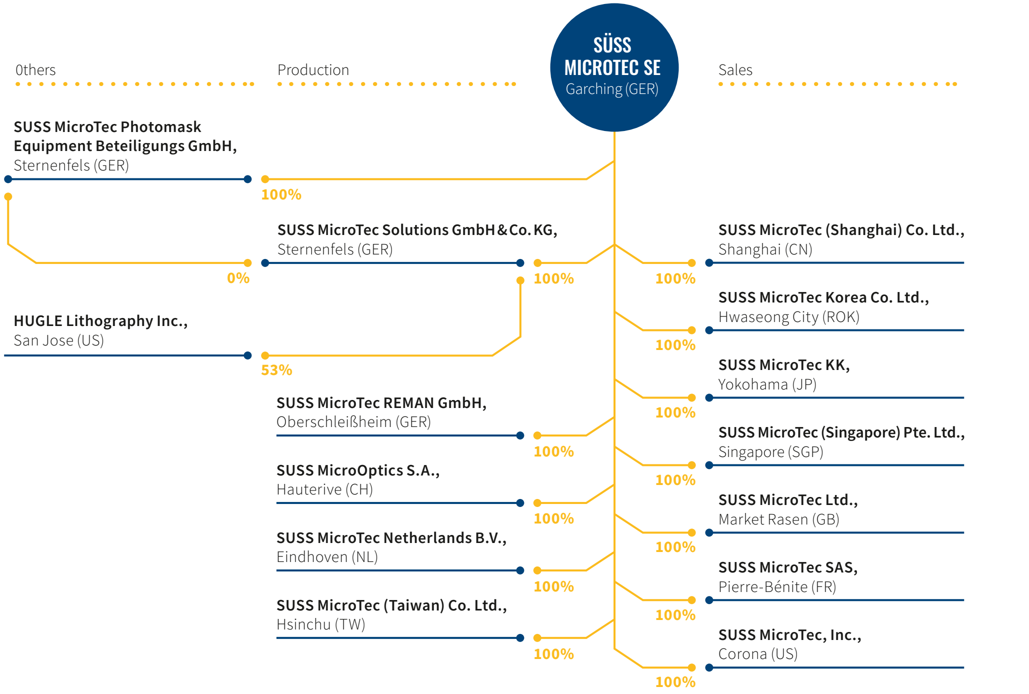
At the beginning of 2023, the decision was made to no longer include the third sales-generating division MicroOptics as part of SUSS MicroTec's core business due to low synergies with our semiconductor equipment divisions and to initiate a possible sales process. In November 2023, we signed an agreement to sell the subsidiary SUSS MicroOptics S.A. and the business unit of the same name to Focuslight (HK) Investment Management Co. Ltd., a subsidiary of Focuslight Technologies Inc. listed in Shanghai (China). The transaction was completed in January 2024. Accordingly, the following presentation of the divisions does not include the MicroOptics business unit.

The non-sales-generating segment "Central Group Functions" includes costs for which it was not possible or appropriate to allocate them to the other divisions.

Legal Structure of the Group

SÜSS MicroTec SE (subsequently "the Company") came into existence on August 9, 2017, through its entry into the commercial register as part of a transformation in form from SÜSS MicroTec AG based in Garching. The legal structure of the Group continues to consist of the parent company SÜSS MicroTec SE as the management and financing holding company and the subsidiaries in which the parent company holds a majority interest. Development and production activities or local sales and service activities for the Group are organized in the subsidiaries. SUSS MicroTec has locations in Germany, the United States, the United Kingdom, France, Switzerland, Japan, China, Singapore, South Korea, Taiwan, and the Netherlands.

Legal Structure of the Group



1 Presentation as of December 31, 2023, including SUSS MicroOptics S.A., which we report as discontinued operations in the report and whose sale was completed in January 2024

Corporate Control

Corporate control is based in particular on sales, the gross profit margin, and the EBIT margin of the individual divisions. Order intake is also an important key figure, but is not included in the annual forecast because it cannot be predicted with sufficient accuracy due to market and demand fluctuations. These key figures are the most important financial performance indicators for SUSS MicroTec.

Corporate and Division Strategy

We offer enabling technologies and occupy specialty markets in the global semiconductor industry. As a solution provider, we support our customers in the production of large series, in the production of small quantities, and in laboratory applications. Our aim is to develop innovative technologies and process solutions for future-oriented applications for strategic customers in high-growth markets. In doing so, we pursue the goal of equipping our customers' value chain as comprehensively as possible with equipment from SUSS MicroTec. After the delivery and installation of our tools, we remain at our customers' side with our international service organization.

Through our activities, we pursue the goal of always being one of the leading suppliers in the relevant markets through clear positioning. Partnerships with leading institutes and companies in the industry help us to identify key trends and promising technologies at an early stage and to exploit the potential for us and our target customers. The focus here is on organic growth. In the case of interesting technologies or sensible additions to the portfolio, we also examine targeted acquisitions.

In the following, we describe our market position and the respective strategic thrusts in our divisions.

After a thorough analysis, the Management Board and Supervisory Board decided at the beginning of 2023 that the MicroOptics division will no longer be part of SUSS MicroTec's core business due to low synergies with our semiconductor equipment divisions. In November 2023, we signed an agreement to sell the subsidiary SUSS MicroOptics S.A. and the business unit of the same name to Focuslight (HK) Investment Management Co. Ltd., a subsidiary of Focuslight Technologies Inc. listed in Shanghai (China). The transaction was completed in January 2024. Accordingly, this report presents and comments on all Group key figures excluding the MicroOptics division.

Advanced Backend Solutions Division

At the beginning of 2023, the previously independent Lithography and Bonder divisions were merged to form the Advanced Backend Solutions division. Both previous divisions produce products for manufacturing processes in the semiconductor industry in the middle-end-of-line and end-of-line areas. They serve the same markets and customers. In addition, the products are sold through the joint sales structure. The development and production processes are partially linked.

The Advanced Backend Solutions division comprises the development, production and sale of solutions in the Imaging, Coating and Bonding product lines. Specifically, we offer mask aligners and UV projection scanners (Imaging Systems), coaters and developers (Coating Systems), as well as temporary and permanent bonders (Bonding Systems). These product lines are manufactured in Germany at the locations in Garching and Sternenfels, as well as in Hsinchu in Taiwan. The main market for our systems is the backend of semiconductor production, with a focus on the submarkets of advanced packaging, 3D integration, MEMS (micro-electro-mechanical systems), and compound semiconductors. We differentiate between temporary bonding and permanent bonding. Both submarkets have different technical requirements and a differentiated competitive situation. The Advanced Backend Solutions division was the largest division of SUSS MicroTec with a sales share of around 70 percent in 2023.

We hold a leading position among coaters and developers, with around 2,000 units installed in the market. In the important target market of advanced packaging, we share first and second place with an Asian competitor. With our next generation of equipment, we are aiming for higher yield and throughput during operation. In doing so, our goal is to reduce our customers' cost of ownership (COO), that is, the total cost of purchasing and operating the equipment. Our goal is to grow faster than the overall market. New coating technologies, in particular inkjet processes for cost-optimized process windows, round out our portfolio.

With a market share of around 50 percent, our mask aligners form a strong foundation for our activities in the area of exposure equipment. Our competitive advantage is our above-average quality in optics and alignment. We have been supporting our customers for many years with fully automated systems for high-volume production as well as with manual systems in the laboratory and in small series production. Our UV projection scanners which are used in certain fields of application represent a particularly cost-efficient bridging technology between mask aligners and steppers offered by our competitors. Thanks to the combination of mask aligners and UV projection scanners in our portfolio, we expect to maintain or slightly increase our sales volume in this slightly declining market in the medium term. It should be noted that we do not compete with exposure technologies with a resolution in the nanometer range, such as those used in the frontend of semiconductor production, but offer solutions in the micrometer range.

In the market for temporary bonding and debonding, solutions are used in particular in the 3D integration of memory chips, in CMOS sensors, in MEMS applications, and in power semiconductors made of silicon carbide. Based on the market estimates available to us, SUSS MicroTec is the leading supplier with a market share of between 30 and 40 percent. According to our own estimates, our market share with temporary bonders among the leading memory manufacturers is more than 50 percent. In the 2023 fiscal year, we received an exceptionally high level of incoming orders for temporary bonders, debonders and cleaners, which are required to build up capacity for high bandwidth memory (HBM) chips in connection with artificial intelligence (AI) applications. In recent years, we have also succeeded in having our bonder solutions qualified by the first manufacturer to produce silicon carbide semiconductors on the basis of 200mm wafers. We hope to achieve further growth potential in the coming years by expanding capacity in existing applications and addressing new ones.

In the market for permanent bonding, SUSS MicroTec is a challenger with a market share in the single-digit percentage range. Following our withdrawal in the 2010s, we decided to address this market again a few years ago. It was possible to catch up with the competition again very quickly in terms of technology. This is evidenced by the continuous improvement in order volume. The attractive future market of hybrid bonding also falls under permanent bonding. We are working with the French company SET in this area on an integrated hybrid bonder for die-to-wafer applications, that is, for connecting a wafer to individual chips. We have also developed our own solution for hybrid bonding of two wafers (wafer-to-wafer). The next step in both cases is successful evaluation by potential customers. Hybrid bonders could make the largest sales contribution to SUSS MicroTec's bonder division in the medium to long term.

Photomask Solutions Division

The Photomask Solutions division comprises the development, manufacture, and sale of systems used in the production or cleaning of photomasks for the semiconductor industry. The key target markets are lithography photomask manufacturers and the frontend of the semiconductor industry, where photomask cleaning systems are typically used in close proximity to lithography equipment. The structuring and thus the actual production of microchips takes place in the frontend. The main sales markets for the Photomask Solutions division are Taiwan and China. According to our information, only photomask cleaners from SUSS MicroTec have so far been qualified for the 3nm technology node. Our solutions are also scalable for the next technology nodes in EUV (Extreme Ultra Violet) lithography. Thanks to our leadership in technology, we are by far the leading supplier according to our own calculations. Our goal is to defend our market-leading position in this growing market. We are also working on transferring our expertise in photomask cleaning to wafer cleaning. For further information, please refer to the Research and Development section of this management report.

Employees

With their experience, skills, and knowledge, our employees represent a significant share of SUSS MicroTec's corporate value. Our business is characterized by internationality, global positioning, and cultural diversity. We have employees in research and development, production, administration, sales, and service all across the globe. They form an important network for the cross-site exchange of knowledge and intercultural cooperation. We work in flat hierarchies with short decision-making paths and enable our employees to contribute and develop according to their skills. The motivation and flexibility of our employees are important prerequisites for the long-term success of the Company.

At the end of the 2023 fiscal year, 1,207 (previous year: 1,091) people were employed by the SUSS MicroTec Group on the basis of continuing activities. As of December 31, 2023, there were 33 trainees (previous year: 39) in commercial and technical areas throughout the company. In 2023, we continued to work closely with universities and research institutions to make SUSS MicroTec known to talented graduates as early as possible and to attract new employees to us. In Germany, the proportion of women in the workforce in the 2023 fiscal year was around 22 percent (previous year: 21 percent). Women constituted 22 percent of the total workforce worldwide.

SUSS MicroTec prepares a non-financial statement in which, among other things, the interests of the employees as well as the goals and measures to achieve these goals are presented. This non-financial statement is an integral part of this management report.

Research and Development

Research and development expenditure for continuing operations increased by € 2.6 million to € 31.3 million in the 2023 fiscal year (previous year: € 28.7 million). The R&D ratio, i.e. research and development expenditure in relation to sales, therefore amounted to 10.3% (previous year: 11.0%). It should be noted that we have been recognizing application costs in research and development costs since the beginning of 2023 and no longer in selling costs as in the past. To improve comparability, we have adjusted the previous year's figures accordingly, i.e. reclassified application costs from selling costs to research and development costs.

At the end of 2023, 309 employees and thus approximately a quarter of all SUSS MicroTec employees worked in research and development (previous year: 282 employees; also adjusted for reasons of comparability).

Advanced Backend Solutions Division

Around 80% of our research and development expenditure from continuing operations was attributable to the Advanced Backend Solutions division in the 2023 fiscal year. In all three product lines – Imaging, Coating and Bonding – we have continued our existing development projects and launched new projects in order to exploit market opportunities in a targeted manner and to drive forward the targeted future growth of SUSS MicroTec.

In our imaging solutions, the focus was on the further development of a new, modular in-line metrology module. The aim is to be able to use coating thickness measurement and defect inspection across all products. In 2023, we completed the development of a new generation of our DSM200 metrology tool for measuring overlay results and line width fluctuations. We have already delivered a first system with the product name DSM200 Gen3 to a customer. In the nano-imprint area, we have expanded the functional scope of our new semi-automatic system for 300mm micro and nano-imprint applications, the MA12 Gen3.

In the Coating product line, we further developed the new ACS300 Gen4 coater/developer generation in parallel with process optimization at an Asian customer. The new product generation is characterized by the possibility of stacking process modules on top of each other in order to achieve a higher throughput per cleanroom area and improve the cost of ownership.

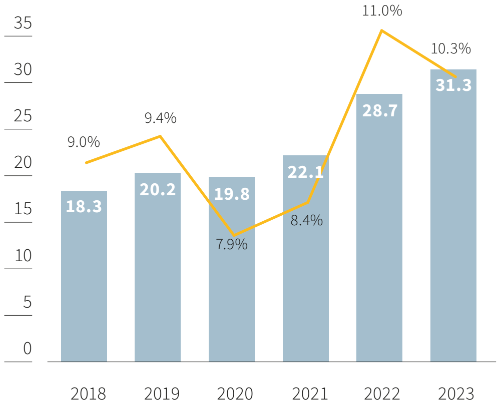
The Bonder product line is divided into the two sub-areas of temporary bonding and permanent bonding. In permanent bonding, developments for the promising hybrid bonding were continuously driven forward. In 2023, we further developed our wafer-to-wafer hybrid bonding solution for wafers with a diameter of 300 millimeters. The aim is to improve the overlay result, i.e. the overlay accuracy of two wafers after bonding, from less than 100 nanometers to less than 50 nanometers. The first XBS200 system for wafer-to-wafer hybrid bonding was delivered to a customer in the field of micro LED production at the beginning of 2023. In addition, an important customer from Asia continued the evaluation of our wafer-to-wafer hybrid bonding solution as planned. We expect the evaluation to be finalized in the course of 2024. In 2023, we also further developed our solution for die-to-wafer hybrid bonding, i.e. the connection of a wafer with individual microchips. Together with our French cooperation partner SET, we are working on a fully integrated complete solution. SET contributes the pick & place and bonding module. We combine this module with the solution we have developed for surface preparation and cleaning to create an integrated cluster that we can offer our customers from a single source. We installed the first fully integrated system at our application center in Sternenfels in the second half of 2023 to demonstrate the performance of our solution to our customers. In the area of temporary bonding, we delivered a fully automated system for transferring 2D materials to wafer sizes of up to 300 millimeters to the pilot line of the leading European semiconductor research institute Imec in Belgium in 2023. This development is part of the EU-funded Graphene Flagship 2D-EPL project. Another focus of bonder activities was the expansion of processes for the innovative ICB technology (Impulse Current Bonding) in cooperation with the Swiss company Sy&Se, as well as the scaling of this new technology to wafers with a diameter of 200 millimeters.

Photomask Solutions Division

In the Photomask Solutions division, we are the leading provider of systems and process solutions for the production and cleaning of photomasks used in frontend lithography in semiconductor production. In order to optimize process quality for the next technology nodes, we have further improved the Within-Tool-Analysis (WTA) software application, which is based on artificial intelligence. The software is used in our new MaskTrack SmartBD platform. The abbreviation BD stands for Bake & Develop. This type of system is used in the production of photomasks for critical bake-out and developer steps.

We also continued the development of a cleaning solution for wafers in 2023. Based on our know-how in photomask cleaning, we have developed a much more sustainable solution compared to today's products. Hazardous chemical substances are replaced by highly effective, yet significantly more environmentally friendly agents. This solution can significantly reduce costs for our customers. The first automated pilot system was installed at our application center in Sternenfels in the second half of 2023.

Research and Development Expenditures (R&D) in € million and R&D ratio as a percentage of sales[1]



1 In 2022 and 2023, research and development expenditures and the R&D ratio were calculated on the basis of continuing operations.

Investment Principles

SÜSS MicroTec SE owns the Company premises at the main production, development, and administration locations in Garching and Sternenfels. SUSS MicroTec Solutions GmbH & Co. KG is also based in Sternenfels. We are constantly investing in the Company buildings at both locations in order to keep them state-of-the-art – also from an energy point of view.

Due to the structure of the company, investments in technical equipment and machinery are not a significant part of the company's development. The core of our added value comes from the development, design, and construction of systems for the semiconductor industry. This also includes software management, assembly, and alignment of the components as well as the installation of the finished systems at our customers. These activities do not require any capital expenditure-intensive production equipment or machines. However, due to the expected growth of the company, additional investments will be necessary in the future to expand production and development capacity.

SÜSS MicroTec SE is the owner of the Group-wide SAP system, which is used by the German companies, the US company SUSS MicroTec, Inc., Corona (USA), SUSS MicroTec (Taiwan) Company Ltd, Hsinchu (Taiwan), and SUSS MicroTec Netherlands B.V., Eindhoven (Netherlands). We are constantly investing in the digitalization of our processes. This includes the further development of the SAP system and the use of other relevant software applications.

Economic Report

Economic Environment

The global economy grew moderately in 2023 despite the after-effects of the COVID-19 pandemic, the Russian war of aggression on Ukraine and the associated consequences such as higher commodity and energy prices, and the conflicts in the Middle East. The International Monetary Fund (IMF) estimates that the global economy grew by 3.1 percent last year. In 2022, growth amounted to 3.5 percent (source: IMF World Economic Outlook Update, January 2024).

According to the International Monetary Fund, growth in our most important sales region, Asia (Emerging and Developing Asia), amounted to 5.4 percent in 2023 after 4.5 percent in the previous year. The most important individual Asian markets for SUSS MicroTec continue to be China, Taiwan, and Korea. The Chinese economy developed positively in 2023, with economic growth of around 5.2 percent after 3.0 percent in the previous year (source: IMF World Economic Outlook Update, January 2024). In Taiwan, real gross domestic product grew by 0.8 percent in 2023 (previous year: 2.4 percent; source: IMF World Economic Outlook, October 2023). In South Korea, real gross domestic product grew by 1.4 percent in 2023 after 2.6 percent in the previous year (source: IMF World Economic Outlook Update, January 2024).

In the USA, economic growth was around 2.5 percent in 2023 after 1.9 percent in the previous year.

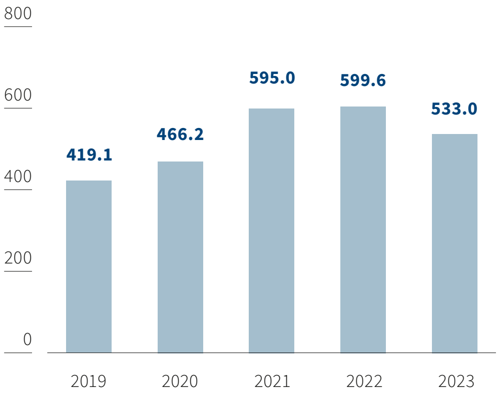
The European economy remained in a difficult situation in 2023. Persistently high living costs and rising interest rates have had a lasting negative impact on the economy. Nevertheless, the European Union and the eurozone recorded slight growth in economic output of 0.5 percent in 2023 after 3.4 percent in the previous year (source: IMF World Economic Outlook Update, January 2024).

The German economy found itself in a difficult situation in 2023 and contracted by 0.3 percent, following growth of 1.8 percent in the previous year (source: RWI-Leibniz Institute for Economic Research, Essen, “Economic development at the end of 2023” and IMF World Economic Outlook Update, January 2024). In particular, the lack of a sustained reduction in energy and commodity prices weighed on private households and industrial companies. The real disposable income of private households is gradually stabilizing, but is still well below the 2020 level. However, with a sales share of around 11 percent, Germany is a rather minor sales market for SUSS MicroTec.

Semiconductor Market

In 2023, the semiconductor industry suffered a cyclical decline of around 11 percent to around USD 533 billion compared to the previous year’s record level of just under USD 600 billion. The business with conventional memory elements (NAND and DRAM), which is generally characterized by strong cycles, recorded the sharpest decline in the semiconductor industry with a drop of around 37 percent. Weak demand for smartphones, PCs, and servers in particular contributed to the negative trend. In addition, the market was characterized by high inventories in the first half of 2023, which were partially reduced over the course of the year. The rest of the semiconductor market, excluding memory elements, recorded a slight decline of 3 percent. Important end markets for new investments in semiconductor capacities were AI applications, the automotive sector, and the defense industry. (Source: Gartner, January 16, 2024).

Development of sales in the semiconductor industry in USD billion

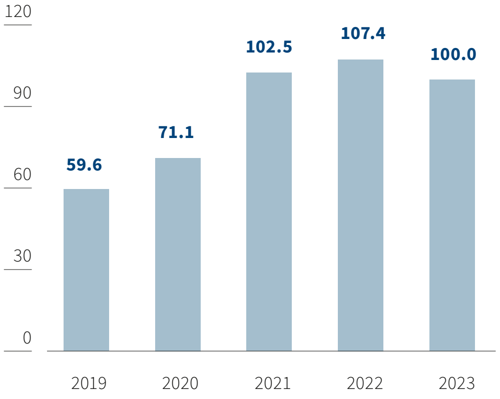


Source: Gartner, January 16, 2024

Semiconductor Equipment and Wafer Fab Equipment Market

The downturn in the semiconductor industry was also reflected in declining investments in semiconductor equipment. After reaching a record level in 2022, sales of semiconductor equipment fell by 6.1 percent to a still high volume of USD 100 billion (source: SEMI, December 11, 2023). The decline in demand for conventional storage elements was particularly noticeable here as well in the first half of 2023. In the second half of the year, the capacity to build so-called high-bandwidth memory (HBM) storage elements was increased, but this had no noticeable impact on the semiconductor equipment market due to its small share of the overall memory market in absolute terms.

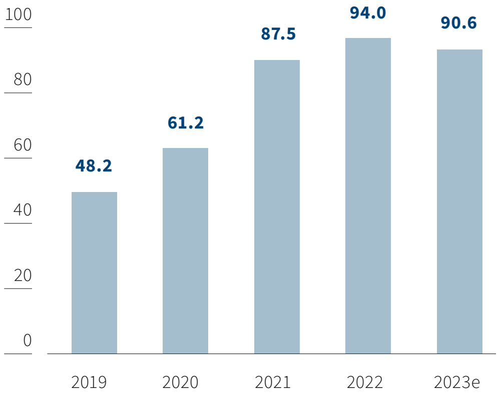
Development of sales in the semiconductor equipment market in USD billion



Source: SEMI, December 11, 2023

The wafer fab equipment submarket relevant to SUSS MicroTec shrank slightly by around 3.7 percent year-on-year to USD 90.6 billion after USD 94 billion in the previous year (source: SEMI, December 11, 2023). This decline was significantly lower than the industry experts at SEMI had predicted in mid-2023. The main reason for this was the high demand from China. This means that China, Taiwan, and Korea will remain the world's largest buyers of semiconductor equipment in 2023.

Wafer fab equipment market in USD billion[1]



Source: SEMI, December 11, 2023

1 The suffix "e" after a year indicates an expected/estimated value

Business Development and Situation of the Group

The Management Board of SÜSS MicroTec SE assesses the overall economic situation of the group as very positive.

Despite ongoing supply bottlenecks for a few supplier parts and the temporary delays in deliveries of systems to China, which had a negative impact on our sales and earnings development in the third quarter in particular, we believe that the 2023 fiscal year was quite successful. A strong fourth quarter with above-average sales growth contributed to this result. Overall, we achieved new record figures for both sales and order intake on the basis of continuing operations.

In the report on expected developments in the 2022 management report, we forecast consolidated sales of between €320 million and €360 million and an EBIT margin in the range of 10 percent to 12 percent for the 2023 fiscal year. We expected the gross profit margin to be in the range of 37 to 38 percent.

On July 27, 2023, as part of the preparation of the interim report, we felt compelled to adjust the forecast due to the disappointing business performance in the MicroOptics division and the uncertainty as to whether the situation would improve noticeably in the second half of the year. For 2023 as a whole, we now expected sales in the range of €320 million to €340 million, a gross profit margin of 35.5 to 37.5 percent and an EBIT margin in the range of 9 to 11 percent.

On October 25, following an analysis of business development in the third quarter of 2023 and due to uncertainties regarding revenue recognition in the fourth quarter of 2023, the Management Board came to the conclusion that the forecast for the year as a whole is unlikely to be achieved. At that time, tools worth more than €20 million could not be delivered and therefore could not be recognized as sales. The background was that the German customs and export control authorities had significantly intensified the documentation and inspection effort for deliveries to China since August 2023, although the legal basis for deliveries of SUSS MicroTec systems to China had not changed in principle in recent months. As it was not possible to predict how many systems could be delivered to China by the end of 2023 and how much sales could be generated, the Management Board adjusted the sales forecast to an extended range of €300 million to €340 million. This adjustment also had an impact on the expected gross profit and EBIT margins. For 2023 as a whole, the company now expects a gross profit margin in the range of 32 to 34 percent and an EBIT margin of 4 to 8 percent.

With the announcement on November 8, 2023, that we had reached an agreement with Focuslight Technologies regarding the sale of the MicroOptics division, the sales forecast for continuing operations was updated to between €280 million and €320 million, the gross profit margin to between 34 and 36 percent and the EBIT margin to between 7 and 11 percent.

We achieved all of the key forecast figures last updated in November. Sales from continuing operations, i.e. excluding the MicroOptics division, amounted to €304.3 million in the 2023 fiscal year, up 17.0 percent on the previous year's figure of €260.0 million. The gross profit margin reached 34.1 percent in 2023 as a whole. We were able to achieve an EBIT margin of 9.1 percent.

A comparison of the original forecast, the forecast adjustments during the year, and the target achievement is shown in the following table:

Key figures	**Original forecast 2023**	Forecast adjustment on 07/27/2023	Forecast adjustment on 10/25/2023	Forecast adjustment on 11/09/2023[1]	Current value 2023 (continuing operations)
Sales	€320–360 million	€320–340 million	€300–340 million	€280–320 million	€304.3 million
Gross profit margin	37–38%	35.5–37.5%	32–34%	34–36%	34.1%
EBIT margin	10–12%	9–11%	4–8%	7–11%	9.1%

1 Forecast adjustment due to the planned sale of the MicroOptics division

Earnings Position

SUSS MicroTec's order intake reached a new record level in the 2023 fiscal year despite the exceptionally strong previous year. On the basis of continuing operations, order intake amounted to €420.5 million (previous year: €411.0 million) and was above the €100 million mark in both the third and fourth quarters. With new business amounting to €139.3 million, the fourth quarter was the best order quarter in the company's history. The Bonder product line in particular contributed to the strong order development in the second half of the year. The main driver of the high order volume was orders worth a total of around €130 million for our temporary bonders in connection with the rapid increase in capacity for microchips used in artificial intelligence (AI) applications. The order book for continuing operations as of December 31, 2023, amounted to €452.5 million and also reached a new record level (December 31, 2022: €335.4 million). The largest share was attributable to the Bonder and Photomask Solutions businesses. Production capacity utilization will therefore be very high in these product lines in particular in 2024 and partly also in 2025.

Sales from continuing operations increased by 17.0 percent year-on-year to €304.3 million (previous year: €260.0 million). In absolute terms, the fourth quarter stood out with sales of €102.0 million, exceeding the strong final quarter of the previous year, when we achieved €93.9 million. Since mid-November, we have benefited from a significant easing of the delivery situation for our systems to China. Between August and November, deliveries to Chinese customers were significantly delayed due to an increased documentation and inspection effort and simultaneous processing bottlenecks at the German customs and export control authorities. In absolute terms, the Photomask Solutions division made the largest contribution to Group growth with an increase in sales of €40.9 million. In the Advanced Backend Solutions division, the absolute increase amounted to €3.8 million. The ratio of new orders received in the reporting year to sales realized in the reporting year (book-to-bill ratio) for continuing operations was therefore 1.38 after 1.58 in the previous year.

Gross profit from continuing operations, i.e. sales less cost of sales, increased by €3.3 million to €103.9 million in 2023 (previous year: €100.6 million). The gross profit margin was therefore an unsatisfactory 34.1 percent (previous year: 38.7 percent). The reasons for the decline in the margin were an unfavorable product mix, and additional expenses to specifically increase our production capacities due to the continued positive orders position. For the Advanced Backend Solutions division, we began enabling the production site in Hsinchu (Taiwan) to manufacture temporary bonders in the fourth quarter of 2023. In this context, additional costs were incurred, including for the onboarding and training of Taiwanese employees. This important measure will significantly increase our production capacity for temporary bonders. In the Photomask Solutions division, we stepped up our efforts to qualify external production partners, particularly in the second half of the year. The production partners are to build modules that we integrate into our systems for the production and cleaning of photomasks. This allows us to increase our capacity and react more flexibly to fluctuations in demand in cycles typical of the industry.

Sales, administrative and development costs for continuing operations increased by a total of 10.8 percent to €76.9 million in the past fiscal year (previous year: €69.4 million). The increase as in the previous year was therefore less than proportional to sales. Selling costs rose slightly from €21.1 million to €21.4 million and corresponded to a cost/income ratio of 7.0 percent. Administration costs increased from €19.6 million to €24.2 million, which corresponds to a cost/income ratio of 8.0 percent (previous year: 7.5 percent). This increase was mainly due to growth-related costs for improving and adapting our processes and structures. Specifically, we have built up our workforce in a targeted manner and increased our process digitalization.

In the past fiscal year, we increased our expenditure on research and development from €28.7 million to €31.3 million. The cost/income ratio was therefore 10.3 percent after 11.0 percent in the previous year. For more information on our development priorities, please refer to the Research and Development chapter in this management report.

Other operating income amounted to €7.3 million in the 2023 fiscal year (previous year: €10.7 million). The previous year's figure was positively influenced by the liquidation of our American subsidiary SUSS MicroTec Photonic Systems Inc. Other operating income in the reporting year included, in particular, foreign currency gains of €6.0 million (previous year: €9.3 million). Other operating expenses amounted to €6.5 million in 2023 (previous year: €10.5 million) and mainly included expenses from foreign currency translations in the amount of €5.0 million (previous year: €8.7 million) and expenses for other taxes. As in the previous year, the main foreign currency effects resulted from US dollar positions. Overall, foreign currency differences had a positive impact of €1.0 million on earnings in the 2023 fiscal year (previous year: €0.6 million).

The €3.3 million increase in gross profit in the past fiscal year was not sufficient to compensate for the increased expenses for research and development and administration. As a result, EBIT from continuing operations fell by €3.7 million or 11.7 percent to €27.8 million (previous year: €31.5 million), corresponding to an EBIT margin of 9.1 percent (previous year: 12.1 percent). Adjusted for the positive special effect in connection with the liquidation of the American subsidiary SUSS MicroTec Photonic Systems Inc. and the reversal of impairment losses on previously written-down UV scanner and laser materials in the amount of €0.9 million, the EBIT margin in the previous year amounted to 10.9 percent.

The financial result improved to €0.5 million in the 2023 fiscal year (previous year: €−0.3 million). Interest income of €955 thousand (previous year: €267 thousand) was offset by interest expenses of €418 thousand (previous year: €526 thousand).

Earnings before taxes therefore amounted to €28.3 million (previous year: €31.2 million).

Income tax expenses increased significantly to €11.0 million in the fiscal year (previous year: €7.9 million). The tax rate increased accordingly to 38.8 percent (previous year: 25.4 percent). The increase was mainly due to the value adjustment and the decision not to capitalize deferred tax assets on loss carryforwards in the amount of €2.1 million. These loss carryforwards can still be used indefinitely in accordance with the applicable tax laws.

Due to the positive sales trend, a declining gross profit margin, and a higher tax rate, we generated earnings after taxes of €17.3 million in the 2023 fiscal year on the basis of continuing operations (previous year: €23.3 million). Basic earnings per share from continuing operations amounted to €0.25 (previous year: €1.28).

Since September 30, 2023, we have reported the MicroOptics division as a discontinued operation, as the criteria of IFRS 5 were met. On November 8, 2023, we signed an agreement to sell our subsidiary SUSS MicroOptics S.A. to Focuslight Technologies. The transaction was finally completed on January 15, 2024. The result from discontinued operations after taxes amounted to €−12.6 million in the 2023 fiscal year (previous year: €1.3 million). The amount was made up of the negative result from the MicroOptics division and expenses of €4.4 million in connection with the sale transaction, which were already recognized in the previous fiscal year. The SUSS MicroTec Group's consolidated net income for the 2023 fiscal year thus amounted to €4.7 million (previous year: €24.5 million).

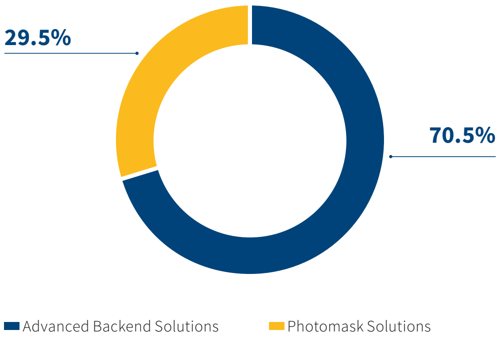
The Management Board and Supervisory Board will propose to the Shareholder's Meeting on June 11, 2024, that an unchanged dividend of €0.20 per share be distributed to shareholders. Based on 19,115,538 dividend-bearing shares, this results in a distribution volume of €3.8 million and a payout ratio of around 50 percent of the free cash flow from continuing operations. Overall, i.e. including the MicroOptics division, free cash flow amounted to €−4.4 million. We are thus deviating from our dividend policy, which provides for a payout of 20 to 40 percent of free cash flow. The background to the deviation is that the Management Board would like the shareholders to participate in the positive sale of the MicroOptics division in SUSS MicroTec's anniversary year – we are celebrating our 75th company anniversary and 25 years of stock market listing in 2024 – even if the special income will not be realized until the 2024 fiscal year. In the previous year, the distribution volume also amounted to €3.8 million and corresponded to a payout ratio of 23.8 percent of free cash flow.

The following key figures have been calculated for 2023 and the previous year on the basis of continuing operations:

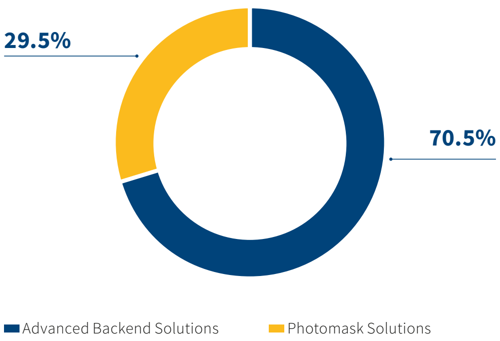
in € million	2023	In % of sales	2022	In % of sales
Order intake	420.5	N/A	411.0	N/A
Sales	304.3	N/A	260.0	N/A
Cost of sales	–200.4	–65.9%	–159.3	–61.3%
Gross profit	103.9	34.1%	100.6	38.7%
Sales/administrative/development expenses	–76.9	–25.3%	–69.4	–26.7%
Other operating expenses/income	0.8	0.3%	0.2	0.1%
EBIT	**27.8**	**9.1%**	**31.5**	**12.1%**
EBIT adjusted for extraordinary effects	27.8	9.1%	28.4	10.9%
Financial result	0.5	0.2%	–0.3	–0.1%
EBT	28.3	9.3%	31.2	12.0%
Income taxes	–11.0	–3.6%	–7.9	–3.1%
Earnings after taxes	17.3	5.7%	23.3	9.0%
Earnings from discontinued operations (after taxes)	–12.6	N/A	1.3	N/A
Net income	**4.7**	**N/A**	**24.5**	**N/A**

Development of the Divisions

Order intake by division in percentage



Sales by division in percentage



Advanced Backend Solutions

As already reported in the Basics of the Group section, we combined the previous Lithography and Bonder divisions into the Advanced Backend Solutions division at the start of 2023. For comparison purposes, we report on the development of order intake and sales for the former Lithography and Bonder division in the following division reporting.

In the Advanced Backend Solutions division, we increased the previous year's high order intake of € 279.7 million by € 16.7 million to € 296.4 million. However, the picture within the individual product areas was mixed. New business for our bonding solutions more than doubled, reaching a value of € 156.8 million (previous year: € 76.6 million). In no previous fiscal year have the bonders achieved a higher order intake. The trigger for this high order momentum is the increase in capacity for the production of microchips used in artificial intelligence (AI) applications. With our temporary bonders, debonders, and cleaning systems, we supply both leading manufacturers of so-called HBM memory chips (high bandwidth memory) and a leading foundry for the packaging process of AI chips. In the past fiscal year, we received bonder orders worth around € 130 million in direct connection with AI. Meanwhile, order intake for lithography solutions declined significantly, amounting to € 139.6 million (previous year: € 203.0 million). The decline was due to chip manufacturers' reluctance to invest in line with the current cycle in the semiconductor industry. In the area of backend lithography, i.e. specifically for our coaters and developers as well as mask aligners, our development is generally most closely linked to the general mood in the semiconductor industry.

The order book in the Advanced Backend Solutions division amounted to € 286.8 million as of December 31, 2023, a significant increase on the € 203.5 million recorded on December 31, 2022.

Sales in the Advanced Backend Solutions division increased slightly by € 3.8 million or 1.8% to € 214.7 million in the 2023 fiscal year (previous year: € 210.9 million). Here, too, Bonders showed a very positive development with growth of 47.7% to € 51.7 million (previous year: € 35.0 million). The positive order trend in the 2022 fiscal year and the first half of 2023 contributed to this significant increase in sales. We have succeeded in generating significant sales with our leading 300mm platforms for temporary bonding, debonding and subsequent cleaning of 300 millimeter wafers. In the second half of the year, we also recorded bonder sales with a customer in the field of silicon carbide compound semiconductors. Automatic bonders accounted for around 75 percent of sales in the 2023 fiscal year. At 55 percent, solutions for temporary bonding contributed more to sales than did solutions for permanent bonding. By contrast, our Imaging Systems, i.e. mask aligners and UV projection scanners, suffered a slight decline in sales of 3.8 percent compared to the previous year. It should be noted that sales of mask aligners improved in the final quarter, as delayed deliveries to China in November and December were able to be made following approval by the German export control authorities. In our Coating Systems division, sales with coaters and developers declined in 2023 as a whole. Sales fell by 16.5 percent compared to the previous year. For 2024, we expect the orders position to pick up in both Imaging Systems and Coating Systems, partly due to new product launches such as the ACS300 Gen4 and high demand for the JETxSM24 inkjet solution launched in fall 2023.

The gross profit margin in the Advanced Backend Solutions division fell from 39.1 percent to an unsatisfactory 36.2 percent in 2023 and from €82.4 million to €77.8 million in absolute terms. The reasons for the decline in the margin for the year as a whole were a disproportionately high increase in manufacturing costs compared to sales and the product mix. A strategic customer project with a significantly below-average gross profit margin had a negative one-off effect in the third quarter of 2023. In order to meet the enormously high demand for temporary bonders, we are significantly increasing production capacity at our site in Hsinchu (Taiwan) in the short term. As already mentioned, additional costs were incurred in this context, including for the onboarding and training of Taiwanese employees.

Division earnings fell from €28.5 million to €20.1 million due to the decline in the gross profit margin and higher expenses, particularly in the administrative area. The EBIT margin in the Advanced Backend Solutions division was therefore 9.3 percent after 13.5 percent in the previous year. It should be noted that the division EBIT in the previous year included extraordinary income of €0.9 million from the reversal of impairment losses on UV scanner and laser materials that had previously been written off. There was no comparable one-off effect in the 2023 fiscal year.

The targets in the Advanced Backend Solutions division in terms of sales, gross profit, and EBIT were only partially achieved. While the slight growth in sales was in line with our expectations, we missed our target of a stable development in the gross profit margin and EBIT margin compared to the previous year.

Advanced Backend Solutions Key Figures

in € million	2023	2022
Order intake	296.4	279.7
of which Lithography	139.6	203.0
of which Bonder	156.8	76.6
Division external sales	214.7	210.9
of which lithography	163.0	175.8
of which bonders	51.7	35.0
Total division sales (incl. internal sales)[1]	214.7	210.9
Gross profit	77.8	82.4
Gross profit margin[1]	36.2%	39.1%
EBIT[1]	**20.1**	**28.5**
EBIT margin[1]	9.3%	13.5%
EBIT adjusted for extraordinary effects	**20.1**	**27.6**
EBIT margin adjusted for extraordinary effects	9.3%	13.1%
Employees	941	840

1 Total sales include internal sales (sales with other divisions). The gross profit margin and EBIT margin are each calculated on the basis of total sales. For further information, please refer to the division reporting.

Photomask Solutions

Order intake in the Photomask Solutions division, whose business is generally characterized by high-value individual orders, reached a pleasing figure of € 124.1 million in the 2023 fiscal year and only just missed the previous year's record level of € 130.9 million. After reaching € 84.7 million in the first half of the year, order momentum initially fell significantly in the third quarter to € 9.4 million, only to improve significantly again in the fourth quarter to € 30.0 million. Demand was particularly strong in the Asian region, especially in China.

The order book in this division increased by 25.6 percent to € 165.7 million as of December 31, 2023, compared to € 131.9 million as of December 31, 2022. The expected delivery and installation dates for the systems are spread over the years 2024 and 2025.

As expected, we significantly increased sales in the Photomask Solutions division in the 2023 fiscal year by 83.8 percent, from € 48.8 million to € 89.7 million. With sales of € 34.2 million in the final quarter, the division put in a very strong final spurt. The high order book and the significant easing of supply chains contributed to this pleasing growth.

Cleaning solutions for lithographic photomasks accounted for the majority of sales at approximately 65 percent. The so-called Bake and Develop solutions, which are used in the production of photomasks, contributed around 35 percent to sales.

In absolute terms, gross profit increased from € 16.8 million to € 26.5 million, which, however, corresponded to a decline in the gross profit margin from 34.4 percent to 29.6 percent. At 28.6 percent, the margin in the second half of the year was weaker than in the first six months (30.9 percent). The main reasons for the decline were the customer mix and additional expenses for the qualification of external production partners. As already described, we want to gradually increase our production capacity and make it more flexible by sourcing system modules from third parties. We more than doubled the division earnings. They improved from € 6.1 million to € 12.4 million, which corresponds to an increased EBIT margin of 13.8 percent (previous year: 12.5 percent). The earnings result is remarkable because research and development expenditure was significantly increased by € 2.6 million compared to the previous year – in particular to drive forward the development of a new, disruptive wafer cleaning solution.

As expected, division sales developed very positively due to the high order book at the end of 2022. The gross profit margin and EBIT margin fell short of expectations and were unable to achieve the targeted significant improvement on the previous year's figures. While the gross profit margin declined, the EBIT margin improved moderately by 1.3 percentage points.

Photomask Solutions Key Figures

in € million	2023	2022
Order intake	124.1	130.9
Division external sales	89.7	48.8
Total division sales (incl. internal sales)[1]	89.7	48.8
Gross profit	26.5	16.8
Gross profit margin[1]	29.6%	34.4%
EBIT[1]	**12.4**	**6.1**
EBIT margin[1]	13.8%	12.5%
Employees	220	206

1 Total sales include internal sales (sales with other divisions). The gross profit margin and EBIT margin are each calculated on the basis of total sales. For further information, please refer to the division reporting.

Central Group Functions

The Central Group Functions division includes all other activities and the costs of the central Group functions, most of which cannot be allocated at division level. The division recorded EBIT of €−7.9 million in 2023 (previous year: €−2.5 million). The result was negatively impacted by expenses of €4.4 million in connection with the sale of the MicroOptics division.

Development in the Regions

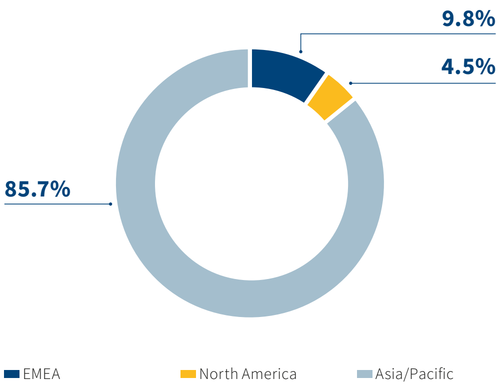
Order Intake

Asia, EMEA (Europe, Middle East, Africa) and North America are the most important global regions for SUSS MicroTec's business, with Asia strongly dominating the regional distribution in 2023 with a share of 85.7 percent of order intake. In Asia, order intake again increased significantly by 23.6 percent to €360.4 million. In particular, the strong demand for our temporary bonding solutions from customers in Taiwan and Korea contributed to this. In the EMEA region, order intake fell by 22.5 percent, from €52.9 million to €41.0 million. Meanwhile, we recorded an even more significant decline of 71.3 percent to €19.1 million in the North America region, where orders for the manufacturing process of silicon carbide (SiC) semiconductors had a particularly positive impact in 2022.

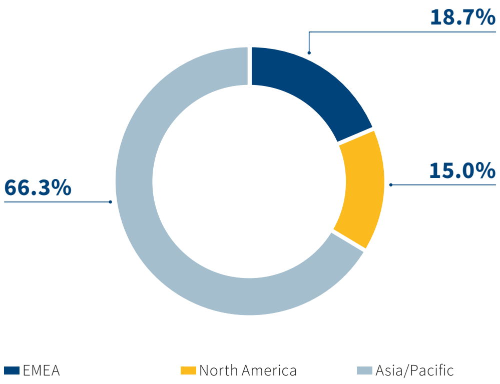
Sales

In the 2023 fiscal year, we were able to increase sales from continuing operations in all three regions with double-digit growth rates. We achieved the highest relative growth in the EMEA region. Sales rose there by 32.5 percent from €42.7 million to €56.6 million. Most of this growth came from the lithography product area. In the Asia region, sales increased by 12.5 percent to €202.6 million. With a 66.3 percent share of sales, our business in Asia once again made by far the largest contribution to Group sales. The North America region recorded pleasing growth of 21.7 percent to €45.1 million, thanks in particular to rising sales of systems for processing silicon carbide semiconductors.

Order intake by region in percent



Sales by region in percent



Assets and Financial Position

Net Financial Assets and Available Liquidity

The Group's net liquidity – the balance of cash and cash equivalents and financial liabilities – decreased from €41.3 million in the previous year to €32.8 million as of December 31, 2023.

Cash and cash equivalents decreased to €38.1 million at the end of the reporting year (previous year: €51.4 million). Financial liabilities fell by €4.8 million to €15.2 million as of December 31, 2023 (previous year: €20.0 million). The reduction was mainly due to the scheduled repayment of bank liabilities in the amount of €1.2 million and the fulfillment of leasing obligations in the amount of €2.2 million.

Analysis of the Cash Flow Statement

The cash and cash equivalents shown in the cash flow statement correspond to the balance sheet item "Cash and cash equivalents."

Cash flow from operating activities amounted to €3.8 million in the past fiscal year (previous year: €23.9 million), whereby this was negatively impacted by discontinued operations, i.e. the MicroOptics division, at €−8.7 million in 2023, while a positive contribution of €2.8 million was realized in the previous year. Cash flow from operating activities from continuing operations therefore amounted to €12.5 million (previous year: €21.1 million). The decline compared to the previous year is due to the €6.0 million lower result from continuing operations after taxes and an increase in working capital. Net working capital – defined as the sum of inventories, trade receivables and contract assets, less trade payables and contract liabilities – increased from €102.5 million to €105.5 million in the reporting year. The change in working capital is mainly due to the increase in inventories from continuing operations and the reclassification of the discontinued MicroOptics division of €9.3 million to the item "Assets held for sale." Inventories increased by €16.2 million compared to the previous year, while trade receivables fell by €1.4 million. Overall, the build-up of inventories resulted in a cash outflow of €−29.4 million (previous year: €−48.2 million) from continuing operations. Contract liabilities increased by €9.1 million to €87.0 million in the reporting year. While contract assets decreased by €2.6 million to €35.2 million, trade payables remained unchanged at €27.1 million.

Cash Flow from Investing Activities

Cash flow from investing activities amounted to € −8.2 million (previous year: € −17.8 million), of which € −3.6 million (previous year: € −3.7 million) was attributable to investing activities of discontinued operations. Investments in tangible assets accounted for € −3.4 million of the € −4.6 million (previous year: € −14.1 million) in capital expenditure from continuing operations. These cash outflows related to investments in various technical facilities and in facilities for demonstration purposes at the Garching and Sternenfels sites, as well as in operating and office equipment in the amount of € 1.7 million. We also invested a total of € 0.9 million in equipment for the cleanroom and in operating and office equipment at our site in Taiwan.

Investments in intangible assets amounted to € −1.3 million in the past fiscal year (previous year: € 1.3 million) and mainly related to acquisition costs for software.

Free Cash Flow

Free cash flow- defined as cash flow from continuing operations minus cash flow from operating activities plus cash flow from investing activities minus the effects from the acquisition and repayment of securities – amounted to € −4.4 million in the 2023 fiscal year (previous year: € 16.0 million). It is calculated as the difference between the cash flow from operating activities and the cash flow from investing activities, adjusted for the effect of the acquisition and sale of securities. A positive free cash flow of € 7.9 million was generated from continuing operations.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to € −8.0 million in the past fiscal year (previous year: € −6.8 million) and was mainly attributable to continuing operations at € −7.2 million. Repayments of € 1.2 million (previous year: € 1.2 million) were made for the two KfW promotional loans taken out in 2019 (loan amount: € 10.0 million). In addition, repayments of rental and lease liabilities had a negative impact on cash flow from financing activities in the amount of € 2.2 million, as did the dividend of € 3.8 million distributed for the 2022 fiscal year.

In addition to cash and cash equivalents of € 38.8 million, including € 0.6 million from discontinued operations, the Group had a syndicated credit line of € 56.0 million at the end of the reporting year (previous year: € 56.0 million), which can be used for guarantees of up to € 16.0 million and for cash drawings of up to € 40.0 million. Furthermore, there was an additional guarantee facility from a bilateral agreement concluded in the previous year in the amount of € 5.0 million. Due to the upcoming growth, we have concluded further guarantee facility agreements totaling € 15.0 million, of which € 7.0 million will be concluded in January 2024. As in the past, only guarantee facilities were utilized in 2023. These amounted to € 15.8 million on the reporting date (previous year: € 14.8 million). Utilization in the form of cash loans was € 0 (previous year: € 0).

With the debt facility from the syndicated loan agreement, which has a term until October 24, 2026, and the cash inflow from the sale of the MicroOptics division after the reporting date, the Group currently has sufficient financial scope to finance product developments, planned investments and other strategic activities, as well as the upcoming growth in the coming year.

Analysis of the Statement of Financial Position

In the 2023 fiscal year, total assets increased by € 16.6 million to € 369.7 million. While non-current assets decreased, in particular as a result of the reclassification of assets from the MicroOptics division held for sale in the amount of € 33.9 million to the current item “Assets held for sale”, current assets increased accordingly and also grew due to an increase in inventories in order to service the increased order book and ensure the expansion of production capacity in Taiwan. In particular, materials and supplies were deliberately increased.

In addition to goodwill, non-current assets are mainly determined by the operating properties in Garching and Sternenfels, which are reported under tangible assets. Goodwill amounted to € 18.5 million as of the reporting date (previous year: € 18.6 million). Part of the goodwill is held in US dollars and is therefore subject to currency fluctuations; as of the reporting date, it had a value of USD 2.1 million. The entire goodwill is allocated to the Advanced Backend Solutions division.

The carrying amount of tangible assets amounted to € 31.1 million as of the reporting date on December 31, 2023 (previous year: € 48.9 million). The decrease is primarily due to the reclassification of tangible assets in the MicroOptics division to the current item "Assets held for sale" in the amount of € 21.6 million. The two company properties in Garching and Sternenfels account for the bulk of the Group's tangible fixed assets. SUSS MicroTec Solutions GmbH & Co. KG and SÜSS MicroTec SE are based there. As of December 31, 2023, the operating properties æ together with the production, warehouse, and administration buildings – had a carrying amount of € 14.0 million (previous year: € 14.4 million). Other tangible assets are of lesser importance for the Group's financial position, as we are generally not reliant on cost-intensive production facilities.

In addition, non-current assets included intangible assets of € 5.5 million (previous year: € 5.9 million), mainly for licenses and patents as well as software licenses, the carrying amounts of which totaled € 3.2 million (previous year: € 3.0 million). It also includes rights of use in the USA to an application center including machines installed there in the amount of € 2.3 million (previous year: € 2.9 million).

As of the reporting date, deferred tax assets amounted to € 0.7 million (previous year: € 1.4 million). Deferred tax liabilities totaled € 11.2 million (previous year: € 10.5 million). These were mainly related to temporary differences at the German companies.

Current assets increased from € 278.0 million to € 313.4 million in the reporting year. The items of the MicroOptics division reclassified from non-current assets in the amount of € 21.8 million contributed to this. In addition, the increase was mainly due to the € 16.2 million rise in inventories, which had a carrying amount of € 166.7 million, excluding the inventories of the discontinued MicroOptics division totaling € 7.2 million. The previous year's figure of € 150.5 million still included € 7.5 million from the MicroOptics division. The increase in inventories was mainly due to the expansion of production capacity in Taiwan and the increase in raw materials and supplies.

The gross value of materials and supplies increased by € 15.9 million to € 87.5 million. In addition, the gross value of systems for demonstration purposes increased by € 1.9 million to € 33.2 million. Accumulated value adjustments relating to demonstration equipment and materials and supplies totaled € 31.4 million (previous year: € 31.4 million). The previous year's figure still included cumulative value adjustments totaling € 5.4 million, which were attributable to the MicroOptics division. In addition, work in progress rose from € 56.0 million to € 57.9 million, as some systems could not be completed on time at the end of the year. The previous year's figure of € 56.0 million included work in progress totaling € 0.7 million, which was attributable to the MicroOptics division. Compared to the previous year, inventories of finished goods fell by € 3.4 million to € 19.5 million.

Trade receivables fell from € 19.1 million in the previous year to € 17.7 million, which is due to the reclassification of receivables totaling € 3.4 million to the item “Assets held for sale.” Contract assets relate to claims of SUSS MicroTec for consideration for services from system deliveries that have been completed but not yet invoiced as of the reporting date. At the end of the year, they totaled € 35.2 million (previous year: € 37.9 million).

Cash and cash equivalents fell from € 51.4 million to € 38.1 million.

Other current assets increased by € 2.3 million to € 10.8 million as of the reporting date (previous year: € 8.5 million) and mainly comprised VAT receivables of € 3.9 million and advance payments of € 4.0 million.

The assets held for sale, which were reported under current assets, amounted to € 33.9 million as of December 31, 2023, and included all assets of the MicroOptics division held for sale as of the reporting date.

Non-current liabilities decreased from € 32.8 million to € 26.4 million in the 2023 fiscal year. Of this decrease, € 8.9 million was due to the reclassification of non-current liabilities of the discontinued MicroOptics division to the item “Liabilities associated with assets held for sale.” Non-current liabilities include non-current financial debt, consisting of financial debt to banks, lease liabilities, and other financial debt. Financial debt to banks fell from € 6.6 million to € 5.3 million as of the reporting date. The decline was due to scheduled repayments. Lease liabilities fell from € 9.6 million to € 6.3 million, € 4.0 million of which was due to the reclassification of the discontinued MicroOptics division to the item “Liabilities in connection with assets held for sale.”

Non-current liabilities also included the Group’s pension provisions totaling € 1.6 million (previous year: € 5.0 million). Here too, the reduction was almost exclusively due to the change in presentation of the discontinued MicroOptics division. Other provisions totaled € 1.7 million (previous year: € 0.8 million). Deferred tax liabilities increased to € 11.2 million (previous year: € 10.5 million).

Current liabilities increased from € 142.6 million to € 166.7 million in the past fiscal year, which was due in particular to the € 4.8 million increase in tax liabilities and the € 9.1 million increase in contract liabilities, in addition to the € 8.9 million in liabilities of the discontinued MicroOptics division reclassified from non-current liabilities. Current liabilities to banks and leasing liabilities totaling € 3.6 million were roughly at the previous year’s level (previous year: € 3.8 million). Accounts payable totaled € 27.1 million and corresponded to the previous year’s figure, which, however, still included liabilities from the MicroOptics division amounting to € 1.5 million. In relation to continuing operations, accounts payable therefore increased by € 1.0 million. Other financial liabilities fell from € 12.0 million to € 9.4 million.

Current provisions, other liabilities, and other financial liabilities totaling € 24.2 million (previous year: € 26.8 million) decreased by € 2.6 million, mainly due to the reclassification of the corresponding items of the discontinued MicroOptics division to the item “Liabilities associated with assets held for sale,” which amounted to € 13.0 million as of December 31, 2023.

The SUSS MicroTec Group's shareholders' equity amounted to € 176.6 million as of December 31, 2023 (previous year: € 177.7 million). The equity ratio fell year-on-year from 50.3 percent to 47.8 percent, which was due to the increase in total assets, particularly as a result of the increase in inventories.

Liabilities in connection with assets held for sale, which were reported under current liabilities, amounted to € 13.0 million as of December 31, 2023, and included all liabilities of the MicroOptics division held for sale as of the reporting date.

The Holding Company – SÜSS MicroTec SE

The holding company is responsible for the steering and management of the SUSS MicroTec Group. It takes on tasks such as strategic orientation. These include, for example, the adjustment of the product portfolio, acquisitions and sales of companies and technologies, as well as financial issues for the entire Group. The holding company is also responsible for Legal and Compliance, Corporate Marketing, Investor Relations, Insurance Management, Internal Audit and IT. Furthermore, the holding company assumes the financing of strategically important development projects of the operating subsidiaries.

SÜSS MicroTec SE is the sole shareholder in the companies included in the consolidated financial statements, with the exception of the 53.0 percent stake in the non-operating HUGLE Lithography Inc., San Jose (USA). The holding company has provided loans only to subsidiaries. The earnings position of the holding company as an individual company is not directly dependent on the development of the Company's markets. The holding company refinances itself primarily by charging management services, IT system costs and licenses, and other services provided to the operating companies, as well as by renting the buildings at the Garching and Sternenfels sites to subsidiaries. The holding company also generates interest income from loans to subsidiaries, income from profit transfers from existing profit and loss transfer agreements and from profit distributions by subsidiaries.

Net income for the year is the most important financial performance indicator for the holding company.

Presentation of the Key Financial Figures of the Holding Company (in EUR thousand)

	SMT SE (HGB)			
Company	**2023**	2022	Change	in %
Net profit/Net loss	3,452	12,198	–8,746	–
Shareholders' equity	111,498	111,870	–372	0%
Total assets	**180,312**	**179,197**	**1,115**	**1%**
Equity ratio in %	62%	62%	–	–
Fixed assets	89,022	86,744	2,278	3%
in % of total assets	49%	48%	–	–
Current assets	91,290	92,453	–1,163	–1%
in % of total assets	51%	52%	–	–

Significant Changes in the Assets and Financial Position

Intangible assets amounted to € 2.2 million as of the reporting date (previous year: € 2.0 million).

As of the reporting date, shares in affiliated companies were reported at € 46.9 million (previous year: € 56.9 million). The decrease in shares in affiliated companies resulted from the impairment loss of € 10.0 million recognized on the investment in SUSS MicroTec Inc, Corona (USA).

Loans to affiliated companies increased by around € 12.4 million and had a carrying amount of € 24.9 million. The increase was mainly due to a loan granted to SUSS MicroOptics, Hauterive (Switzerland). The loans granted to SUSS MicroOptics with a nominal value of CHF 15.7 million (previous year: CHF 6.3 million) had a carrying amount of the equivalent of € 15.8 million as of December 31, 2023.

The loan of JPY 775 million (previous year: JPY 775 million) granted to SUSS MicroTec KK, Yokohama (Japan) had a carrying amount of the equivalent of € 1.1 million as of December 31, 2023.

The loan granted to SUSS MicroTec (Taiwan) Company Ltd., Hsinchu (Taiwan), with a nominal value of TWD 85 million (previous year: TWD 85 million) had a carrying amount of the equivalent of € 2.5 million as of December 31, 2023.

The loan granted to SUSS MicroTec Inc., Corona (USA), with a nominal value of USD 3 million was repaid in full in the 2023 fiscal year.

A new loan with a nominal value of € 5.6 million was issued to SUSS MicroTec Netherlands BV (Netherlands) in the fiscal year, which had a carrying amount of € 5.6 million as of December 31, 2023.

Current receivables from affiliated companies increased by € 7.0 million to € 46.7 million. This amount includes receivables from profit transfers from SUSS MicroTec REMAN GmbH, and the same-phase profit collection from SUSS MicroTec Solutions GmbH & Co. KG.

In the 2023 fiscal year, the liquidity position of SÜSS MicroTec SE fell by € 8.7 million to 30.3 million.

Liabilities to affiliated companies decreased by €5.8 million to €46.5 million in the fiscal year. The decrease was mainly due to the reporting date and resulted from the decrease in the cash pool liability to SUSS MicroTec Solutions GmbH & Co. KG.

Liabilities to banks fell by €1.2 million in the course of 2023 to a total of €6.6 million.

On October 24, 2019, SÜSS MicroTec SE concluded a syndicated loan agreement for €56 million and a term of five years with an extension option of two years. It grants SÜSS MicroTec SE a credit line of €40 million for cash drawings and a guarantee line of €16 million. For a partial amount of the credit line of €24 million, the loan issuance of cash drawdowns occurs in individual tranches of €0.5 million with terms of one, three, six, or twelve months; they are issued on a revolving basis. The remaining amount of €16 million can be used as a current account line. As of December 31, 2023, the cash credit facility was not utilized, as was the case on the previous year's reporting date.

SÜSS MicroTec SE has already exercised the contractual option to extend the syndicated loan by two years. Accordingly, the agreement ends in October 2026. In addition to the existing bilateral guarantee credit line of €5.0 million in the previous year, further bilateral guarantee credit lines totaling €15.0 million were concluded, of which €8.0 million in the 2023 fiscal year and €7.0 million in January 2024.

SÜSS MicroTec SE has taken out a KfW loan of €10 million, which has a term of ten years and was disbursed in two tranches of €5 million each in April 2019 and August 2019. The loan has a grace period until June 30, 2021. It decreased by €1.2 million to €6.6 million in the 2023 fiscal year.

A dividend of €3.8 million was distributed in the 2023 reporting period for the 2022 fiscal year. As a result, equity fell from €111.9 million in the previous year to €111.5 million despite the positive annual result as at December 31, 2023.

Significant Events with Influence on the Earnings Position of the Holding Company

In the annual financial statements of SÜSS MicroTec SE under commercial law, net income for the 2023 fiscal year totaled €3.5 million (previous year: €12.2 million).

The holding company's sales in 2023 totaled €15.3 million (previous year: €12.0 million) and mainly comprised the management services, marketing services, and other services charged to the subsidiaries. Sales also included charges for the Group-wide SAP system, rental income, and license fees. The allocations of SÜSS MicroTec SE to the divisions can be found in the division reporting.

Other operating income mainly includes currency gains totaling €1.1 million (previous year: €1.8 million). The increase compared to the previous year was mainly due to US dollar positions, particularly from the valuation of bank balances.

Other operating expenses increased by €3.2 million to €12.6 million. In particular, they included general administrative expenses, foreign currency losses, and legal and consulting costs. The significant increase compared to the previous year was mainly due to one-off expenses totaling €4.4 million in connection with the sale of the MicroOptics division.

In the 2023 fiscal year, the same-period income from SUSS MicroTec Solutions GmbH & Co. KG in the amount of €22.6 million (previous year: €15.6 million) was recognized. Furthermore, based on the profit and loss transfer agreement concluded with SUSS MicroTec REMAN GmbH, Oberschleissheim, in the 2008 fiscal year, income of €0.8 million (previous year: €1.1 million) was realized from the profit transfer. The item also included income from the dividend payment of SUSS MicroTec S.A.S (France) in the amount of €2.8 million.

Income from loans of financial assets comprised interest income from financial investments and from long-term loans granted to the subsidiaries SUSS MicroOptics, Hauterive (Switzerland), SUSS MicroTec (Taiwan) Company Ltd, Hsinchu (Taiwan), SUSS MicroTec Inc, Corona (USA), SUSS MicroTec Netherlands BV (Netherlands) and SUSS MicroTec KK, Yokohama (Japan).

In the 2023 fiscal year, amortization of the carrying amount of the investment in SUSS MicroTec Inc., Corona (USA), was recognized in the amount of €10.0 million (previous year: €0.0 million).

Interest expenses totaled €0.4 million (previous year: €0.5 million).

Taxes on income increased by €2.1 million compared to the previous year. The increase is attributable to higher taxable income in 2023, in particular due to the higher profit share of SÜSS MicroTec SE, and to non-deductible expenses in connection with the sale of the MicroOptics division.

An average of 40 (previous year: 37) employees worked at SÜSS MicroTec SE in the 2023 fiscal year.

The future economic development of SÜSS MicroTec SE depends primarily on the development of the financial and earnings position of key subsidiaries. The financial and earnings position of the subsidiaries is critical for the level of the interest-bearing net financing balance of the holding company and the distribution and transfer of profits to the parent company.

Since the subsidiaries generally only have small cash holdings, the development of the Group's net liquidity will also be reflected primarily in SÜSS MicroTec SE as a financial holding company in 2023. Based on the assumptions made for the Group, it can be assumed that the net assets, financial position, and results of operations of SÜSS MicroTec SE will develop very favorably. We anticipate higher profit transfers and dividend distributions from the subsidiaries. In addition, the cash inflow of €75 million from the sale of SUSS MicroOptics S.A., which was completed in January 2024, will have a significant positive impact.

Disclosures under Takeover Law in Accordance with Section 289a and Section 315a of the German Commercial Code (HGB)

(1) Composition of subscribed capital

As of December 31, 2023, the company's subscribed capital amounted to € 19,115,538.00 (previous year: € 19,115,538.00). The equity capital is divided into 19,115,538 (previous year: 19,115,538) registered, no-par-value individual shares representing a pro rata amount of € 1.00 per share. The shares are fully paid in. The same rights and obligations apply to all shares. Each share confers one vote at the Shareholders' Meeting and determines the shareholders' portion of the Company's profits. A shareholder in relation to the Company is only someone who is entered as such in the register of shareholders. Shareholders must provide the Company with the information necessary to be included in the share registry.

(2) Restrictions with regard to voting rights or the transfer of shares

There are no restrictions with regard to voting rights or the transfer of shares, as stipulated by the Articles of Incorporation. We are also not aware of the existence of such agreements between shareholders.

(3) Shareholdings exceeding 10 percent of the voting rights

Van Lanschot Kempen N.V. (formerly Kempen Oranje Participarties N.V. and Kempen Capital Management N.V.) informed us in October 2022 that its share of voting rights in SÜSS MicroTec SE exceeded the 10 percent threshold on October 25, 2022, and has since amounted to 10.01 percent. As of the reporting date on December 31, 2023, the shareholding still amounted to 10.01 percent of the equity capital.

On June 30, 2023, we were informed that the acting-in-concert agreement concluded on February 13, 2020, between Luxempart Pipe SARL, Luxembourg, and Gerlin NV, Netherlands, was terminated on this date. Luxempart gradually sold all of its shares over the course of 2023. Gerlin NV (Gerlin Participaties Coöperatief U.A.) has since held a 7.5 percent stake.

The current voting rights notifications in accordance with the German Securities Trading Law (WpHG) are published on the website www.suss.com in the Investor Relations section.

(4) Shares with extraordinary rights that grant controlling authority

Shares with extraordinary rights that grant controlling authority do not exist.

(5) The nature of voting rights control when employees have a stake in the Company's capital and do not exercise their control rights directly.

If SÜSS MicroTec SE issues shares to employees as part of an employee share program, the shares are transferred directly to the employees. The beneficiary employees can exercise the control rights to which they are entitled from the employee shares directly in the same way as other shareholders in accordance with the statutory provisions and the provisions of the articles of incorporation. There is currently no stock option program for employees.

(6) Legal provisions and rules in the Articles of Incorporation for appointing members to and removing members from the Management Board, as well as making changes to the articles of incorporation

The appointment and dismissal of members of the Management Board are governed by Articles 39 and 46 of the SE Regulation, Section 16 of the SE Implementation Act, Sections 84 and 85 of the German Stock Corporation Law (AktG) and Section 8 of the company's Articles of Incorporation. Accordingly, members of the Management Board are appointed by the Supervisory Board for a maximum of six years. A reappointment or extension of their terms is permitted for a maximum of six years. The Supervisory Board decides on the appointment and dismissal of Management Board members with a simple majority vote. The Management Board consists of a minimum of two persons, whereby the number of Management Board members is determined by the Supervisory Board. The Supervisory Board may appoint a member of the Management Board as the Chairman or Spokesman of the Management Board as well as a Deputy Chairman or Spokesman of the Management Board. If a required member of the Management Board is absent, in urgent cases the member can be legally summoned upon petition by a concerned party. The Supervisory Board may revoke the appointment of a Management Board member and the nomination of the Chairman of the Management Board for good cause.

Changes to the Articles of Incorporation require a resolution by the Shareholders' Meeting. Such resolutions require a majority of two-thirds of the votes cast or, if at least half of the equity capital is represented, a simple majority of the votes cast in accordance with Section 27 (1) of the Articles of Incorporation, unless mandatory statutory provisions require otherwise. The authority to make changes which pertain to the wording only is delegated to the Supervisory Board, in accordance with Section 18 (3) of the Articles of Incorporation.

(7) Authority of the Management Board to issue or buy back shares

The Management Board is authorized to increase the equity capital of the Company until May 30, 2028, on one or more occasions up to a total of € 2,500,000.00 through the issuance of up to 2,500,000 new registered share certificates for cash or non-cash contributions, subject to the approval of the Supervisory Board.

In the process, the shareholders are granted subscription rights. The new shares can also be taken over by one or more banks determined by the Management Board with the obligation to offer these to shareholders (indirect subscription rights). However, the Management Board is authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board:

a) to offset fractional amounts;

b) if in the case of an increase in capital stock for non-cash contributions, the granting of shares is for the purpose of acquiring companies, parts of companies, or holdings in companies (including an increase in existing holdings) or for the purpose of acquiring claims against the Company;

c) if an increase in capital stock for cash contributions does not exceed 10% of the equity capital and the issue price of the new shares is not significantly lower than the stock market price (Section 186 (3)(4) of the German Stock Corporation Law (AktG)); when utilizing this authorization excluding subscription rights in accordance with Section 186 (3)(4) AktG, the exclusion of subscription rights based on other authorizations in accordance with Section 186 (3)(4) AktG should be taken into account.

The notional amount of equity capital accruing to the total shares issued for cash or non-cash contributions in accordance with this authorization excluding subscription rights of shareholders may not exceed 10% of equity capital at the time this authorization takes effect. Deducted from this limit are shares that (i) were issued or sold in direct or corresponding application of Section 186 (3)(4) of the German Stock Corporation Law (AktG) excluding subscription rights during the term of this authorization and that (ii) are issued or can or must be issued to service bonds with conversion or option rights or obligations, insofar as the bonds are issued after this authorization takes effect in corresponding application of Section 186 (3)(4) of the German Stock Corporation Law excluding the subscription rights of shareholders.

The Management Board is authorized, with the approval of the Supervisory Board, to establish further details regarding the increase in capital stock and its implementation. The Supervisory Board is authorized to adjust the wording of the Articles of Incorporation accordingly following each utilization of approved capital or expiration of the deadline for the utilization of approved capital.

(8) Significant agreements of the Company that are subject to a change of control as a result of a takeover bid

The syndicated loan of €56 million, which runs until October 2026, contains an extraordinary right of termination in the event of a significant change in the company's circumstances and the parties are unable to reach an agreement on the continuation of the loan agreement in good time.

There are no other significant agreements of SÜSS MicroTec SE that are subject to the condition of a change of control as a result of a takeover bid.

(9) Compensation agreement of the company that has been made with members of the Management Board or employees in the event of a takeover bid

No special rules exist with regard to the voting rights tied to shares or any control options resulting from this, either through the establishment of special stock categories or through restrictions on voting rights or transfers. There are no provisions extending beyond the legal regulations regarding the appointment of members of the Management Board or asking them to step down.

Group Declaration Regarding Corporate Governance in Accordance with Section 289f and Section 315d of the German Commercial Code (HGB)

On March 18, 2023, the Management Board and Supervisory Board of SÜSS MicroTec SE issued a joint Group declaration regarding corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and made it available on the Company's website at **https://www.suss.com/de/investor-relations/corporate-governance**. The Group Declaration on Corporate Governance also includes the report on the Company's corporate governance starting with the 2020 fiscal year.

Nonfinancial Group Declaration in Accordance with Section 315b of the German Commercial Code (HGB)

Introduction / Foreword

With the annual Nonfinancial Group Declaration, SÜSS MicroTec SE provides a report on its sustainable actions in the past fiscal year in accordance with Section 315b. This is referred to below as the “non-financial statement” (NFS) and is based on the aspects of environmental, employee and social matters, respect for human rights, and combating corruption and bribery as required by Section 289c of the German Commercial Code (HGB). In accordance with Article 8 of EU Taxonomy Regulation 2020/852 and the supplementary delegated acts, we publish the relevant information in the EU Taxonomy section of this non-financial statement. In addition to the legal obligation to report on sustainability, the importance of environmental, social, and governance (ESG) factors in communication with our stakeholders and as part of our corporate objectives is constantly increasing. We are conscious of our responsibility and want to actively contribute as a company to positively influencing the ecological, economic, and social situation.

SUSS MicroTec supports internationally recognized human rights and their observance. We respect personal dignity, privacy, and the personal rights of each individual. We prioritize the health and safety of our employees in the workplace. We create a safe and healthy work environment for our entire workforce to protect each individual from physical and psychological harm. Our relationships with customers and business partners are based on integrity, quality, reliability, and competitive prices. For this reason, any decision-making and selection processes must be based solely on objective considerations. The SUSS MicroTec name is synonymous with innovativeness, technological leadership, transparency, fairness, and customer focus. That is why the promotion of fair competition is consistent with our business policy. We protect our company’s property and know-how by always handling business information responsibly and with the necessary confidentiality, while at the same time protecting the personal data of our employees, customers, and business partners. A detailed description of our business model and our strategic orientation can be found in the chapter Business Activity, Corporate Control, and Strategic Orientation.

Reporting Principles

The present report provides information on the key developments in the 2023 fiscal year relating to the five legally required aspects of environmental, employee and social matters, respect for human rights, and combating corruption and bribery. The non-financial statement takes into account both the continuing operations and the discontinued MicroOptics division, including in the key figures provided. Only in the area of employee matters do all disclosures relate to continuing operations.

Reconciliation of NFS aspects and key topics at SUSS MicroTec:

ESG	NFS Aspect	Key topics
Environmental	Environmental Concerns	Climate, energy and emissions Sustainable products, innovation and technology, circular economy
Social	Employee matters	Employee development, employee satisfaction Training and education Diversity and inclusion, equal opportunities, non-discrimination Occupational health and safety
Social	Social matters	Social concerns and political influence[1] Stakeholder management[1]
Social	Respect for human rights	Human rights, responsible supply chain
Corporate governance	Fighting corruption and bribery	Legal compliance and information security

1 Not an original topic from the materiality analysis; however, SUSS MicroTec reports on this in the non-financial statement

Business Model

SUSS MicroTec develops, manufactures, sells, and services equipment for the production of microelectronics, micro-electromechanical systems, and related applications. Further information on this can be found in the “Basics of the group” section.

About this Report

The explanations and descriptions of the individual aspects in this declaration are based on the reporting standards of the Global Reporting Initiative (GRI). The contents relate to the reporting period of January 1, 2023, to December 31, 2023. A table at the end of this statement shows how the report’s content is classified according to GRI framework requirements.

The non-financial statement as of December 31, 2023, was reviewed by the Audit Committee and the Supervisory Board as part of its review of the annual financial statements and the consolidated financial statements, including the condensed Management Report.

Sustainable Governance

As a global company, we are rising to the challenges of our day and age. We want to make a contribution for future generations. This is why we incorporate social, economic, and environmental factors into our business decisions. For us, sustainable thinking and action includes the responsible use of natural resources, respect for one another, equal opportunities for all employees, and conduct in compliance with the law. We firmly believe that a systematic path toward sustainability will help the Company tap into new growth potential.

Sustainability management at SUSS MicroTec was part of the Quality Management department until mid-2023. Since June 2023, sustainability management has been the responsibility of an ESG manager, who reports directly to the CFO in her staff position. The ESG manager defines the sustainability targets together with the Management Board. The operational departments and functional areas of the company are involved in this process. A core team in the area of sustainability, consisting of representatives from Human Resources, Legal, Facility Management, Quality Management, Purchasing, Sales, Operations, Investor Relations, and IT, provides support in implementing the derived measures and monitoring the achievement of targets. The core team also develops new measures and initiatives. The ESG core team meets every two months and is coordinated by the ESG manager. The full Management Board has overall responsibility for sustainability.

Due to the high relevance of the topic, the Supervisory Board already formed an ESG Committee in 2022. The ESG Committee is responsible for monitoring and advising on the company's environmental and sustainability programs as well as monitoring and advising on social and governance guidelines and generally meets four times a year.

Non-Financial Performance Indicators (Section 289c (3) No. 5 HGB)

The management of SUSS MicroTec is based on financial performance indicators. We also use individual non-financial performance indicators to assess performance in the divisions. These are determined and regularly reviewed by the Management Board. Non-financial performance indicators are also part of the Management Board's remuneration-related short and long-term targets. The non-financial performance indicators are currently not relevant to an understanding of the company's business performance or position. The remuneration of the Management Board is described in detail in the remuneration report. SUSS MicroTec will intensify the use of non-financial performance indicators in the 2024 fiscal year and intends to include them in the management system.

Sustainable Development Goals

As part of the "2030 Agenda for Sustainable Development", the United Nations (UN) has published 17 global goals for sustainable development by 2030, known as the "UN Sustainable Development Goals" (SDGs). The SDGs call on both states and the private sector to make positive contributions in areas such as climate change mitigation, decent work, innovation, and infrastructure. These goals are part of a comprehensive plan to ensure sustainable development on an economic, social, and ecological level worldwide. They encourage collaboration between governments, businesses, and civil society to tackle pressing global challenges and create a better future for all.

SUSS MicroTec is committed to the SDGs and in particular makes a positive contribution to the goals shown in the following graphic.

Material Nonfinancial Risks

SUSS MicroTec's risk management was further revised in 2023 and ESG-related risk aspects were integrated into the risk management system. The non-financial statement must identify the material non-financial risks that are very likely to have or will have a serious negative impact on non-financial matters with regard to SUSS MicroTec's own business activities or business relationships. There are no risks for the 2023 fiscal year that meet the materiality criteria within the meaning of Sections 289c (2) and (3) and 315c HGB.

Certifications

SUSS MicroTec's technologically leading position in the areas of backend lithography, wafer bonders, and photomask equipment is based on high quality standards. Our quality management system at the German sites in Garching and Sternenfels is certified in accordance with ISO 9001:2015; the subsidiary SUSS MicroOptics S.A. in Hauterive, Switzerland, which was sold in January 2024, is certified in accordance with IATF 16949:2016 and ISO 9001:2015.

ISO 14001:2015 certification serves as the framework for our environmental management system at the two sites in Germany. The certifications at the German locations were confirmed by TÜV Süd in February 2023. The relevant documents can be found on our website at suss.com/en/company/quality-management. SUSS MicroTec also supports compliance with the two directives RoHS and REACH, which serve to restrict the use of certain hazardous substances in electrical and electronic equipment.

We regularly evaluate and document the quality of our work. Our production follows special yet standardized processes. To this end, we define quality features such as performance criteria and security functions and check their compliance. We develop processes, manufacture products, and provide solutions that contribute to our customers' business success. We firmly believe that all employees can make an important contribution to quality assurance if there are clearly defined responsibilities, targets, and criteria. With the support of experts from the specialist departments, we are constantly improving our processes in order to achieve technologically leading results in the future.

ESG Ratings

Environmental, social, and corporate sustainability are also becoming increasingly important on the capital market. Reliable ESG criteria are therefore also becoming increasingly important for companies and (potential) investors. This is due to new regulatory requirements such as the EU taxonomy, the Corporate Sustainability Reporting Directive (CSRD), and increased expectations. Investors are paying more and more attention to the ESG profile of their investments and generally use independent ESG ratings as a benchmark for assessing companies' sustainable activities. Several internationally renowned ESG rating agencies regularly analyze SUSS MicroTec's sustainability performance. In the 2023 fiscal year, we participated in the Carbon Disclosure Project (CDP) climate change assessment program for the first time and were rated B-. We are working to continuously improve our rating.

Overview of our sustainability ratings:

Sustainalytics 14.2
(Low risk)

ISS ESG C-
(Rating scale A+ to D-)

S&P Global Corporate
Sustainability Assessment
26/100

CDP B-
(Rating scale A to D-)

Sustainability Strategy

The basis for the development of the sustainability strategy is a materiality analysis, which is described in detail below. The 17 Sustainable Development Goals of the United Nations, which take all three dimensions of sustainability into account, are used to identify the key sustainability issues: Environment, Social, and Governance.

In the 2023 fiscal year, SUSS MicroTec has defined the following strategic sustainability topics:

- Climate, energy and emissions
- Sustainable products, innovation and technology, circular economy
- Employer attractiveness, employee satisfaction
- Diversity and inclusion, equal opportunities, non-discrimination
- Training and education
- Occupational health and safety
- Human rights, responsible supply chain
- Customer satisfaction, product quality
- Legal conformity, compliance and information security

Targets and measures for the following year are defined for the operational implementation of the sustainability strategy. The sustainability strategy is continually being developed further.

Materiality Analysis

In accordance with Section 289c (3) HGB, SUSS MicroTec is obligated to identify material topics relating to the legally required aspects of environmental, employee, and social concerns, respect for human rights, and combating corruption and bribery that are necessary to understand the company's business performance, business results, and position and that make it comprehensible how the company's business activities affect non-financial aspects. We regularly carry out a materiality analysis to identify these significant issues. Previously, the materiality analysis was based on the GRI requirements. We already dealt with the new requirements of the European Sustainability Reporting Standards (ESRS) in the 2022 fiscal year and a double materiality analysis was carried out based on ESRS 1 and the AR16 application requirement. The materiality assessment process focused on SUSS MicroTec's business activities, business model, business relationships, value chain, and stakeholders. For SUSS MicroTec, shareholders, suppliers, customers, employees, research institutes, and cooperation partners as well as the local environment are the most important stakeholders.

To identify potentially material sustainability issues, the sustainability reporting of companies in our sector was analyzed. At the same time, the European Sustainability Reporting Standards (ESRS) were applied. Based on these analyses, a list of potentially material sustainability issues was drawn up. We have defined impacts, risks, and opportunities in relation to the identified sustainability issues. Impacts include positive and negative, actual and potential, and short and long-term effects of business activities on the environment, society and/or human rights. Actual and potential risks and opportunities arise from an environmental, social or human rights aspect that has an impact on the financial result. The materiality of the impact was determined according to the assessment criteria of extent, scope, possibility of redress, and probability. The materiality of risks and opportunities was determined according to the two assessment criteria of extent and probability. The extent was defined on a monetary scale.

The assessment resulted in a materiality rating for each impact, risk and opportunity. Certain threshold values were applied. Sustainability aspects can be material from an impact perspective, from a financial perspective, or from both perspectives.

In 2023, we carried out a review of the materiality analysis. To this end, an exchange took place with all relevant division heads who are responsible for the content of the respective non-financial key figures. We have constructively discussed the previous assessment of financial and material materiality. The requirements and expectations of external and internal stakeholders were also evaluated. Where necessary, adjustments were made and documented accordingly. As this validation did not result in any significant changes, all material topics were confirmed. The results were approved by the Management Board of SÜSS MicroTec SE.

Unlike in previous years, we will not be defining focus areas in our 2023 reporting. Due to new regulatory requirements in connection with the Corporate Sustainability Reporting Directive (CSRD) from the 2024 fiscal year, the focus is on the key topics from which further reporting obligations can be derived. In order to meet these requirements, we believe it makes sense to dispense with a separate definition of overarching topics in the future. Instead, we assign the topics that are important to us to the areas of environment, social, and governance.

Climate, Energy, and Emissions

SUSS MicroTec is a technology company that focuses heavily on the semiconductor industry. Resource efficiency is essential in this innovative and future-oriented market segment. Our environmental and climate protection measures are carried out from two perspectives. On the one hand, it is about improving the energy efficiency of our products and thus ultimately improving the CO_2 footprint of our customers. With the support of our systems, semiconductor companies can manufacture ever more powerful and energy-efficient products, which improves the energy balance of many electronic end devices such as cellphones. We therefore strive to improve our equipment's throughput, energy efficiency, and material consumption through innovations and continuous improvements. Our responsibility extends from the development, component purchasing and production of our systems through to the buy-back, reconditioning, and sale of used systems by our subsidiary SUSS MicroTec ReMan in the spirit of the circular economy. Second, we are continuously working to make our own production and administration activities more energy-efficient and less resource-intensive.

In 2023, energy audits were successfully carried out at all production sites, for the Garching and Sternenfels sites in accordance with DIN EN 16247-1. The energy audit in Taiwan was based on the ISO 50001 standard. Measures to reduce energy consumption and cut CO_2 emissions have been defined and some have already been implemented or incorporated into the long-term planning for building measures at the locations.

Objectives and Measures

The environmental target was updated in 2022 and aims to reduce global CO_2 emissions (Scope 1 and Scope 2) to zero by 2030. DEKRA Assurance Services GmbH has been verifying the calculation of the global carbon footprint according to the GHG Protocol since 2021. Emission factors from recognized databases (e.g. DEFRA 2023, Ecoinvent 3.10) are used to calculate greenhouse gas emissions.

Scope 1: Direct greenhouse gas emissions at the sites are mainly caused by the stationary combustion of natural gas and heating oil, as well as the use of coolants. We are continuously working on more effective use and are currently examining options for a lower-emission heat supply.

Scope 2: Indirect emissions are caused by purchased energy in the form of electricity or heat from our energy suppliers. To date, Scope 2 emissions have been published using the market-based approach, i.e. based on emission factors from our energy suppliers. Since this year, we have also been reporting Scope 2 emissions using the location-based approach, i.e. based on emission factors for the respective country.

Scope 3: These emissions were calculated for the year 2023 for five categories of the GHG Protocol. For 2024, it is planned to identify the main Scope 3 categories and record all 15 categories.

Across the Group, our absolute greenhouse gas emissions have increased, as both Scope 2 and Scope 3 emissions have risen compared to the previous year. The increased sales volume in 2023 and thus an increased quantity of purchased goods and services (e.g. raw materials) have led to an increase in Scope 3 emissions. Across all scope categories, purchased goods and services accounted for 93.7 percent of total emissions. Scope 1 emissions, on the other hand, were reduced by 11.7 percent. This development compared to the previous year was due in particular to the lower consumption of fossil fuels.

We have not yet set a target for Scope 3 emissions, as we have initially focused on Scope 1 and Scope 2 reduction targets. We are aiming to define a Scope 3 target for 2024.

Greenhouse Gas Emissions Germany (GRI 305-1)

Cause and main sources (in t CO_2 equiv.), Germany only	2023	2022
Scope 1 – direct emissions	1,041	1,157
Scope 2 – indirect emissions (market-based method)	0	0
Scope 2 – indirect emissions (location-based method)	1,781	1,941
Total (market-based method)	**1,041**	**1,157**

Greenhouse Gas Emissions Worldwide (GRI 305-1)

Cause and main sources (in t CO_2 equiv.), worldwide	2023	2022
Scope 1 – direct emissions	1,281	1,450
Scope 2 – indirect emissions (market-based method)	2,863	3,032[1,2]
Scope 2 – Indirect emissions (location-based method)	3,349	3,251[2]
Scope 3 – indirect emissions	189,113	157,991[2]
Scope 3.1 – Purchased goods and services	181,085	150,770
Scope 3.3 – Fuel and energy-related emissions	965	1,042
Scope 3.4 – Upstream transportation	2,307	3,189
Scope 3.6 – Business trips	2,027	890
Scope 3.7 – Commuting by employees	2,729	2,100
Total (market-based method)	**193,257**	**162,473[2]**

1 The previous year's figures have been corrected; in 2022, a standard Swiss electricity mix with a share of electricity from renewable energies was assumed for SÜSS MicroOptics; the better data situation in 2023 resulted in a different electricity mix.
2 Starting in the 2023 fiscal year, upstream emissions from energy and fuels will no longer be reported under Scope 2, but under Scope 3.3 and thus methodically correspond to the target specifications of the Scope 3 standard; in addition, the fair valuation of renewable electricity is considered by also methodically correctly accounting for upstream emissions in Scope 3.3. The change in methodology was applied retroactively to the 2022 greenhouse gas balance sheet for better comparability.

Our activities to reduce Scope 2 emissions currently focus on increasing the efficiency of energy use and purchasing electricity from renewable energy sources. The light sources at all three production sites are gradually being replaced with energy-efficient LED light sources. The use of usage-dependent intelligent LED lighting control systems is being continuously reviewed and implemented where appropriate, particularly in the area of production. To boost energy and cost efficiency, we regularly invest in our buildings, particularly the cleanrooms and production areas at the production sites. This includes modern electrical and air-conditioning systems, for example.

We purchase green electricity at our German production sites and in the Netherlands and will also do so in Taiwan in 2024.

From a global perspective, electricity consumption rose at a slower rate than the previous year compared to the increase in sales and the associated intensive use of cleanrooms in 2023. Gas and heating oil consumption was reduced significantly, mainly due to weather conditions. Diesel consumption has hardly changed compared to the previous year. In relation to the significant increase in sales, electricity, gas, heating oil, and diesel consumption worldwide improved compared to the previous year. Electricity consumption from renewable energy sources is also reported for the first time for 2023. This amounted to 48.7 percent of total electricity consumption (previous year: 48.8 percent) and 33.3 percent of total energy consumption (previous year: 31.5 percent).

New investments in building equipment will be assessed in coming years for their economic efficiency and environmental impact based on service life, age, consumption, and payback period.

We are continuously implementing measures to improve the energy and resource efficiency of our systems and, ultimately, the energy and resource efficiency of our customers: For example, we are constantly working on the further development of our coating systems to optimize the processes used with regard to the amount of media used in our customers' production processes.

Energy Consumption by Energy Source (GRI 302-1)

Consumption data in MWh (worldwide)	**2023**	2022
Power consumption		
absolute	10,151	9,838
in MWh/€ million sales	31.0	32.9
Power consumption from renewable energy sources		
absolute	4,943	4,797
in MWh/€ million sales	15.1	16.0
Share of power consumption from renewable energy sources in %	**48.7**	**48.8**
Gas consumption		
absolute	1,527	1,783
in MWh/€ million sales	4.7	6.0
Heating oil consumption		
absolute	1,912	2,438
in MWh/€ million sales	5.8	8.2
Diesel consumption		
absolute	1,112	1,130
in MWh/€ million sales	3.4	3.8
Gasoline consumption		
absolute	123	49
in MWh/€ million sales	0.4	0.1

Energy Consumption by Energy Source (GRI 302-1)

Consumption data in MWh (worldwide)	**2023**	2022
Total		
absolute	14,825	15,219
in MWh/€ million sales	45.3	50.9
Total share of renewable energies in %	**33.3**	**31.5**

Handling of Chemicals

The improvement of the ecological properties and environmental impact of our products is an important part of our development work. We are therefore attaching increasing importance to minimizing the use of energy sources, chemicals, and other processing materials during the manufacturing process and the operation of our equipment. The careful handling of chemicals plays an important role, particularly with our coaters and developers. However, a certain use of wet chemistry has been absolutely necessary for semiconductor production processes until now. In the application laboratory in Garching – where test runs and customer demonstrations of our systems take place – we have therefore installed a neutralization system for waste water treatment that adjusts the pH value of the various chemicals to a safe level.

Mobility and Business Travel

The number of business trips increased significantly in 2023 compared to the previous year. In particular, business travel to Asia, where our largest and most important customers are based, has increased.

Two plug-in hybrids and two electric vehicles, which emit significantly less CO_2 than conventional combustion models, were purchased for the vehicle fleet in Germany in 2023. Since fall 2022, CO_2 emissions for new company vehicles may only amount to a maximum of 150 g/CO_2 per km and vehicle. The entire vehicle fleet will be gradually converted to electromobility over the next few years.

Vehicle fleet (Germany)

	2023	2022
Number of company vehicles	77	65
Of which: Diesel	66	58
Gasoline	1	1
Hybrid and all-electric	10	6

Water Consumption

Water is one of the Earth's most important resources. Water management is therefore a key element in ensuring the sustainable use of resources. Our production sites require water primarily for cooling our cleanrooms. The water is obtained from local sources (groundwater and local suppliers). Our water consumption worldwide fell by 19.3 percent in 2023 compared to the previous year. While sales increased, we also succeeded in improving water efficiency, calculated as thousands of liters of water per EUR million in sales, compared to the previous year.

Waste

Waste management means the organization and management of the waste cycle in the Company, with the primary objective of preventing waste. If waste cannot be prevented, we focus on recycling, recovery, and disposal of waste in accordance with legal requirements. The theme of the circular economy will also receive much greater attention in the years ahead. Our waste is primarily generated from production and administrative activities. In Germany, our non-hazardous waste increased only slightly in 2023 with significantly higher sales. The volume of hazardous waste has fallen by 39 percent. We strive to constantly reduce the consumption of hazardous waste and, where appropriate, carry out feasibility studies on the basis of available data and thus without the use of hazardous substances. In principle, the amount of hazardous waste is subject to cyclical fluctuations. Our aim is to reduce resource consumption by increasing the resource efficiency of our products or to avoid it altogether through sustainable process innovations. Some examples of this are provided in the following section.

Waste Volumes (Germany)

	2023	2022
Waste volume (non-hazardous) in kg	157,132	143,986
Waste volumes (hazardous) in kg	6,322	10,349
Waste (non-hazardous) in kg per € million sales	480	481
Waste (hazardous) in kg per € million sales	19	35

Water Consumption (worldwide)

	2023	2022
Water consumption in thousand liters	34,232	42,445
Water efficiency (thousand liters per € million sales)	105	142

Sustainable Products, Innovation and Technology, Circular Economy

We are proud that SUSS MicroTec products add value for our customers and continuously shrink environmental footprints. We develop and produce products and solutions for important megatrends. One finished product we are involved in manufacturing is LED lamps. Various process steps in the production of LED lamps are carried out on our mask aligners and bonders. LEDs are used for general lighting applications and lower energy consumption while the longer durability results in a better use of the resources deployed. LED lights can also be used in the automotive sector and contribute to greater safety thanks to improved illumination and visibility. Certain microlens headlamps, which may include components from the discontinued MicroOptics division, are also much smaller than conventional headlamps. This not only makes them much lighter, but they also use less electricity and will therefore also be in high demand for electric cars, for example.

Objectives and Measures

Reduction of the Use of Energy Resources by Our Customers for New Generations of Equipment

With our products, we also contribute directly to more sustainability for our customers. We are able to reduce the energy consumption with every new generation of our equipment for our customers while the semiconductors and sensors produced are becoming both smaller and more complex at the same time. The efficiency requirements for new solutions and new generations of equipment are captured systematically in the product development process. Specifically, the product manager formulates the desired specifications required for the desired market success, also with regard to the environment and occupational health and safety. In addition to the technological component, the further consumption of resources also plays an important role. This, for example, concerns special, highly developed photo resists that are applied to surfaces. By reducing the consumption of these resists and other chemicals in our coater and development machinery, we will be able to protect the environment and reduce our customers' production costs. The highly sensitive photo resists that are used for our coaters usually contain photochemical compounds that are sensitive to the environment and entail high costs and energy consumption for manufacturing and disposal. In the further development of our coaters, we constantly strive to optimize the applied processes regarding the quantity of coating that is used. In our inkjet printer business, which we assign to the Coating Solutions product line, we produce and sell semi-automatic and fully automatic devices for inkjet printing-based coating processes. This inkjet process, in which a protective resist is applied only to specific areas of a substrate, can achieve average reductions in the consumption of process chemicals of up to 40 percent compared to conventional full-surface coating processes. The resulting decrease in material usage and increase in process yields allows our customers to conserve resources and cut costs at the same time. In this context, we will take specific sustainability targets into account in new product developments in future.

In the Photomask Solutions division, we are also working on applications for cleaning wafers, initially for MEMS applications. Based on our know-how in photomask cleaning, we have developed a much more sustainable solution compared to today's products. Hazardous chemical substances are replaced by highly effective and significantly more environmentally friendly solutions.

Another element in our sustainability strategy is the deliberate promotion of circular economy principles. Back in 2006, we founded SUSS MicroTec ReMan (ReMan stands for remanufacturing), a subsidiary that systematically purchases used SUSS MicroTec systems from customers, professionally overhauls them, and then resells them as used equipment. This way, we ease pressure on the procurement budgets of our customers, extend the life expectancies of used systems, and conserve valuable resources. Last year, SUSS MicroTec ReMan succeeded in taking back five systems. They were either resold after a general overhaul or there are plans to resell them after remanufacturing. In rare cases, a returned system is examined for reusable parts, which can then be offered reconditioned and tested. The remaining parts are completely dismantled and disposed of properly. In the 2023 fiscal year, the Company generated sales of €6.1 million with this business (previous year: €4.5 million). The sales volume is difficult to plan and depends largely on how many used systems with the potential for a general overhaul can be bought back each year.

Employee matters

Our employees are key to our business success and make a significant contribution to the value of our Company. We owe our technological capabilities in large part to the commitment and capabilities of our employees. To us as a Company, it is therefore very important that our employees are always highly trained, committed, and motivated. We want to attract and retain the best employees for our company through active HR work and development at all hierarchical levels.

To meet the increased demand for our products, we have steadily increased our workforce over the past few years The number of employees on the basis of continuing operations, i.e. excluding the MicroOptics division, increased by around 10.6 percent from 1,091 employees (FTE) in 2022 to 1,207 in 2023. Within Germany, the number of employees (FTE, excluding students, trainees and temporary staff) rose from 678 in 2022 to 725 in 2023. The average age in Germany in 2023 was 42 years (previous year: 42 years). This gives us a mix of experienced employees and young talents who start their careers at SUSS MicroTec with new ideas and high motivation. In order to maintain our ability to innovate in the fast-moving semiconductor industry, we rely on ambitious young talent and motivated and experienced colleagues. A mixture of different age groups, different regional origins, and diverse social backgrounds broadens perspectives, opens up new paths, and thus creates space for continuous renewal and improvement. The proportion of women in 2023 was around 22 percent in Germany (previous year: 21 percent). Women constituted also 22 percent in Germany of the total workforce worldwide. The proportion of women in management positions is higher than in the company as a whole. On average, employees in Germany stay with the company for around 9 years (previous year: 8 years).

Key Figures for Employee Matters (GRI 405-1)
(Germany only)

	2023	2022
Total workforce (FTE, Germany)	**725**	**678**
Total workforce (FTE, worldwide)	**1,207**	**1,091**
Number of trainees	33	39
Number of temporary employees	30	24
Share of fixed-term employment contracts (excluding trainees)	37	28
Number of employees on parental leave	33	26
Average age	42	42
Average length of service in the company in years	9	8
Turnover rate	9.5%	10.4%
Percentage of employees represented by workers' representatives at company level (worldwide)	60%	62%
Number of possible workstations for remote work	Remote work is possible for more than half of all workstations	
Commitment under collective bargaining agreements	SUSS MicroTec is not subject to any collective bargaining agreement	

Employer Attractiveness, Employee Satisfaction

Our employees are a key success factor in achieving our corporate goals. We care deeply about the satisfaction and well-being of our employees. Against the backdrop of demographic change and the high demand for qualified personnel across all industries, the task of finding, training and retaining capable employees is becoming increasingly important. Due to demographic change and changes in the labor market, we are experiencing an increase in the need to find suitable employees. We are actively countering this shortage of skilled workers by stepping up our recruiting activities and expanding our internal training programs. Each employee's satisfaction level has a direct impact on turnover rates and loyalty to the Company.

We offer our employees parental leave and support in caring for close relatives within the framework of social and legal requirements. We also offer a variety of working time models to give employees as much flexibility as possible. SUSS MicroTec grants all employees the option of part-time employment, including managers.

In addition to pay and working hours, one of the main employee rights in Germany is the right to parental leave. SUSS MicroTec employees in Germany also make use of this right: In 2023, 33 employees were on parental leave (previous year: 26), of which 6 were women and 27 men.

Digitalization and the use of modern communication devices also enable needs-based mobile working. This is basically possible for more than half of the jobs in Germany and has become an integral part of our work organization.

Objectives and Measures

Employee satisfaction is a key aspect of HR management. We have further strengthened our personnel development in the 2023 fiscal year.

One of our HR objectives is to keep the employee fluctuation rate as low as possible. In Germany this was 9.5 percent compared with the previous year. We will report this key figure worldwide from the 2024 fiscal year and are aiming for a value of less than 8 percent.

We offer onboarding events for new employees to help them get to know the company and its corporate culture faster and better. New colleagues quickly find their way around the company and feel well received. Onboarding is supported by the appointment of a mentor for new employees.

We use the flattest hierarchies possible when making decisions. All of our employees, regardless of their age, education, gender, or origin, always have an opportunity to get involved and to develop according to their abilities and inclinations.

Training and Education

Well thought-out and sustainable personnel development and a health-promoting workplace design are prerequisites for retaining our employees in the long term and attracting new talent. We have grown strongly in recent years and continue to pursue an ambitious growth strategy. Being a global supplier to leading semiconductor companies opens up major opportunities for us in many areas such as digital transformation, mobility, energy efficiency, and networking. We can only take advantage of these opportunities if we can attract motivated employees with the appropriate qualifications. We intend to continue to develop and promote our employees by continuously improving our training and continuing education opportunities. At our two production sites in Garching and Sternenfels, we train between 10 and 15 new apprentices in technical and commercial professions every year. As of December 31, 2023, there were 33 trainees (previous year: 39).

Objectives and Measures

We have significantly expanded our university marketing campaign in recent years in order to find new talent. We specifically approach universities when recruiting graduates. SUSS MicroTec works together with the Karlsruhe Institute of Technology (KIT), the universities of applied sciences in Pforzheim and Heilbronn, and the Technical University of Munich and the Munich University of Applied Sciences. In addition to trade fairs, we also take part in targeted employer workshops. The focus of our cooperation with universities is the technical professions. We offer interested applicants a StudiumPLUS program (training and studies) in the field of mechatronics at Pforzheim University. Since the 2023 fiscal year, we have also been providing training in the field of microtechnology. In addition, students worldwide can complete internships at SUSS MicroTec.

We have constantly increased our continuing education budget in past years most recently from €410 thousand in 2022 to €550 thousand in 2023. The number of training courses in 2023 was 210 (previous year: 235), 104 of which were held in a purely virtual format (previous year: 60). In the future, we intend to continue expanding the share of online classes, as this can make it possible to avoid business trips in some cases.

In the 2023 fiscal year, continuing education opportunities at the German locations focused on the development of executives. We launched a comprehensive executive training program at the German locations in 2023. This includes four modules that build on each other and are completed within one year. The goal is to develop and reinforce a common understanding of management at SUSS MicroTec. We plan on rolling out training internationally in 2024.

Key Figures for Occupational Health and Safety / Continuing Education (GRI 403-1)

(Germany only)	2023	2022
Number of workplace accidents	8	6
Accident frequency[1]	5.0	4.7[2]
Sickness rate	6.3%	6.8%
Continuing education expenses	€550 thousand	€410 thousand
Number of trainings (virtual)	104	60
Total number of trainings	210	235

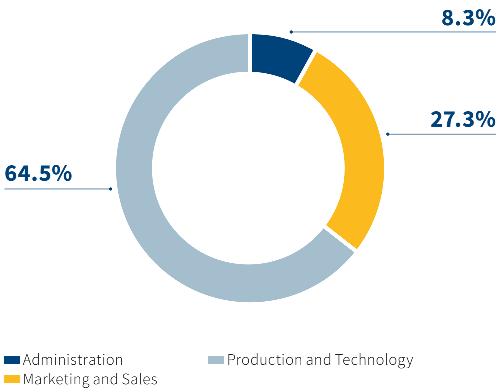
1 Accident frequency: Number of occupational accidents (of employees and temporary workers) with days lost per 1 million working hours)
2 Previous year's figure adjusted due to new calculation method with lost days per 1 million working hours

Occupational Health and Safety

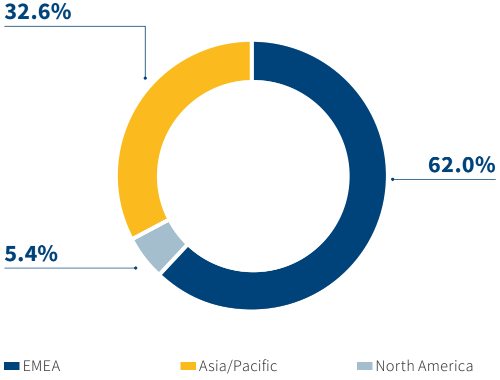
More than half of our employees work in production and engineering. We attach particular importance to a safe and attractive work environment in these areas. Working in cleanrooms and handling electricity and chemicals in workplaces such as application laboratories poses particularly high risks to employee health if not done properly, which must be reduced to a minimum.

Most employees at SUSS MicroTec are employed at the two German sites in Garching and Sternenfels and are thus subject to German laws and regulations for work hours, remuneration, and social benefits.

Employees by areas



Employees by regions



Objectives and Measures

Training courses and safety instruction sessions are held regularly to ensure electricity and chemicals are handled safely and thus protect employee health and prevent injuries and accidents. SUSS MicroTec also strives for high standards regarding occupational safety and endeavors to bring the number and severity of workplace accidents to zero. This is why training courses and safety instruction sessions are held regularly to protect health and prevent injuries and accidents, in particular to ensure the proper handling of hazardous substances. Despite this, there were eight reportable workplace accidents in Germany in 2023. Overall, the sickness rate at the German sites fell slightly to 6.3 percent in 2023, compared to 6.8 percent in the previous year (excluding long-term sickness).

Diversity and Inclusion, Equal Opportunities, Non-discrimination

Diversity is an important requirement for maintaining competitiveness and achieving sustainable corporate success. Sufficient diversity of expertise among senior executives will generate a broad spectrum of experience and varying perspectives that can be used to the benefit of the Company. In addition, growing internationalization requires managers to lead diverse teams. This can only be done effectively if individual Group employees' cultural backgrounds are given proper consideration. A balanced age structure helps to retain knowledge and professional and life experience for as long as possible in the Company's best interests and introduces new ideas and energy at the same time.

Objectives and Measures

The Supervisory Board has drawn up competence profiles and a diversity concept for the Management Board and the Supervisory Board. These are published in the corporate governance declaration and can be accessed on the website at https://www.suss.com/de/investor-relations/corporate-governance.

The overall Supervisory Board should have industry, Company-specific, and professional knowledge, skills, and experience. Each member should contribute their key professional competencies to the full Supervisory Board as needed. Diversity and teamwork skills should result in the totality of all these competencies being greater than the sum of the professional competencies of the individual Supervisory Board members.

Management Board members should have relevant experience in leading internationally operating, listed companies. The expert qualification for the department to be managed and the personality of the potential candidates and their previous accomplishments comprise the general suitability criteria for the Company. Depending on the Company's current situation, it may make sense to review and/or re-weigh individual criteria. The aim of the diversity concept for the Management Board is to consciously draw on diversity for the commercial success of SUSS MicroTec since diversity in terms of different perspectives, qualifications, and experiences is essential for remaining competitive and achieving sustainable corporate success.

The Supervisory Board set new targets for the share of women at its meeting on March 2, 2022. At that time, the quota for women was 20 percent and the target was 25 percent. By June 30, 2027, the Supervisory Board aims to have two women on the Supervisory Board (share of 40 percent) and one on the Management Board (share of 33.33 percent). The Supervisory Board of SÜSS MicroTec SE appointed Dr. Cornelia Ballwiesser to the Management Board as

CFO as of July 1, 2023. She succeeded Oliver Albrecht, who left the Management Board of SUSS MicroTec on April 30, 2023. This will bring the number of women on the Management Board up to the target of one person (33.33 percent). Since the Management Board of SÜSS MicroTec SE, as part of its diversity concept, also wishes to target the promotion of women, it determined in February 2022 that women will constitute 36 percent of the first and second management levels at the Company. The Company's diversity concept is set out in the Corporate Governance Declaration and published on our website.

In 2023, the share of women in the first management level was 46 percent and 43 percent in the second management level, which is significantly higher than the share in the overall workforce. The share of women worldwide at the end of the 2023 fiscal year was 22 percent. Our business is characterized by internationality, global positioning, and cultural diversity. Due to our international presence, we have many employees of different nationalities and cultural backgrounds who work together extremely well. We are using this diversity for our commercial success, we believe that diversity in terms of different perspectives, qualifications, and experiences is essential for remaining competitive and achieving sustainable corporate success. Diversity also promotes the understanding at the Company for the many different expectations of international customers. The workforce in Germany was composed of 40 different nationalities (previous year: 39) and the average age of employees was 42.

Employees with disabilities are an integral component of our workforce. Based on voluntary information, we are currently aware of 26 employees with severe disabilities (previous year: 26), 31 percent of whom are women (previous year: 35 percent) and 69 percent of whom are men (previous year: 65 percent). This corresponds to approximately 3.5 percent of the total workforce in Germany (previous year: 3.8 percent).

Diversity Key Figures (GRI 405-1)

Share of our employees each as of Dec. 31 (Germany only)	**2023**	2022
Share of women on the Management Board	33%	0%
Share of women on the Supervisory Board[1]	40%	50%
Share of women in first executive management level (including staff positions)	46%[2]	42%[2]
Share of women in second executive management level	43%[2]	25%[2]
Share of women (Germany)	22%	21%
Share of men (Germany)	78%	79%
Share of women (worldwide)	22%	22%
Share of men (worldwide)	78%	78%
Different nationalities of employees	40	39
Share of employees with disabilities	3.5%	3.8%
Total workforce (FTE, worldwide)	**1,207**	**1,091**

1 As of December 31, 2022, the Supervisory Board consisted of only four members
2 With regard to the organizational structure of SÜSS MicroTec SE

Human Rights, Responsible Supply Chain

Respect for global human rights is of great importance for SUSS MicroTec and a prerequisite for successful business activities. For this reason, we strictly reject any form of forced or compulsory labor, child labor, modern slavery, and human trafficking.

We value long-term relationships and mutual respect along our supply chain. This is the only way for us to be successful together and secure our supply chain through targeted supplier management. We strive to work in partnership with suppliers. The supplier's performance, as well as their attitude to ethics and the environment are key for working together with us.

Objectives and Measures

Among other things, in our Business Partner Code of Conduct we document our expectations of suppliers including in terms of legality and working conditions, compliance with human rights, rejection of child labor and forced labor, environmental protection, prevention of active and passive corruption, and fair competition. The qualification and auditing of new suppliers and regular meetings with key suppliers will serve not only to meet the ongoing high demand for our semiconductor equipment and thus optimize our delivery times, but also to ensure the application of our Business Partner Code of Conduct.

The application of this Code of Conduct was surveyed using a questionnaire and is included in the annual supplier evaluation. We also randomly verify compliance with the standards in audits. Our goal is to ensure that at least 65 percent of our purchasing volume is covered by the application of our Code of Conduct or by confirmation that a comparable supplier's code is being applied. As of December 31, 2023, we covered 39 percent of our purchasing volume following the introduction of the Code of Conduct in October 2022.

Initial audits are carried out for potentially critical new suppliers before a possible order is issued and their creditworthiness and compliance are verified. Regionally, approximately 64 percent (previous year: 64 percent) of our suppliers are based in Germany and a total of approximately 73 percent (previous year: 73 percent) in Europe. This corresponds to around 76 percent of the total purchasing volume (previous year: 79 percent). A further 10 percent of suppliers, representing an additional approximately 6 percent of purchasing volume, are based in the US and Canada (previous year: 11 percent with a purchasing volume share of 5 percent). In our view, these groups of countries can be considered "safe" in terms of respect for human rights. In our assessment, the critical purchasing volume is less than 5 percent. Around 17 percent of our suppliers, representing a purchasing volume of also 18 percent, are based in Asia. Asian suppliers gained in importance in 2023 because we have expanded the share of local suppliers following the establishment of our manufacturing site in Taiwan.

Respect for global human rights is of great importance for SUSS MicroTec and we consider this to be an important requirement for successful business activities. We recognize universally applicable human rights based on the UN Human Rights Charter and assume responsibility within our Company and along our supply chain by fulfilling our human rights due diligence obligations, including with our direct suppliers. In selecting them and during our cooperation with them, we ensure that no human rights are violated or forms of modern slavery such as child labor or human trafficking are permitted anywhere along the supply chain. We explicitly expect our direct suppliers (tier 1) to perform their own due diligence in turn on their direct suppliers (tier 2). We are registered with the RBA (Responsible Business Alliance, non-member status).

At the end of 2023, SUSS MicroTec started to carry out a comprehensive analysis regarding supply chain-related risks. Based on this, we will examine country and sector-specific risks relating to compliance with human rights, labor rights, and environmental protection at direct suppliers in 2024. The transparency of sustainability performance of SUSS MicroTec's suppliers should thus be further increased and a targeted management of risks and opportunities regarding sustainability of the supply chain should be achieved.

Legal Compliance and Information Security

SUSS MicroTec is aware of its social responsibility. Our strategic decisions and operational activities affect the environment and individuals, particularly employees, but also suppliers, customers, and other business partners in a number of ways. We urge all of the employees, officers, and directors of the Company to avoid situations in which their personal or other economic or financial interests could come into conflict with those of the SUSS MicroTec Group. Even the appearance of a conflict of interest can damage the reputation or interests of SUSS MicroTec and should thus be avoided from the outset. Business ethics and integrity ensure our credibility. The employees of all Group companies are trained accordingly and required to obey the laws and regulations of the countries in which they operate. They must demonstrate integrity and fairness in all aspects of their business activities. Therefore, it is self-evident that we as an international entity must be cognizant of the current legal and cultural conditions in all the countries in which we operate. We expect the same from our business partners.

SUSS MicroTec's reputation in the business world is one of our most valuable assets. It is shaped to a large extent by how we conduct ourselves in business life.

The Company expects the entire workforce, particularly managers, to be good role models and communicate and model the following Company principles. We are convinced that ethical and economic values are mutually dependent and that participants in the business world must strive to treat each other fairly and act within the framework of established standards. Our principles are set out in our Code of Conduct, which is provided to all employees and can be viewed on our website at **www.suss.com/de/investor-relations/corporate-governance**. The Code is available in five languages (German, English, French, Korean, and Chinese). In addition, our General Terms of Purchase and the Business Partner Code of Conduct can be found on our website at **www.suss.com/de/unternehmen/einkauf**.

Employees are categorically not permitted to offer, promise, or grant unfair advantages in connection with their activities for SUSS MicroTec directly or indirectly. Neither monetary payments nor other benefits may be provided if they are designed to influence decisions and/or to obtain an unfair advantage. One of the purposes of the rules set out in the Code of Conduct is to protect our own employees and help them act in accordance with the law and our ethical principles in unfamiliar or critical situations. In addition to our publicly available Code of Conduct, there are internal regulations to support the correct behavior of employees in day-to-day business, such as whether and within which financial limits gifts or invitations from suppliers or customers may be accepted or made.

We respect personal dignity, privacy, and the personal rights of each employee. We work with individuals of different ethnic backgrounds, cultures, religions, and ages, without regard to disability, skin color, sexual identity, world view, and gender. In accordance with our labor laws and those of the countries in which we operate, we do not tolerate any discrimination based on these characteristics, sexual harassment or other personal attacks on individuals.

At SUSS MicroTec, we promote an open corporate culture. We encourage all employees to report concerns or questionable behavior to their senior executive or the Compliance Officer (that is, a "speak-up" culture). Our confidential whistleblowing hotline (by phone or e-mail) or our confidential whistleblowing tool (https://suss.grc-cloud.de/meldung?lang=en) can be used by our employees worldwide and/or third parties (e.g. suppliers) to report possible compliance violations. No violations were reported relating to corruption and bribery in 2023 (previous year: 0 violations). Accordingly, there were no convictions and no fines related to corruption offenses.

We take reports seriously and investigate any misconduct in detail and, if necessary, impose sanctions. Any retaliation against whistleblowers following a good-faith report is not tolerated and is investigated and punished as a separate violation.

The Management Board has the overall responsibility for compliance and the compliance management system. The Supervisory Board in turn monitors the efficiency and effectiveness of the system set up by the Management Board. Handling business risks responsibly is one of our principles of good corporate governance. A risk management system has long been a component of corporate management at SUSS MicroTec for recognizing and controlling risks and for fulfilling statutory requirements. One sub-area of risk management, the Company's early recognition system for going-concern risks, is reviewed regularly by the auditor during the audit of the annual financial statements.

Information Security

IT and data security were also given a high priority in the 2023 fiscal year, through targeted investments and training measures. We have implemented additional technical and organizational improvements. We also hired external experts to check our security status and made individual adjustments to keep our security level up to date and high. The purpose of these measures is to increase data and IT security and ensure the protection of internal and confidential data. At SUSS MicroTec, IT and data security is handled at the Group level and also includes individual locations and subsidiaries. The use of information and communication technology plays a key role at different levels. For one, the focus is on protecting the data and personal data of our customers, business partners, and employees from unauthorized access. And second, we aim to ensure that our employees are able to work and to protect our own systems from criminal attacks. When we collect, store, process, and transfer personal data, we always do so with the utmost care and absolute confidentiality while adhering to the respectively applicable laws. We fully apply the provisions of the European General Data Protection

Regulation (GDPR) at our European locations. We also strive to ensure a high degree of data protection at our international locations, though it is not always possible to apply the high European standards in every country. SUSS MicroTec has a data protection officer who monitors the adherence to the legal provisions. In the event of possible violations of data protection regulations, the data protection officer as well as the specialist department take measures immediately. If required, a report is made to the data protection authority.

Objectives and Measures

Our objectives are, of course, zero tolerance for corruption and bribery, upholding human rights, and avoiding violations of rules and laws. The basis to achieve this is the acceptance of our Code of Conduct by all employees of SUSS MicroTec around the world. In addition, the Company has installed a corporate governance system that is being continuously refined. The structure of the system has been set out in a compliance management policy. In this context, a globally valid whistleblower policy was also drawn up in German and English. In addition, an annual and mandatory Group-wide training concept was implemented in 2023. The training courses consist of the Compliance and Anti-Corruption modules. The training also requires consent to the Code of Conduct. This provides information on our principles of cooperation, our personal mission as part of society, and rules on our business operations. At the end of the year, the training completion rate for all employees was 90 percent. One of the reasons for the deviation from the previous year is that the participation rate of employees in the MicroOptics division was lower than in the previous year due to the sales process. The goal is still a completion rate of 100 percent.

Social Concerns and Political Influence

As a mid-size company, SUSS MicroTec also considers itself to be connected with the communities at its locations. However, no attempts are made to influence politics at the local or higher level. We do not make any donations or offer sponsorships for political parties or party-like organizations or governments domestically or internationally. Consequently, this aspect is not addressed further in this non-financial statement.

We take our responsibility and obligation as a global company seriously. We strive to be perceived as a trustworthy company and to live up to our responsibility to society. We encourage our employees to volunteer their time and make an important contribution to society.

Stakeholder Commitment

Sustainability is becoming an integral component of our corporate philosophy. In addition to our own objectives, we also consider the expectations of external stakeholders. Since we are a listed company, our shareholders represent an important stakeholder group. As shareholders of the Company, they need extensive information in order to make their investment decisions. Our suppliers and customers are of existential importance. Close cooperation and regular dialog are basic prerequisites for individual solutions tailored to specific needs. They are the basis for our business success and the future viability of the Company. We need motivated and dedicated employees to achieve lasting success in our innovative and highly competitive industry. We are constantly seeking new talent to recruit for our Company. In the capital-intensive semiconductor industry, fundamental processes and new products are often developed in partnership with research institutes, universities, or collaboration partners. They are also an important stakeholder group. We also count the local communities at our main sites as our stakeholders. All stakeholders have different information needs and expectations in regard to SUSS MicroTec. For this reason, we use various channels to stay in touch with our key stakeholder groups.

EU Taxonomy

The Taxonomy Regulation is an EU-wide classification system for defining sustainable economic activities. The regulation includes a total of six environmental goals. Economic activities that have the potential to support one of the environmental goals are referred to as taxonomy-eligible. The share of taxonomy-eligible activities that is actually ecologically sustainable is referred to as taxonomy-aligned. Taxonomy alignment is subject to the following three criteria:

- Significant contribution to one of the six environmental goals
- No significant harm of the other five environmental goals (DNSH – do no significant harm)
- Compliance with minimum social and governance requirements (minimum safeguards)

For 2023, taxonomy-eligible and taxonomy-aligned activities must be reported for the first two environmental goals and, for the first time, taxonomy-eligible activities for the other environmental goals.

1.) Climate change mitigation
2.) Climate change adaptation
3.) Sustainable use and protection of water and marine resources
4.) Transition to a circular economy
5.) Pollution prevention and control
6.) Protection and restoration of biodiversity and ecosystems

As described at the beginning of the non-financial statement, the EU Taxonomy section considers continuing operations and the discontinued operation of the MicroOptics division.

In the 2021 and 2022 reporting years, comprehensive data collection was already part of the application of the EU Taxonomy Regulation. For this purpose, in addition to the relevant financial indicators of sales, operating expenditure (OpEx), and capital expenditure (CapEx), data was collected and analyzed from the areas of environmental management and facility management, among others.

The following describes how the taxonomy-eligible economic activities for the 2023 fiscal year were reviewed with regard to their taxonomy alignment, and subsequently determined in relation to taxonomy key figures. In 2023, we performed a taxonomy project using the application of all six environmental goals and with the support of an external consultant on taxonomy eligibility and taxonomy alignment. The project team was made up of cross-functional experts at SUSS MicroTec. The project content included the assessment of taxonomy-eligible economic activities and the significant contribution to an environmental goal, the assessment of the avoidance of significant adverse effects on other environmental goals (DNSH – do no significant harm), and compliance with minimum safeguards.

Determining Taxonomy-Eligible Economic Activities

In reviewing SUSS MicroTec's economic activities, taxonomy-eligible economic activities were only identified for the environmental goals of "climate change mitigation" and "transition to a circular economy."

Significant Contribution to the Environmental Goal of Climate Change Mitigation

Some of SUSS MicroTec's products are used by customers in finished products that are assigned to the economic activity "3.6 Manufacture of other low-carbon technologies." A key challenge in meeting the technical evaluation criteria is that SUSS MicroTec's economic activity is classified as an "enabling activity." As important components, SUSS MicroTec's equipment only make a significant contribution to climate change mitigation "indirectly" and only as part of a downstream system in the finished product, for example in an electric car or for LED production.

For suppliers or enablers in the activity class "3.6 Manufacture of other low-carbon technologies," the technical assessment criterion for fulfilling environmental goal 1 – Significant contribution to climate change mitigation – is as follows: "The economic activity produces technologies that target and demonstrably achieve significant life cycle GHG emission savings compared to the best performing alternative technology or solution or product available on the market. The savings in life cycle GHG emissions are calculated based on the Commission Recommendation 2013/179/EU or alternatively pursuant to ISO 14067:2018 or ISO 14064-1:2018. The quantified savings in life cycle GHG emissions are verified by an independent third party." The "significant savings in life cycle GHG emissions" would therefore initially have to be calculated using a complete CO_2 life cycle analysis for our products. Moreover, a corresponding analysis would have to be based on uncertain assumptions, since SUSS MicroTec is generally not aware of the finished products for which its equipment is used. All products and applications would then have to be checked if the respective product actually represents the most efficient technology available on the market. Meaning: A supplier would have to prove that its products or solutions are better than all competing products available on the market in terms of CO_2 savings. This verification is not feasible in practice, since the necessary detailed information on all relevant competitor products is not available. Because of the complex requirements of the technical evaluation criteria for the economic activity "3.6 Manufacture of other low-carbon technologies," which would either not be fulfilled or only with a disproportionately high effort, SUSS MicroTec reports 0 percent for taxonomy-aligned sales in the area of climate change mitigation for the past fiscal year. The other requirements (DNSH criteria and minimum social protection) were not verified, since all three criteria must be met for taxonomy alignment.

Significant Contribution to the Environmental Goal of Transition to a Circular Economy

SUSS MicroTec's taxonomy-eligible economic activities make a significant contribution to the transition to a circular economy in the areas of "5.1 Repair, refurbishment and remanufacturing" and "5.4 Sale of second-hand goods." This includes comprehensive service and maintenance services and the sale of used equipment from the SUSS MicroTec product portfolio, which is offered by the subsidiary SUSS MicroTec ReMan. This includes current equipment, but also machines that have been in reliable use by customers for many years and have been refurbished and certified by SUSS MicroTec. SUSS MicroTec refers to the NACE code "C.26 Manufacture of computer, electronic and optical products" for the aforementioned economic activities.

The analysis did not change from the previous year's assessment with regard to the taxonomy eligibility of economic activities.

Avoidance of Significant Adverse Effects on the other Environmental Goals (DNSH criteria)

To avoid significant adverse effects on the environmental goal "Climate change adaptation", the EU taxonomy specified the implementation of climate risk and vulnerability analyses to identify significant physical climate risks and the implementation of adaptation measures if a risk is identified. SUSS MicroTec does not yet meet this requirement in the 2023 fiscal year. However, a corresponding analysis has been prepared with an external service provider and will be performed in the 2024 fiscal year.

Minimum Safeguards

The Group-wide review of minimum social protection is completed using a status analysis based on the due diligence steps of the OECD Guidelines for Multinational Enterprises. Based on the requirements for corresponding processes from the Corporate Sustainability Due Diligence Directive (CSDDD) and reporting under the Corporate Sustainability Reporting Directive (CSRD), a project was implemented in 2024 to examine compliance with the due diligence requirements in this overall context.

SUSS MicroTec does not report taxonomy-aligned sales for the 2023 reporting year, since all of the above requirements must be met. Looking ahead to the 2024 fiscal year and the coming years, SUSS MicroTec will continue to intensify the analyses from the 2023 reporting year and work on the reporting processes for testing taxonomy alignment.

Sales

Key Figures EU Taxonomy – Sales 2023

	2023			Criteria for a significant contribution						DNSH criteria ("Does not significantly harm") (h)									
Economic activities	Code (a)	Sales	Share of sales, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) sales, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thousand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Sales of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0%														0.0%		
Of which enabling activities		0.0	0.0%														0.0%	E	
Of which transitional activities		0.0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										

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Key Figures EU Taxonomy – Sales 2023

	2023			Criteria for a significant contribution						DNSH criteria ("Does not significantly harm") (h)									
Economic activities	Code (a)	Sales	Share of sales, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) sales, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Extension of service life of products through repair or remanufacturing	CE 5.1	15.6	4.8%	N	N	N	N	N/EL	N								0.0%		
Sale of used goods	CE 5.4	4.7	1.4%	N	N	N	N	N/EL	N								0.0%		
Sales of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		20.3	6.2%	N	N	N	N	N/EL	N								0.0%		
A. Sales of taxonomy-eligible activities (A.1+A.2)		**20.3**	**6.2%**	**N**	**N**	**N**	**N**	**N/EL**	**N**								**0.0%**		
B. Non-Taxonomy-Eligible Activities																			
Sales of non-taxonomy-eligible activity		306.9	93.8%																
Total		**327.2**	**100%**																

Capital Expenses

Key Figures EU Taxonomy – CAPEX 2023

	2023			Criteria for a significant contribution						DNSH criteria ("Does not significantly harm") (h)									
Economic activities	Code (a)	CapEx	CapEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0%														0.0%		
Of which enabling activities		0.0	0.0%														0.0%	E	
Of which transitional activities		0.0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										

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Key Figures EU Taxonomy – CAPEX 2023

	2023			Criteria for a significant contribution						DNSH criteria (“Does not significantly harm”) (h)									
Economic activities	Code (a)	CapEx	CapEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Passenger transportation in local and regional transport, road passenger transport	CCM 6.3	794.1	6.5%	N/EL	N	N	N	N	N								1.8%		
Installation, maintenance and repair of energy-efficient appliances	CCM 7.3	78.8	0.6%	N/EL	N	N	N	N	N								0.9%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.0	0.0%	N/EL	N	N	N	N	N								0.4%		
Installation, maintenance and repair for measuring, regulating and controlling the overall efficiency of buildings	CCM 7.5	17.6	0.1%	N/EL	N	N	N	N	N								0.9%		
Acquisition and ownership of buildings	CCM 7.7	2,328.5	18.9%	N/EL	N	N	N	N	N								37.1%		
CapEx taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		3,219.0	26.2%	N/EL	N	N	N	N	N								41.2%		

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Key Figures EU Taxonomy – CAPEX 2023

	2023			Criteria for a significant contribution						DNSH criteria ("Does not significantly harm") (h)									
Economic activities	Code (a)	CapEx	CapEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. CapEx taxonomy-eligible activities (A.1+A.2)		**3,219.0**	**26.2%**	**N/EL**	**N**	**N**	**N**	**N**	**N**								**41.2%**		
B. Non-Taxonomy-Eligible Activities																			
CapEx non-taxonomy-eligible activity		9,076.4	73.8%																
Total		**12,295.4**	**100%**																

Operating Expenses

Key Figures EU Taxonomy – OPEX 2023

	2023			Criteria for a significant contribution						DNSH criteria (“Does not significantly harm”) (h)									
Economic activities	Code (a)	OpEx	OpEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0%														0.0%		
Of which enabling activities		0.0	0.0%														0.0%	E	
Of which transitional activities		0.0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										

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Key Figures EU Taxonomy – OPEX 2023

	2023			Criteria for a significant contribution						DNSH criteria (“Does not significantly harm”) (h)									
Economic activities	Code (a)	OpEx	OpEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, 2022	Category (enabling activity)	Category (transitional activity)
		EUR thou-sand	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Operation of devices for personal mobility, cycling logistics	CCM 6.4	73.7	0.2%	N/EL	N	N	N	N	N								0.0%		
Renovation of existing buildings	CCM 7.2	24.0	0.1%	N/EL	N	N	N	N	N								0.1%		
Installation, maintenance and repair of energy-efficient appliances	CCM 7.3	163.1	0.5%	N/EL	N	N	N	N	N								0.7%		
Freelance services related to the energy performance of buildings	CCM 9.3	18.9	0.1%	N/EL	N	N	N	N	N								0.1%		
OpEx taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		279.7	0.9%	N/EL	N	N	N	N	N								0.9%		

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Key Figures EU Taxonomy – OPEX 2023

Economic activities	Code (a)	OpEx	OpEx share, year N	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, 2022	Category (enabling activity)	Category (transitional activity)
	2023			Criteria for a significant contribution						DNSH criteria ("Does not significantly harm") (h)									
		EUR thousand	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. OpEx taxonomy-eligible activities (A.1+A.2)		**279.7**	**0.9%**	**N/EL**	**N**	**N**	**N**	**N**	**N**								**0.9%**		
B. Non-Taxonomy-Eligible Activities																			
OpEx non-taxonomy-eligible activity		29,707.9	99.1%																
Total		**29,987.5**	**100%**																

Data Collection

Economic activities were identified that make a significant contribution to the environmental goal of "transitioning to a circular economy". The share of taxonomy-eligible sales in Group sales is 6.2 percent. In connection with capital expenditure and operating expenses several activities were identified to be taxonomy eligible, which are related to the environmental goal of "climate change mitigation". All activities could be clearly assigned, so that there was no double counting.

For the identified activities in the area of purchased products and services from third parties, the relevant information must always be requested from these business partners and suppliers in order to provide evidence with regard to taxonomy alignment. However, the feedback on the queries regarding compliance with the significant contribution criteria, DNSH criteria, and minimum safeguards criteria was not comprehensive enough to allow a conclusion of taxonomy alignment for the 2023 fiscal year. For the identified activities in the area of individual measures, we will conduct a climate risk analysis for the affected sites, among other things, in the 2024 fiscal year. We are therefore unable to report taxonomy-aligned figures for either CapEx or OpEx for the 2023 fiscal year.

The proportions presented in the following relate to expenditures arising from the acquisition of products from taxonomy-aligned economic activities. The analysis did not identify any expenditures or investments related to the climate change mitigation goal.

The share of taxonomy-aligned operating expenditure (OpEx) in 2023 was 0.9 percent of total operating expenditure. This operating expenditure corresponds to various activities from the climate delegated act (see table).

Additions to property, plant and equipment and leasing expenses (buildings, vehicle fleet, etc.), intangible assets and capitalized research and development costs were used to identify the taxonomy-aligned portion of total CapEx. Additions and investments in buildings, in particular in the production of cleanrooms, play a significant role here. Major expenditure (CapEx) includes building leases. Taxonomy-eligible investments accounted for 26.2 percent of total investments in the Company in the 2023 fiscal year. The share has decreased compared with the previous year, as lower amounts from the building leasing business were included in accordance with IFRS 16.

Since SUSS MicroTec has no economic activities related to nuclear energy and fossil gas, the standard reporting forms according to Delegated Regulation (EU) 2022/1214 are not reported.

Key Figures Overview SUSS MicroTec

Environmental Key Figures

Greenhouse gas emissions Germany (in t CO_2 eq.)	2023	2022
Scope 1 – Direct emissions	1,041	1,157
Scope 2 – Indirect emissions (market-based method)	0	0
Scope 2 – Indirect emissions (location-based method)	1,781	1,941
Total (market-based method)	**1,041**	**1,157**

Environmental Key Figures

Greenhouse gas emissions worldwide (in t CO_2 eq.)	2023	2022
Scope 1 – Direct emissions	1,281	1,450
Scope 2 – Indirect emissions (market-based method	2,863	3,032[1,2]
Scope 2 – Indirect emissions (location-based method)	3,349	3,251[2]
Scope 3 – Indirect emissions	189,113	157,991[2]
Scope 3.1 – Purchased goods and services	181,085	150,770
Scope 3.3 – Fuel and energy-related emissions	965	1,042
Scope 3.4 – Upstream transportation	2,307	3,189
Scope 3.6 – Business travel	2,027	890
Scope 3.7 – Employee commuting	2,729	2,100
Total (market-based method)	**193,257**	**162,473[2]**

1 Previous year's figures were corrected; in 2022, a standard Swiss electricity mix with a share of electricity from renewable energies was assumed for SUSS MicroOptics; the better data in 2023 resulted in a different electricity mix.

2 Starting in the 2023 fiscal year, upstream emissions from energy and fuels will no longer be reported under Scope 2, but under Scope 3.3 and thus methodically correspond to the target specifications of the Scope 3 standard; in addition, the fair valuation of renewable electricity is considered by also methodically correctly accounting for upstream emissions in Scope 3.3. The change in methodology was applied retroactively to the 2022 greenhouse gas balance sheet for better comparability.

Energy Consumption by Energy Source (GRI 302-1)

Consumption data in MWh	2023	2022
Power consumption		
absolute	10,151	9,838
in MWh/€ million sales	31.0	32.9
Power consumption from renewable energy sources		
absolute	4,943	4,797
in MWh/€ million sales	15.1	16.0
Share of power consumption from renewable energy sources in %	48.7	48.8
Gas consumption		
absolute	1,527	1,783
in MWh/€ million sales	4.7	6.0
Heating oil consumption		
absolute	1,912	2,438
in MWh/€ million sales	5.8	8.2
Diesel consumption		
absolute	1,112	1,130
in MWh/€ million sales	3.4	3.8
Gasoline consumption		
absolute	123	49
in MWh/€ million sales	0.4	0.1

Energy Consumption by Energy Source (GRI 302-1)

Consumption data in MWh	2023	2022
Total		
absolute	14,825	15,219
in MWh/€ million sales	45.3	50.9
Total share of renewable energies in %	**33.3**	**31.5**

Waste Volumes (Germany only)

	2023	2022
Waste volume (non-hazardous) in kg	157,132	143,986
Waste volumes (hazardous) in kg	6,322	10,349
Waste (non-hazardous) in kg per € million sales	480	481
Waste (hazardous) in kg per € million sales	19	35

Water Consumption (worldwide)

	2023	2022
Water consumption in thousand liters	34,232	42,445
Water efficiency (thousand liters per € million sales)	105	142

Key Figures for Employee Matters (GRI 405-1)

(Germany Only)

	2023	2022
Total workforce (FTE, Germany)	**725**	**678**
Total workforce (FTE, worldwide)	**1,207**	**1,091**
Number of trainees	33	39
Number of temporary employees	30	24
Number of fixed-term employment contracts (excluding trainees)	37	28
Number of employees on parental leave	33	26
Average age	42	42
Average length of service in the Company	9	8
Turnover rate	9.5%	10.4%
Percentage of employees represented by workers' representatives at company level (worldwide)	60%	62%
Number of possible workstations for remote work	Remote work is possible for more than half of all workstations.	
Commitment under collective bargaining agreement	SUSS MicroTec is not subject to any collective bargaining agreement	

Key Figures for Occupational Health & Safety/ Continuing Education (GRI 403-1)

(Germany Only)

	2023	2022
Number of workplace accidents	8	6
Accident frequency[1]	5.0	4.7[2]
Sickness rate	6.3%	6.8%
Continuing education expenses	€550 thousand	€410 thousand
Number of trainings (virtual)	104	60
Total trainings	210	235

1 Accident frequency: Number of occupational accidents (of employees and temporary workers) with days lost per 1 million working hours)
2 Previous year's figure adjusted due to new calculation method with lost days per 1 million working hours

Diversity Key Figures (GRI 405-1)

Share of our employees each as of Dec. 31 (Germany only)

	2023	2022
Share of women on the Management Board	33%	0%
Share of women on the Supervisory Board[1]	40%	50%
Share of women in first executive management level (including staff positions) Share of women in second executive management level	46%[2] 43%[2]	42%[2] 25%[2]
Share of women (Germany) Share of men (Germany)	22% 78%	21% 79%

Diversity Key Figures (GRI 405-1)

Share of our employees each as of Dec. 31 (Germany only)

	2023	2022
Share of women (worldwide) Share of men (worldwide)	22% 78%	22% 78%
Different nationalities of employees	40	39
Share of employees with disabilities	3.5%	3.8%
Total workforce (FTE, worldwide)	**1,207**	**1,091**

1 As of December 31, 2022, the Supervisory Board consisted of only four members
2 With regard to the organizational structure of SÜSS MicroTec SE

Compliance Key Figures

(Worldwide)

	2023	2022
Completion rate for training courses Compliance and Anti-Corruption modules	90%	100%
Confirmed cases of corruption or bribery	0	0
Coverage of purchasing volume by supplier code	39%	36%

GRI Content Index

GRI Disclosure	Topic	Page	Explanation
GRI 100	General Disclosures 2016		
1.	Organizational profile and strategy		
GRI 102-1	Name of the organization	26	
GRI 102-2	Activities, brands, products, and services	25 ff	Management Report; Section on Business Activity, Corporate Control, and Strategic Orientation
GRI 102-3	Location of headquarters	26	Management Report; Section on Legal Structure of the Group
GRI 102-4	Location of operations	27	Management Report; Section on Legal Structure of the Group
GRI 102-5	Ownership and legal form	27	Management Report; Section on Legal Structure of the Group and on Disclosures under Takeover Law in Accordance with Section 289a and Section 315a of the German Commercial Code (HGB)
GRI 102-6	Markets served	25 ff	Management Report; Section on Business Activity, Corporate Control, and Strategic Orientation
GRI 102-7	Scale of the organization	39	
GRI 102-8	Information on employees and other workers	67 ff	Number of employees in FTE as of reporting date Dec. 31.
3.	Ethics and integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	74 ff	
4.	Governance		
GRI 102-18	Governance structure	25 f	Management Report; Section on Business Activity, Corporate Control, and Strategic Orientation

Continuation on the next page

Continuation

GRI Disclosure	Topic	Page	Explanation
5.	Stakeholder engagement		
GRI 102-40	List of stakeholder groups	76 f	
GRI 102-42	Identifying and selecting stakeholders	76 f	
6.	Reporting practice		
GRI 102-47	List of material topics	57	
GRI 102-50	Reporting period	57	
GRI 102-51	Date of most recent report		03/27/2023
GRI 102-52	Reporting cycle	57	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	57	
GRI 102-55	GRI content index	91 ff	
GRI 102-56	External assurance	57	
GRI 103-1	Explanation of the material topics and their boundaries	57	
GRI 200	Economic		
GRI 205-2	Communication and training about anti-corruption policies and procedures	74 ff	
GRI 205-3	Confirmed incidents of corruption and actions taken	75	
GRI 300	Environmental		
GRI 302-1	Energy consumption within the organization	64	
GRI 302-3	Energy intensity	64	

Continuation on the next page

Continuation

GRI Disclosure	Topic	Page	Explanation
GRI 302-4	Reduction of energy consumption	64	
GRI 305-1	Direct (Scope 1) GHG emissions	63	The emission factors used come from DEFRA (Department for Environment Food & Rural Affairs) 2023
GRI 305-2	Energy indirect (Scope 2) GHG emissions	63	Supplier-specific emission factors were used
GRI 305-3	Energy indirect (Scope 3) GHG emissions	63	
GRI 400	Social concerns		
GRI 401-1	New employee hires and employee turnover	68	
GRI 403-1	Type and rate of injuries, occupational diseases, lost work days, absenteeism, and number of work-related fatalities	70	Accident frequency calculated as follows: (number of reportable occupational accidents * 1,000,000 hours/actual hours worked) Sickness rate calculated as follows: (sick days x 100)/(number of employees * actual days worked) excluding employees on long-term sick leave
GRI 405-1	Diversity of governance bodies and employees	72	Calculation of 1st and 2nd management level relates to SÜSS MicroTec SE
GRI 412-1	Human rights	73 f	

Opportunities and Risk Report SUSS MicroTec Group

The goal of our opportunity and risk management is to maintain and increase the enterprise value of the SUSS MicroTec Group. Our corporate goals include early and successful detection of opportunities, identification and suitable assessment of risks, and provision of an appropriate response. The diverse opportunities for our Group result from technology leadership in our businesses, our broad spectrum of products and solutions for the semiconductor equipment industry, operational improvements in production, collaborations with international customers and research institutes, and our global positioning. We define opportunities and risks as follows:

- Opportunities are possible future developments or events that can lead to a forecast or target deviation that is positive for the Group over the short, medium, or long term.
- Risks are possible future developments or events that can lead to a forecast or target deviation that is negative for the Group over the short, medium, or long term.

The analysis and assessment of opportunities and risks for the Group is the subject of continuous deliberations by the Management Board and the operative management team. With management that is opportunity oriented as well as risk conscious, the Company's fundamental goal is not to avoid all potential risks. Instead, we constantly aim to achieve a balanced ratio of risk avoidance, risk reduction, and the controlled acceptance of risk. An awareness of risks should not interfere with the ability to identify opportunities and use them to increase the value of the Company and the value it has for its shareholders.

Opportunities for the Group

The global business activities of SUSS MicroTec in a dynamic market environment constantly open up new opportunities to support and advance our targeted growth. Therefore, the recognition and exploitation of these opportunities are among the main components of our corporate strategy.

SUSS MicroTec is represented worldwide with production, sales, and service subsidiaries and also cooperates with many external commercial partners. Our innovation, growing markets, an international presence and a strong focus on service offer us opportunities to acquire new customers worldwide, to enter into new cooperative agreements, and to participate in the growth of industrial markets in the major and emerging economies.

SUSS MicroTec develops and produces equipment and process solutions for micropattern applications for the semiconductor industry – this is an area in which we have over seventy-five years of experience. The Company's portfolio encompasses a broad range of products and solutions for advanced backend lithography and bonding as well as for photomask production and cleaning in the frontend of semiconductor manufacturing. Whether for the production of memory chips, the manufacturing of cameras for cellphones, or the production of tire pressure sensors – SUSS MicroTec's solutions are used in a variety of manufacturing processes for everyday and industrial applications. These strengths give us the opportunity to carry out promising development projects and embark on auspicious collaborations. Our goal is to constantly optimize the product range and refine applications and technologies. We maintain numerous development partnerships with research institutes and industry partners. In particular, cooperation with research institutes offers tremendous potential for SUSS MicroTec because they usually work very closely with our customers.

Along with the refinement of its own technologies, SUSS MicroTec fundamentally also sees the opportunity to expand the Company with new businesses and technologies through acquisitions. Acquisition opportunities that present themselves are carefully examined as warranted.

Market and Strategic Corporate Opportunities

The rapid expansion of infrastructure for AI (artificial intelligence) applications, unlimited mobility, autonomous driving, e-mobility and Industry 4.0 – none of this would be possible without high-performance chips. The technically demanding production of these chips takes place through several complex processing steps, known as micro-patterning, for which chip manufacturers require corresponding process solutions. We build complex equipment and develop individual solutions for our customers' processes. The markets we serve in the semiconductor equipment industry are undergoing a process of continuous change that is influenced by the nature of data processing, information and communication technology, as well as the rapid developments in the automotive sector.

Investments, especially in the expansion of infrastructure for the production of microchips for AI applications, had a positive impact on order intake in 2023. Solutions from SUSS MicroTec are used here in several process steps, including the production of high-bandwidth memory stacks (HBM). This refers to eight or even more thinned high-performance memory chips that are stacked on top of each other and ultimately bonded during the production process. Our temporary bonders are used here to stabilize the wafer on which the individual HBM memory chips are located before thinning and then perform various process steps on the thinned wafers without damaging them. In further process steps, this memory stack is connected to a logic chip and further processed. Temporary bonders and UV projection scanners from SUSS MicroTec are once again being used for this process, which is currently dominated by a leading foundry in Taiwan. After the first, initial wave of orders in 2023, we expect additional future investments from our customers, which are likely to take place in phases. The market potential for the coming years is currently difficult to estimate and largely depends on the further adaptation of AI applications in everyday life and in the professional environment.

Another opportunity lies in the area of compound semiconductors, which are used, for example, in power electronics for applications in electric cars, or inverters for wind turbines and solar systems. These compound semiconductors are in part produced using silicon carbide (SiC). Our equipment can also process this material. We successfully placed our temporary bonding and debonding solution with the first and so far only company to switch SiC production from 150mm wafers to 200mm wafers. This trend benefited our order intake in 2021 and 2022 and our sales in 2022 and 2023. This could drive further growth for SUSS MicroTec if this customer extends the technology to new or additional factories or if other SiC manufacturers also convert their process to 200mm wafers. In addition to our temporary bonders, our mask aligner business can also benefit from the growth in compound semiconductors. Our imaging solution is already being used by a SiC customer, allowing us to refer to this when gaining additional customers in this market.

Besides these two application-specific opportunities, we firmly expect to win customers for our hybrid bonding solutions. By the end of this decade, our hybrid bonding solutions could contribute the largest share of sales in the bonding product area. In the period from 2020 to 2027, the market for chip-to-wafer hybrid bonding is expected to experience average annual growth of 69 percent. By partnering with the French bonding specialist SET, we can offer our customers a fully integrated solution. We combine SET's high-precision chip placement technology and the established expertise of SUSS MicroTec in surface cleaning and activation in one cluster. We also developed our own solution for wafer-to-wafer hybrid bonding solutions allowing us to offer our customers the widest range of heterogeneous integration applications in the advanced backend area.

In our Coating Systems product line, our inkjet printer business currently makes us the only provider able to serve customers with three coating processes from a single source: Spin coating, spray coating and inkjet. The inkjet printing process significantly reduces the consumption of process materials and improves our customers' environmental footprint. Economically, the technology enables our customers to operate existing processes more cost-effectively and establish new process combinations. The innovative JETxSM24 inkjet printer was brought to the market in 2023. The product features numerous improvements that contribute to increased efficiency and productivity. Of particular note are newly developed print heads, with which material savings of up to 80 percent can be achieved in selected applications compared to conventional methods. High process consistency and accuracy also lead to an improved yield. By adapting to new size standards in the circuit board industry, we believe the JETxSM24 inkjet printer is ideally suited to address additional markets and support our customers in solving future process requirements.

In the Photomask Solutions division, we are currently working hard to transfer photomask cleaning knowledge to the still-untapped wafer cleaning market. We are developing a particularly sustainable solution. The alpha test platform was installed in our application laboratory in Sternenfels in 2023. We are doing this to demonstrate that it is possible to replace the hazardous chemicals currently used to remove organic polymer materials in MEMS manufacturing. This solution may hold tremendous potential for our customers because replacing hazardous chemicals can significantly improve the environmental performance of their products and production processes and significantly reduce costs. The total available market for wafer cleaning in MEMS applications is expected to grow an average of 10 percent annually to USD 350 million by 2030.

In order to perceive developments in the markets early on, direct and regular contact with partners, customers, and potential new customers is very important to us. We are therefore represented at all relevant fairs and technology forums of the international semiconductor industry in Asia, North America, and Europe. We use these platforms to present the latest technologies of our various product lines and to identify technological advances and new developments at an early stage.

Operational Opportunities

In addition to the strategic and market opportunities presented above, there are many opportunities in our operational business to move our Company forward and, in particular, to sustainably improve our profitability.

With a view to further strengthening development activities, the organizational structure in the area of research and development was changed in December 2022. While development projects have usually been carried out decentrally by the business units, we now have a central organization for research and development. The experts deal with software, platforms and systems, modules, and system architecture across all product lines. A major objective of this alignment is to increase modularization and thus the commonalities of our systems. This allows us to improve production efficiency, facilitate the integration of external production partners, and thus increase the overall scalability of our business. This platform-based approach has been used for the development of new generations of systems since 2023. The pilot project is the development of the next imaging solutions, i.e. the next generation of mask aligners and UV projection scanners. All in all, however, it will take up to ten years to achieve complete modularization of the portfolio, because a subsequent redesign of solutions already established on the market would not make economic sense.

As already mentioned, the platform approach is an important basis for increasing the integration of external production partners. Since 2023, we have been working intensively to identify strategic manufacturing service providers in Europe and Asia and to commission them with the production of modules that can be integrated into our equipment. This will increase our production capacity and enhance our flexibility in the face of fluctuations in demand typical of the industry.

Substantial investments in infrastructure for the production of AI chips has driven the demand for our temporary bonding solutions. In addition to the current expansion of production capacity at the Hsinchu (Taiwan) site, we are evaluating the possibility of expanding our existing production sites to benefit from further market potential, particularly in connection with the expansion of the AI infrastructure.

The construction or acquisition of an additional production site is another option to increase our production capacity in the medium and long term in addition to the expansion of our existing production sites and the increased involvement of external production partners. The potential workforce and the availability of reliable suppliers are important criteria for a possible new site. Existing cleanroom capacities would play an important role in any acquisition of an existing production facility. We are continually reviewing this option.

The continued focus on the product portfolio is another measure to sustainably increase the profitability of SUSS MicroTec. We offer manual, semi-automatic, and automatic solutions within our product lines, i.e. Photomask Solutions, Imaging Systems, Coating Systems, and Bonding Systems. This allows us to reach a wide range of customers – including large high-volume chip manufacturers, small series producers, research institutes, and universities. The high level of complexity of this approach is a disadvantage since the necessary development and manufacturing expertise must be available for all solutions and the components must be procured from qualified suppliers. We have therefore decided to focus on equipment in our portfolio in the coming years that we can produce in higher quantities for strategic customers. This implies in turn that we will gradually remove from the market older equipment with low production volumes and low strategic importance. This creates an important focus for the operating activities and a driver for the targeted increase in efficiency. We will inform our customers in good time about the discontinuation of equipment and provide them the opportunity to place final orders. The first equipment is scheduled to be removed from the solutions portfolio at the end of the 2024 fiscal year.

Employee-Related Opportunities

We view ourselves as a medium-sized but globally active company. Despite our continuously growing company, we have flat hierarchies and offer our employees short lines of communication and fast decision-making processes in all respects. In our view, our structures together with our international orientation make SUSS MicroTec an attractive employer. The average period of employment of our active employees in Germany is approximately nine years. We will maintain our existing strategy to retain long-term employees. To support our further targeted growth, we will continue to increase our efforts to attract qualified employees. While the lack of specialist staff is increasingly noticeable at our Garching and Sternenfels sites, we assume that we will continue to be able to fill our vacant positions with qualified and motivated employees, thanks to remuneration in line with the market, interesting tasks, and attractive workplace conditions. In 2023, we targeted potential applicants by participating in numerous recruiting and career fairs.

Our remuneration system includes variable remuneration for our some of our employees, especially executives, the amount of which depends on the extent to which targets are achieved. The targets are redefined annually and are based on certain Group parameters (such as EBIT, sales, and order intake), which are reset annually using current budget plans. In addition, personal targets are agreed upon with the employee. For sales employees, targets related to winning customer orders are usually defined. The personal goals of employees of other departments mostly involve personal services or projects that add value to the respective department. By integrating budget goals into the remuneration system, we establish a financial incentive to actively contribute to the achievement of the established Company objectives. In this way, we increase the chances of actually achieving our planned sales and earnings. In addition, the definition of personal targets for executives offers us the opportunity to implement strategic projects critical for success in various areas, even if a work effort is required of employees that goes beyond the normal day-to-day business.

As a globally active technology company, SUSS MicroTec needs employees working in the area of research and development to advance targeted new product developments in order to satisfy the needs of our customers. For this purpose, we establish appropriate incentives and reward employee ideas that are used in our products with annual inventor royalties. Our international presence allows us to find and recruit the best qualified candidates for SUSS MicroTec worldwide.

Risk Management

Fundamental Principles of Risk Management

SUSS MicroTec has a risk management system (RMS) in place that includes a compliance management system (CMS) and an internal control system (ICS). The SUSS MicroTec Group's size and structure were considered when designing and implementing the risk management system and internal control system. The systems are regularly developed, improved and, if necessary, adapted to changes. The adequacy and effectiveness of the implemented control systems are regularly assessed by the Management Board, the Audit Committee and the Supervisory Board. In 2023, the Management Board and Supervisory Board determined the effectiveness and appropriateness of the risk management system (RMS) including the risk early warning system and the compliance management system (CMS), as well as the internal control system (ICS).

In the following, we describe SUSS MicroTec's risk management system, compliance management system, and the internal control system.

Description and Essential Characteristics of the Group-wide Risk Management System

The risk management system is a component of corporate management for the purpose of recognizing and controlling risks as well as meeting legal requirements. The system also includes the compliance management system. In addition to short-term and operating risks, risk management at SUSS MicroTec Group deals with long-term and strategic developments that can have a negative impact on business development. ESG risks are also included, i.e. risks related to environmental and social issues as well as corporate governance, which must be considered accordingly in the non-financial statement.

The organization of risk management is geared toward the functional and hierarchical structure of the Group. The risk management officer reports directly to the Group CFO and reports back on the risk situation to the Management Board every three months. Newly identified and existing risks are discussed each quarter at the Risk Management Committee meetings. This ensures that all relevant risks are recorded and appropriate countermeasures are defined. The Risk Management Committee consists of the senior executives responsible for business and functional areas as well as the Management Board. One of the committee's tasks is to discuss and review the risks and countermeasures identified by those responsible for risk. The results are presented to the Audit Committee and the Supervisory Board at least once a year.

The early risk identification system established is examined in the framework of the audits of the annual financial statements. The auditors report about this to the Management Board and Supervisory Board.

In 2023, SUSS MicroTec's risk management system was reviewed with the support of external experts. Among other things, the structure of the system, risk identification, and risk assessment were examined. The external audit confirmed that the implemented risk management system complies with regulatory requirements. Development suggestions and ideas were also identified, which we adopted, customized to our organization and implemented accordingly.

The Group's quality management is an important element of early detection. The large production sites are certified in accordance with DIN EN ISO 9001, which confirms reliable, process-oriented, and system-oriented quality management. Clearly structured and unambiguously documented processes within the framework of quality management ensure transparency and have become, for most production clients, a prerequisite for the successful marketing of our equipment and solutions.

Risk Identification

Within the framework of a structured process, all risks identified by those responsible for risk are recorded and evaluated quarterly. The risk management officer supports the risk managers in this process. The identified and assessed risks are managed using special software. The risk management officer processes the relevant information. Material risks, trends in risk development, measures and their impact, and current issues are discussed and critically assessed at the regular quarterly meetings of the Risk Management Committee. The results of the overall process are approved by the Risk Management Committee. Risk reports are then prepared in which known risks are subjected to a critical appraisal and new topics are included.

Suddenly emerging risks are also required to be immediately reported to the line manager, to the Group's central risk management and then to the Management Board.

For all risk managers in the Group, workshops are organized which, in addition to past events, primarily address future developments. Moreover, the workshops serve to ensure that uniform evaluation principles are maintained throughout the Group, which is particularly important for new employees who are involved in risk management as risk officers.

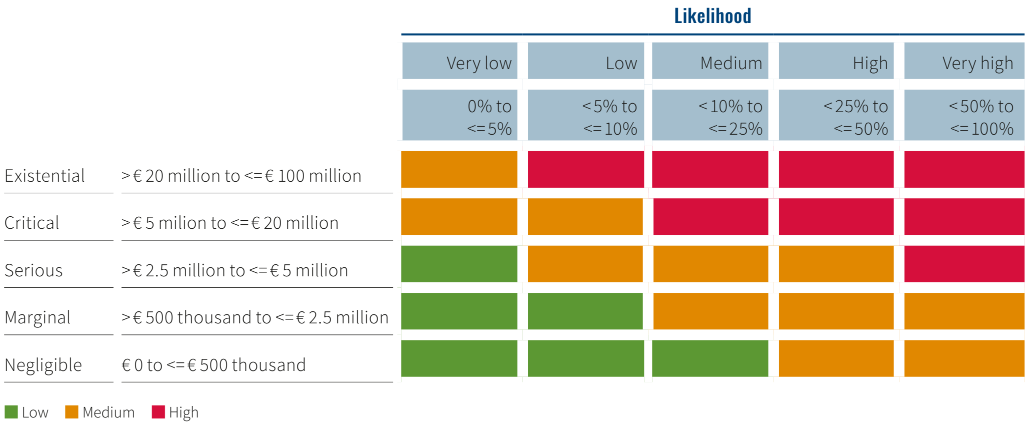
Risk Assessment

Risks are initially assessed by indicating the maximum estimated amount of damage if no countermeasures are taken. On this basis, the risk value is determined by including a probability of occurrence, with the risks being assessed using a simple distribution or a triangular distribution. For each risk, one or more countermeasures are defined as part of the (net) risk assessment and entered into the software. The effects of the measure are considered and all risks are presented with a net value. The indication of the risk value pertains to the next 12 or 24 months in each case.

The identified risks are assigned to one of three different risk categories using a risk matrix that takes into account both the possible damage amount and the likelihood of occurrence. The defined risk categories (level of impact) are revised as necessary. After the last adjustment, risks starting at a damage amount of € 20 million – as measured by the level of liquidity outflow – are viewed as "a going-concern risk."

The combination of the likelihood of occurrence and the extent of impact determines which risk categories are regarded as significant from the Group's perspective. A distinction is made between low risks (green), medium risks (yellow) and high risks (red).

According to our method of risk assessment, only medium and high risks are classified as significant.



Risk Management

Depending on the type of risk and the amount of the assessment, measures for avoiding and lessening risk are taken on a tiered basis. In doing so, risk management is always geared toward the principles of opportunity-based handling of risks, as mentioned earlier.

Risks are avoided and countermeasures are organized consistently. The parties responsible for risk and the reporting units are obligated to develop and implement strategies for preventing known risks. Should their expertise not suffice for implementing these, they must request assistance from higher management levels.

Global activities in the field of high technology lead to general and specific risks for the Company. The Management Board has taken appropriate measures for the purpose of monitoring risks in order to identify developments that could threaten the continued existence of the SUSS MicroTec Group early on.

Description and Essential Characteristics of the Compliance Management System

SUSS MicroTec has laid the foundation for compliance with legal regulations and self-imposed standards of conduct by implementing a Group-wide compliance management system (CMS) The goal of the CMS is to systematically prevent violations within the Group, to detect them if they occur and to accordingly sanction any identified breaches.

The CMS is based on our compliance principles, which have been implemented throughout the Group and are reinforced by recurring training measures. The compliance principles include, in particular, regulations on equal treatment and protection (e.g. occupational safety, responsibility within the supply chain), respect and integrity (e.g. anti-corruption, fair competition, foreign trade law), transparency and reliability (e.g. reporting and communication, proper accounting, data protection), and responsibility for the environment and society.

Compliance issues are generally analyzed and managed based on risk. As part of regular risk reviews, compliance risks are checked for completeness and relevance. In 2023, a risk analysis was performed by an external service provider in which potential compliance risks where highlighted and recommendations for the development of the CMS were made. The recommendations are implemented based on internal planning for developing the CMS.

The CMS is implemented by the central compliance organization, which is managed by the centrally established Compliance Officer function. The Compliance Officer reports directly to the Management Board. The Compliance Committee, which meets regularly, advises and supports the Compliance Officer in implementing necessary compliance activities.

Employees and external third parties can anonymously report legal violations within the Company via an IT-based whistleblower system and separate reporting points. Indications of compliance incidents are investigated in a defined and objective process. All reported violations are systematically investigated as part of the CMS and penalized where appropriate and necessary.

Compliance topics are taught in mandatory training courses throughout the Group. In the future, new developments and updates will be communicated systematically and appropriately to the workforce via the Company's existing information channels.

Description and Essential Characteristics of the Internal Control System (ICS)

The purpose of the ICS is to ensure proper conduct of business activities, transparent financial reporting, and compliance with legal, regulatory, and internal requirements. To achieve this goal, potential risks are identified and assessed, and internal controls introduced if deemed necessary.

Our internal control system includes regulations, measures, and procedures that ensure the reliability of financial reporting and operational processes. In addition to the SUSS MicroTec Group's accounting manual, there are numerous guidelines and work procedures for operational divisions in which individual process steps, roles, responsibilities, and controls are defined. As many manual controls as possible are being converted to system-based controls to minimize risk. Internal Audit reviews the ICS as part of individual audits. SUSS MicroTec's ICS is continuously being expanded and developed. In 2023, a project was launched to review the ICS as a result of upcoming growth and growth transformation and to make the necessary adjustments for the new requirements. The ICS is based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). Starting in the spring of 2024, the ICS will be bundled with risk management in one function.

Description of the Key Features of the Accounting-related Internal Control and Risk Management System in Accordance with Sections 289 (4) and 315 (4) of the German Commercial Code (HGB)

The risk management system for the accounting process aims to minimize the risk of false statements in external financial reporting, i.e. in the consolidated financial statements, the annual financial statements, and the management report. It serves as the first step toward the identification, evaluation, and subsequent restriction and review of known risks in the accounting process that could undermine the compliance of the consolidated financial statements, the annual financial statements, and the management report with regulations. The internal control system for the accounting process should ensure with sufficient certainty that the annual and consolidated financial statements and the management report conform to regulations despite identified risks in financial and non-financial reporting.

Preparation of the consolidated financial statements is supported by means of uniform, standardized reporting and consolidation software that includes extensive inspection and validation routines. Accordingly, the accounting-related internal control and risk management system envisages preventive checks as well as retrospective detection. This includes IT-based and manual reviews in the form of regular sampling-based and plausibility checks, various risk, process, and contents-based checks in the Company's divisions, the establishment of functional separations and predefined approval processes, the consistent implementation of the principle of dual control for all key accounting-related processes, and strictly controlled access rules for our IT systems in order to prevent unauthorized access to accounting-related data.

The suitability of the risk early identification system is reviewed at the end of the year by the auditor during the audit. Selected accounting-related internal controls are investigated and their effectiveness is evaluated. In addition, checks of accounting-related aspects of the IT systems in use are carried out.

The Management Board of SÜSS MicroTec SE is responsible for the establishment and effective maintenance of suitable controls over financial reporting. At the end of each fiscal year, the Management Board evaluates the appropriateness and effectiveness of the internal control system. The Management Board, the Audit Committee, and the Supervisory Board have determined the appropriateness and effectiveness of the internal control system with reasonable assurance for 2023.

SÜSS MicroTec SE employs a Group-wide accounting manual to ensure the consistent application of accounting principles. The accounting manual is based on IFRS financial reporting standards and is the basis for the accounting process at all Group companies. Transparent and structured guidelines are designed to restrict employee discretion with respect to the recognition and measurement of assets and liabilities and thus to reduce the risk of inconsistencies in the Group's accounting practices. The subsidiaries are subject to certain mandatory guidelines regarding reporting and the scope of disclosure. The central Finance and Controlling departments monitor compliance with reporting obligations and deadlines.

Accounting at the subsidiaries is done either locally by their own employees or with the support of external accounting firms or tax consulting companies. In the process, various IT systems are used, with most Group companies using an SAP solution. Reporting to the corporate headquarters is carried out with the assistance of Infor PM Application Studio management information software. At the Group level, the Finance and Controlling departments review the accuracy and reliability of the separate financial statements submitted by the subsidiaries. Controls within the framework of the consolidation process, such as the consolidation of liabilities, expenses, and income, are carried out manually. Any deficiencies are corrected and reported back to the subsidiaries. The financial systems employed are protected from misuse through appropriate authentication principles and access restrictions. Authorizations are reviewed regularly and updated if necessary.

Risks for the Group

The structure of the risks relevant to the Group was reanalyzed and revised in the 2023 fiscal year. Group risks have been grouped into four overarching risk categories. The previously used ten risk groups were assigned to the new structure accordingly. ESG risks were also integrated into the system. Since several ESG-relevant issues overlap with the risks identified so far, risks that also represent ESG risks were additionally labeled as "ESG" to give a quick overview of all ESG-relevant risks. A sub-category "sustainability risks" has been included within the strategic risks because some ESG risks are strategic in nature. The four overreaching categories include:

- Strategic risks
- Operating risks
- Financial risks
- Legal risks, compliance risks, social risks, and governance risks

Strategic Risks

The strategic risk categories considered include the competitive environment, risks arising from the customer structure, and the cyclic market conditions. We also consider sustainability risks, economic and geopolitical risks, as well as pandemic risks and their impacts.

Risks from the Competitive Environment

Every internationally operating company is affected by external factors. These include the competitive environment and competitive conditions. Developments in SUSS MicroTec's core markets may lead to an adjustment of our corporate strategy. In 2023, there were no specific risks from the competitive environment that could influence our business. We continuously monitor competitive, market, and industry information to recognize changes in the competitive environment early on and react accordingly.

Our customers' ordering behavior and the associated high order intake in the 2023 fiscal year have once again demonstrated that we continue to hold a technologically leading position and can hold our own against the competition. Nevertheless, we will work on optimizing our cost structure to ensure our competitiveness in the face of increasing competition from Asia.

The Advanced Backend Solutions division generated more than 70 percent of Group sales in the 2023 fiscal year and is also expected to contribute more than half of Group sales in 2024. As of December 31, 2023, SUSS MicroTec has reported goodwill of approximately € 18.5 million, which is attributable to the Advanced Backend Solutions division. If business development in this division deteriorates significantly and has a correspondingly negative effect on the development of future cash flows, it may be necessary to recognize impairment losses on goodwill. However, we see no signs of impairment based on current planning.

Risks from the Customer Structure

SUSS MicroTec is represented worldwide, has a broad customer network, and offers its customers in its core business, i.e. continuing operations, five different product lines in 2023, which can be used in various sectors and industries. This means that we are not dependent on individual markets or individual customers. Economic downturns in a region or sector can thus be at least partially compensated for. The announced and subsidized investment programs in the USA and Europe contribute to further reducing the potential dependence on individual markets. Due to the concentration of production at only a few sites and the Company's employees' ability to produce various equipment types, SUSS MicroTec is able to react to market circumstances without delay and to adjust its organizational setup and its cost structures within an appropriate period of time in case of significant economic upheaval.

Changes in the customer structure could impact our strategy and our business. Based on the existing production capacities, we can only offer a limited number of production periods. These production periods are primarily intended for key and focus customers and at times are not available for other customers. If the defined target customers did not use the available capacities, there would be a risk that these production periods could not be used for other customers. This can create a potential risk for losing sales. We are in regular communication with select target customers about their equipment requirements thus minimizing this risk.

SUSS MicroTec has only a few customers in specific markets. A reduction in orders from existing customers could prevent further expansion of the business in these specific markets and lead to a loss of market share.

Sector and Market-Specific Risks (cyclic market conditions)

The rapid change in the short- and medium-term market development is one of the greatest risks for SUSS MicroTec. The semiconductor industry in particular, which is our most important sales market, is characterized by strong market cycles. A significant drop in the entire semiconductor market would lead to correspondingly lower sales for SUSS MicroTec and harm the Company's earnings. Meanwhile, we recorded a significant increase in orders in 2023. As part of our risk management, we try to identify the associated risks early on, to help ensure high order accuracy based on the available capacities, to adapt the organizational and personnel structure in good time. We also want to cover future capacities also by outsourcing.

Sustainability Risks

Sustainability risks can result from events around the environment, social affairs, and corporate governance (ESG) and have a negative impact on our business activities in the future. Additional costs could result from meeting the increasing ESG requirements from the regulatory environment, investors, and customers. Growing regulatory requirements as well as achieving SUSS MicroTec's own defined sustainability and climate change mitigation goals can be associated with additional liability risks. The risks resulting from climate change could also impact our company in the long term. Increasing heat or storms in particular can lead to higher building maintenance costs. In 2023, we performed targeted energy audits at our production sites to determine how buildings can be adapted to extreme weather conditions.

Economic and Geopolitical Risks

As an internationally active Company, SUSS MicroTec distributes its products worldwide. Much of its sales are achieved in Asia, particularly in Taiwan, China, and Korea. Europe and the USA are also important distribution regions. All of our international business activities typically entail a large number of general market risks that depend on overall economic developments, social and geopolitical factors, and regulatory frameworks. Macroeconomic developments – such as an economic slowdown in individual regions or exchange rate fluctuations – may adversely affect our customers' readiness to invest or result in delays in their purchasing decisions. Likewise, geopolitical tensions between the USA and Europe on one side and Russia and China on the other have been increasing significantly for some time. The risk of armed conflicts, in which NATO states could also become involved, has increased significantly with the war between Russia and Ukraine which began in February 2022 and the rising tensions between China and Taiwan. This also increases the risk of mutual economic sanctions and significant market and stock market collapses worldwide. Given the significant contributions that China and Taiwan make to our sales, these risks could affect us.

The proportion of sales with Chinese customers represents a significant proportion of our total sales. European companies are continuing to be increasingly affected by the trade war between the USA and China since the USA has issued corresponding trade restrictions and embargo provisions to avoid the transfer of technology to China. SUSS MicroTec is affected to the extent that individual technologically relevant components originating from the USA and replacement parts may not be sold to China. Should this trade war intensify further, it may result in a corresponding loss in sales to Chinese customers. SUSS MicroTec tries to avoid this risk by qualifying alternative suppliers for the previous US suppliers. In 2023, many relevant components of US origin were replaced by alternative suppliers. We continuously monitor export control regulations which allows us to react quickly to any changes.

Delivery times to China in 2023 were significantly adversely affected by approvals from customs and the German export control authority BAFA. This trend cannot be ruled out in 2024 either. This could lead to order cancellations and have a negative impact on relations with customers. Furthermore, this could lead to a loss of future business.

Risks That May Result from Pandemics

As the COVID-19 pandemic specifically has shown in recent years, pandemics can have a huge impact on business activities. The risks associated with the outbreak of pandemics, in particular the unexpected closure of our sites and supply chain disruptions and delays, can have a significant impact on our business activities. Although the consequences of the COVID-19 pandemic were still present in the 2023 fiscal year, they were less noticeable than in previous years. We cannot foresee the outbreak of further pandemics that would impact our business. However, there were no specific associated risks in the 2023 fiscal year.

Operating Risks

In addition to production and quality risks, the operating risk categories considered also include supply chain and purchasing risks. Development-specific risks, risks in sales and service, employee-specific risks, environmental, safety and health risks, information technology risks, and natural risks are included in this.

Production and Quality Risks

SUSS MicroTec's products are regularly analyzed, checked, and optimized using an extensive risk and quality management system. Nonetheless, due to the growing complexity of the equipment, there is a risk of quality shortcomings only being identified at the commissioning and process qualification stages. The liability risk for SUSS MicroTec may increase given the use of the products in the manufacturing environment of companies with rising demands on product quality. In addition to other types of insurance, SUSS MicroTec also has product liability insurance for the Group. This limits the potential risk. The suitability of these insurance policies, which also protect the Group companies, is reviewed regularly in cooperation with a reputable insurance broker with respect to the covered risks and coverage amounts and modified if necessary. In addition, we also endeavor to include the limitations of liability in contracts with all contractual partners.

We minimize the permanent risk of production downtime due to technical disruptions by performing regular preventive maintenance and servicing measures.

Risks in the Supply Chain and Purchasing

A reliable and effective supply chain for materials, components, and parts is essential for our production. Supply bottlenecks and capacity limitations in the supply chain could not only lead to production bottlenecks and delivery delays, but also result in additional costs.

SUSS MicroTec still depends on a few key suppliers for several individual components. To further reduce this risk, strategic purchasing was expanded to develop alternative supply sources together with our engineering experts.

The resulting supply bottlenecks in general material procurement and for individual specific components due to the COVID-19 pandemic and political events in previous years were also present in 2023, but to a much lesser extent than in previous years. The risk regarding sales development will probably continue in 2024. However, we expect the delivery situation to gradually improve.

Development-Specific Risks

The business model of the SUSS MicroTec Group is based on a strong culture of innovation and a leading technological competitive position. As a manufacturer of specialized equipment, SUSS MicroTec delivers customer-specific solutions and conducts its product policies according to the rapidly changing conditions in the semiconductor equipment market. Nevertheless, there is a risk that in individual cases our technical developments could deviate from the preferences of the markets and our customers. In these cases, the danger would exist that the affected customers might turn away from SUSS MicroTec and purchase alternative technical solutions from our competitors. We make numerous detailed improvements to existing technologies and are constantly developing new technologies for our product lines.

Aside from developing customer-specific solutions, our employees are continuously working on long-term development projects. The goal is to anticipate future market developments so that SUSS MicroTec's products will continue to satisfy the technical requirements in the future.

The risk exists that individual development projects might not lead to the desired result or that the results do not correspond to market expectations. In these cases, the danger exists that SUSS MicroTec would temporarily not be represented with innovative products in the target market. The affected customers might turn away from our products and seek alternatives in the market. In the last fiscal year, we focused on projects which, we believe, will be well received by our customers. If this assessment should prove to be incorrect and if new products do not live up to our customers' expectations, SUSS MicroTec would have allocated financial resources and employees in research and development in an unprofitable manner. Accordingly, this would have a negative impact on the result for the affected product line. Overall, however, this risk is not viewed as a going-concern risk for SUSS MicroTec.

There is also the risk that we might not recognize or implement technical innovations in time. In these cases, we see the danger that SUSS MicroTec could lose its market leadership in individual areas and would have to accept long-term sales losses.

In the Photomask Solutions division, we are faced with the challenge of meeting the increasingly diverse requirements of the semiconductor industry. Processes must be established that fulfill the complex structures and photomask materials of EUV lithography. In developed areas such as AI and IOT applications (artificial intelligence and the Internet of Things), it is necessary to offer conventional technologies at lower costs and with future expansion options. It is also expected that our unique water-based cleaning technology, which we have developed in our photomask cleaner, can also be used as SDG-compliant technology for other applications. Our goal is to develop and manufacture products that meet these various technological requirements. To achieve this goal, we must strengthen our own internal structure and also rely on cooperation with external partners.

Risks in Sales and Service

The current market environment has confronted us with price increases from our suppliers. We try to pass at least some of these cost increases on to our customers through price increases. Our freedom to increase sales prices for our equipment depends on the market positioning of each of our product lines and the intensity of competition in each submarket. In segments where we are not the leading supplier, we may be more limited in the extent to which we can increase our prices and so cannot pass on cost increases in full. In addition, price increases do not have an immediate effect because the higher prices are not recognized until the equipment is delivered, which is usually several months after the order is placed.

Increasingly, customers have been demanding shorter delivery times in recent years. At the same time, customers would not sign firm orders until very late in the process. Global supply shortages have caused this trend to reverse in past years. SUSS MicroTec delivery times have increased significantly in some cases since the procurement of vendor parts has proven difficult and time-consuming, forcing us to accept longer delivery times from our suppliers. Exacerbating this situation is a higher-than-average order book and an associated high utilization of our production capacity. As a result, some orders may not make it onto the schedule to ship out for another year or more. Orders may thus be lost if a competitor promises to deliver sooner. We are trying to counter this trend by increasing our inventory levels and focusing more energy on procuring parts and signing up new suppliers. However, qualifying new suppliers is time-consuming and may require our customers' approval.

A limited number of customers and orders make a significant contribution to sales and earnings development in the Photomask Solutions division. The loss of these customers or orders to a competitor may result in a corresponding decline in sales and earnings. SUSS MicroTec attempts to reduce this risk through technological innovations and a high level of customer satisfaction. In the 2023 fiscal year, we also succeeded in acquiring new customers for our solutions, particularly in China, thus broadening our customer base. The overall increase in order intake and the broader customer base should gradually reduce dependence on individual major customers in the coming years.

Employee-Specific Risks

The Company depends on the expertise of individual employees in individual areas, primarily in research and development and in applications. New developments and the refinement of existing technologies are only possible with a sufficient number of qualified and experienced employees. Moreover, a lack of employees, or a lack of sufficiently qualified employees, in the area of production may have a negative impact on delivery times and quality. Non-availability of these employees in these areas is a related risk. The intensifying skilled labor shortage currently prevailing in Germany is also noticeable at our Garching and Sternenfels sites. To be able to attract sufficiently qualified and experienced employees, it is crucial for SUSS MicroTec to be a highly attractive employer. In addition, it is necessary to allow for more time to fill vacancies, which may result in shortages within departments and the need for other staff to cover positions. We are developing measures and steps as part of our HR transformation program to ensure structured succession planning for employees with specific expertise. We are continuously working on expanding our recruiting process to attract new employees to our Company.

Environmental, Safety, and Health Risks

Risks of possible environmental, health and safety accidents, and possible violations of environmental, health and safety regulations can have various consequences for our business activities. Employee absences due to illness or accidents could lead to disruptions of operations, among other things.

We have implemented processes and regularly perform appropriate measures such as health and safety training to ensure compliance with the applicable government regulations when conducting our business activities. Certain risks are covered by insurance, the amount of which we believe is reasonable and customary in the industry. However, we cannot exclude the possibility that violations of applicable official regulations may be caused either by us or by third parties or that major accidents may occur.

Information Technology Risks

Information technology risks include general IT infrastructure risks, data integrity, and general access controls. We fundamentally view our IT infrastructure as well constructed and are of the opinion that we have taken adequate precautions to prevent data manipulation, data loss, and data misuse. Furthermore, we routinely invest in new hardware and software in order to minimize the likelihood that IT systems and software solutions will fail. Using virus scanners and antivirus software programs that are continually updated, we protect our IT systems from unauthorized access and damage. We continued to expand our collaboration with our external partners in 2023 to make sure that we are always informed on the global IT security situation and current threats. We also performed an intensive audit of our IT security and implemented recommended measures to reduce the risk of an attack and its potential impact. Nevertheless, we cannot rule out the possibility of data manipulation, data loss, or data misuse in individual cases. It is also conceivable that new viruses, ransomware, and trojans that are not detected by our security programs could penetrate our IT systems. The problem is exacerbated by the increasing use of mobile devices, such as laptops and smartphones, that access our corporate network. It is also made worse by the increasing number of employees working from home. In addition, the link-up between our foreign sites and our central corporate network requires particular security precautions in order to prevent unauthorized external access. In order to minimize the risk of unauthorized access to our corporate network, Group-wide guidelines for mobile device usage have been established. In addition, we regularly train and make our employees aware of potential threats and cyber risks.

Natural Risks

Forces of nature can occur unexpectedly, at any time and impact the activities of our Company. We cannot influence natural disasters, such as earthquakes in the Asia region, where many of our customers, and also SUSS MicroTec with production, sales and service branches, are located. We have identified the potential risks and have taken countermeasures to mitigate the potential damage.

In the event of a disruption in operations due to major water- or fire-related damage, there is a risk for SUSS MicroTec that customers will switch to competitors due to postponed delivery dates or a lack of delivery capability. This may result in lost order entries and a decline in sales. Direct damages to buildings and loss of earnings due to a disruption in operations are covered by corresponding insurance policies. We also perform regular safety inspections. The probability of such an event occurring is estimated to be low.

Financial Risks

The financial risk categories considered include market price and currency risks, credit risks, inflation risks, and liquidity risks.

Market Price Risks and Currency Risks

In general, significant changes in the currency market can affect the sales and earnings of SUSS MicroTec both positively and negatively. The changes in the value of the euro, particularly against the US dollar, will influence sales and achievable margins in the North American and Asian regions in the future. An appreciation of the euro against the US dollar would have rather negative effects, while a devaluation would prospectively result in positive effects for SUSS MicroTec since SUSS MicroTec currently has more inflows than outflows in dollars.

The exchange rate of the Swiss franc has no noticeable impact on the ordering behavior of our customers in the Advanced Backend Solutions and Photomask Solutions divisions. However, the microlens business of SUSS MicroOptics S.A., which is located in Hauterive (Switzerland) is affected by the exchange rate of the Swiss franc. The company has been reported as a discontinued operation since September 2023 and was sold in January 2024.

SUSS MicroTec conducts business only to a very limited extent in Asian currencies (Taiwanese dollar, Singapore dollar, South Korean won, and Chinese renminbi). However, the Group subsidiaries located in Taiwan, Singapore, South Korea, and China have euro- and US dollar-denominated receivables from customers and other SUSS MicroTec companies. Depending on the size and due date, significant currency losses can arise for the Group in the valuation of these receivables in the respective country currency.

Market price fluctuations can result in significant cash flow and earnings risks for the Company. Changes in foreign currency and interest rates influence the global operating activities as well as investment and financing alternatives.

SUSS MicroTec's international orientation exposes it to foreign currency risk within the scope of its normal operating activities. Currency hedging is carried out on the basis of existing foreign currency orders. Incoming and outgoing payment flows, which result particularly from foreign currency orders of materials and supplies, are deducted from the foreign currency amount to be identified and hedged.

This applies above all to customers or suppliers in countries using the US dollar that obtain products from SUSS MicroTec companies in the eurozone or sell to them. Potential risks arise from the fluctuation of the currency exchange rates and in the creditworthiness of the contractual partners, which are exclusively German financial institutions with a first-rate credit standing.

As of December 31, 2023, there were no open foreign currency forwards.

The syndicated loan agreement concluded in October 2019 includes a variable interest rate for the drawn-down loan amounts. This variable interest rate corresponds to Euribor plus a margin that depends on the debt ratio. Commitment commission is payable on the portion of the credit line not used. This is likewise variable. SUSS MicroTec is thus subject to a limited interest rate risk. Taking into account the interest rate policy of the European Central Bank and the currently elevated inflation rate, SUSS MicroTec expects an increase in interest rates in the course of 2024.

The concluded KfW development loans bear a fixed interest rate.

Credit Risks

A credit risk is an unexpected loss of cash or earnings. This occurs when a customer is unable to meet its obligations by the due date, or the assets used as collateral lose value. The Company has implemented Group-wide guidelines on the topic of credit assessment. These guidelines set out the specific payment conditions and safeguards to which the Company's individual sales units can agree while taking the customer and country-specific aspects into consideration. Orders from customers located in "risk countries" can, therefore, only be accepted against adequate prepayments, a bank guarantee, or a letter of credit. In the case of customers who are located in the "non-risk countries" and exceed a certain size, a corresponding customer rating is established. These ratings are based on information provided by external credit rating agencies. Depending on the customer's rating, tiered payment conditions and/or safeguards may be necessary to process the order.

Of the gross amount of trade receivables totaling € 18.3 million (previous year: € 21.1 million), € 12.8 million overall was neither overdue nor impaired as of the reporting date (previous year: € 14.2 million). As of December 31, 2023, there were no indications of payment defaults occurring.

The age structure of overdue but not impaired receivables as of the reporting date and that of the previous year are as follows:

Age structure of past due receivables without value adjustment

in € thousand	2023[1]	2022
1–30 days	2,065	3,329
31–60 days	1,226	834
61–90 days	246	113
91–180 days	1,539	162
Past due receivables without value adjustment	**5,075**	**4,438**

1 Continuing operations

As of the reporting date, a total of € 1.7 million (previous year: € 2.4 million) of the gross inventory of receivables was overdue and impaired. The age structure of overdue and impaired receivables as of the reporting date and that of the previous year are shown in the following table:

Age structure of past due receivables with value adjustment

in € thousand	2023[1]	2022
181–360 days	1,072	2,058
361–720 days	508	367
> 720 days	144	16
Past due receivables with value adjustment	**1,724**	**2,441**

1 Continuing operations

Additional information about how value adjustments for trade receivables are determined can be found in the Notes.

Inflation and Liquidity Risks

The liquidity risk of SUSS MicroTec has increased compared to the previous year due to liquidity outflows in the 2023 fiscal year. At the end of 2023, SUSS MicroTec Group held net cash of € 28.6 million (previous year: € 41.3 million). Net cash – defined as the sum of cash and cash equivalents, securities, less financial liabilities to banks and financial liabilities from leasing obligations from continuing operations – amounted to € 32.8 million.

Free cash flow in the last fiscal year totaled € −4.4 million (previous year: € 16.9 million). The free cash flow from continuing operations amounted to € 7.9 million in the past fiscal year (previous year: € 16.9 million). In January 2024, the Group received cash and cash equivalents of approximately € 75 million from the sale of the subsidiary SUSS MicroOptics S.A. Therefore, the liquidity situation has developed extremely positive.

The financing of non-current assets with matching maturity is ensured with shareholders' equity and by taking out long-term loans, particularly to reduce interest rate risk.

There are two KfW promotional loans with a total volume of € 10.0 million from 2019 with a term of ten years. Both loans are secured by land charges on the Company property in Garching. Repayments of € 1.2 million were made in the 2023 fiscal year (previous year: € 1.2 million). As of December 31, 2023, € 1.2 million of the loan amount was reported under current financial liabilities and €5.3 million under non-current financial liabilities.

Aside from cash and cash equivalents of € 38.1 million, the current and non-current financing needs are sufficiently ensured by free lines of credit of the syndicated loan concluded in October 2019 with a total of € 56 million. This syndicated loan agreement has an original term of five years, with two extension options already drawn for one year each and runs until October 2026. The agreement grants a credit line of € 40 million for cash drawings and a guarantee line of € 16 million. As of December 31, 2023, no cash drawdowns were made under this agreement, as was also the case as of the previous year's reporting date. There is also a bilateral guarantee credit facility for € 5 million. We are currently making use of these available guarantee lines in order to offer down payment guarantees in the operational business. As of December 31, 2023, € 15.8 million of these guarantee lines were being utilized (previous year: € 14.8 million). We anticipate that we will be able to continue to provide all of the necessary down payment guarantees. Additional guarantee lines totaling € 15 million will be available starting in January 2024.

With the existing available cash and cash equivalents and the cash inflow from the sale of SUSS MicroOptics S.A. in January 2024 as well as our available credit lines, the basic financing of the SUSS MicroTec Group is well secured for the foreseeable future.

We therefore consider any potential financing risk to be very low. Nonetheless, we aim to keep the Company's ratio of borrowed capital at a low level through corresponding cash flows, also by optimizing its working capital. Further details about the Company's liquidity situation can be found in Note (25).

Legal Risks, Compliance Risks, Social Risks, and Governance Risks

This risk category includes risks from changes in laws and regulations (including sustainability regulations), compliance risks, and risks from infringements of intellectual property rights. Risks from export controls and trade sanctions are also included.

Risks from Changes in Laws and Regulations (Including Sustainability Regulations)

Political decisions, new legislation, and other regulations in the countries in which SUSS MicroTec operates can also negatively impact our business. This includes tax legislation in respective countries, export restrictions, trade disputes between certain countries, and tightened policies in the areas of product liability, competition law, work safety, and patent and trademark law.

Current changes in Chinese legislation relating to data protection, data security, and counter-espionage may also impact our business. The changes in legislation could have a negative impact on our business because of the significant importance of the Chinese market. We launched a project with external support to analyze the situation and introduce appropriate countermeasures.

Compliance Risks

Compliance risks can result from the collective or individual misconduct of employees, executives or management. SUSS MicroTec could become legally, financially, or criminally liable. If it is found that SUSS MicroTec acted unethically, this could lead to the loss of orders or the termination of customer relationships. There are currently no known cases that indicate a risk. SUSS MicroTec has an effective compliance management system that aims, among other things, to ensure that managers and employees act lawfully in the long term. To prevent this risk, regular, IT-based compliance training is performed.

Risks from Infringements of Intellectual Property Rights

Like many other companies in the semiconductor industry, we could also be affected by risks as a result of possible infringements of intellectual property rights. However, there were no incidents in the past fiscal year.

Risks from Export Controls and Trade Sanctions

SUSS MicroTec is an internationally active Company and maintains business activities in countries that may be subject to various forms of trade restrictions. Export controls and trade sanctions against certain countries in which we operate could affect our business in these countries or indirectly in other countries. Income recognition, especially in the third quarter of last year, was severely negatively affected by delivery delays to China. In light of the intensified customs and export inspection efforts, equipment worth several million euros could not be delivered on time. The risk of delays in export clearances and thus delayed revenue recognition could also occur in 2024.

Overall Assessment

No risks that threaten the SUSS MicroTec Group's existence were identified in the 2023 fiscal year. The continued existence of the Company was not endangered from a material assets and liquidity point of view.

The ten most significant risks for the SUSS MicroTec Group are presented in the following table. The risks are rated according to their likelihood of occurrence as well as potential financial impact (measured by the amount of the potential outflow of liquidity) and presented as net risks (considering the defined measures).

	Likelihood					Impact				
	Very low	Low	Medium	High	Very high	Negligible	Marginal	Serious	Critical	Existential
	0% to <=5%	>5% to <=10%	>10% to <=25%	>25% to <=50%	>50% to <=100%	€0 to <=€500 thousand	>€500 thousand to <=€2.5 million	>€2.5million to <=€5 million	>€5 million to <=€20 million	>€20 million to <=€100 million
Strategic risks										
Risks in connection with the increased order book	X					X				
Operating risks										
Risks in connection with technical process compatibility with individual customers			X				X			
Risks in connection with the procurement crisis	X							X		
Risks from business interruption due to water damage			X			X				
Business interruption of up to 20 working days due to a cyber attack		X							X	
Risk of accidents due to the operation of certain machines	X					X				
Production downtime in cleanrooms due to technical faults	X					X				
Sales losses due to supply deferrals through disruptions in operations caused by fire	X								X	
Financial risks										
Currency risks			X				X			
Legal risks, compliance risks, social risks and governance risks										
Risks in connection with new Chinese regulations relating to data protection	X									X

Events after the Reporting Date

Shortly after the reporting date, on January 15, 2024, we signed an agreement to sell the subsidiary SUSS MicroOptics S.A. and the business unit of the same name to Focuslight (HK) Investment Management Co. Ltd., a subsidiary of Focuslight Technologies Inc. listed in Shanghai (China). We received a purchase price of €58.1 million for the acquisition of all shares in SUSS MicroOptics S.A. In addition, the internal financing of €16.9 million was redeemed. The completion of the transaction therefore resulted in a total cash inflow of €75.0 million. Since expenses of €4.4 million were already recognized related to the transaction in the 2023 fiscal year, we expect extraordinary income of approximately €58 million in the 2024 fiscal year, subject to subsequent purchase price adjustments.

Forecast Report

Geopolitical tensions and wars, persistently high energy and raw material prices, and moderate growth prospects shape the outlook for the 2024 fiscal year. The International Monetary Fund expects the economy to grow by 3.1 percent in 2024, the same as in the previous year. Moderate growth of 3.2 percent is still expected for 2025 (source: IMF World Economic Outlook, January 2024 update). The strongest growth of approximately 5.4 percent is expected once again in emerging countries, particularly in Asia. In China, growth is expected to be 4.6 percent in 2024, up from 5.2 percent in the previous year. The IMF expects growth of 0.9 percent for the eurozone as a whole for 2024, after 0.5 percent in 2023. For the United States, the IMF anticipates growth of 2.1 percent in 2024 (2023: 2.5 percent).

In addition to global economic conditions, the growth of the semiconductor industry also affects the development of business for SUSS MicroTec. In the following, we will explore various factors that we consider to be essential for the future business development of the Company.

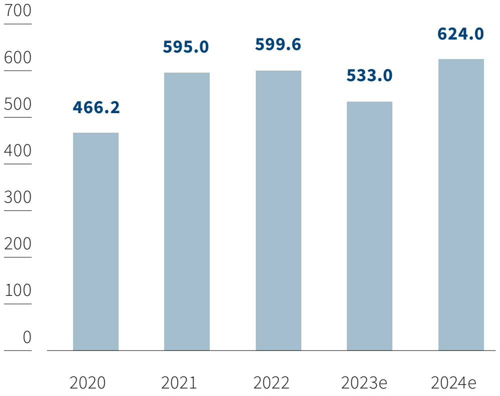
Industry-Specific Conditions

Semiconductors and Semiconductor Equipment

Growth rates for the semiconductor market and for the market for semiconductor equipment may differ from one another. It has to be taken into consideration that the equipment sector may see considerably less growth in the systems segment due to efficiency gains, increases in throughput and yield, and the trend to greater wafer diameters. On the other hand, subsidy programs worth billions to promote regional semiconductor markets can support the semiconductor equipment market. After all, semiconductor manufacturing equipment is absolutely essential for the targeted expansion and regionalization of chip capacity. New technologies are also continuously being developed in the highly innovative semiconductor industry and additional fields of application are being opened up, ensuring dynamic yet cyclical growth in the equipment sector.

Gartner's industry experts expect the semiconductor industry to continue to grow in the coming years. The declining market volume compared to 2022 is expected to increase from approximately USD 533 billion in 2023 to a new record high of USD 624 billion in 2024 (source: Gartner December 4, 2023, and January 16, 2024). The expected growth is primarily due to the planned investment in storage elements. After a sharp decline in 2023, the most important market segment within the semiconductor industry is expected to grow by 66 percent in 2024. NAND memory is expected to grow by approximately 50 percent in 2024 and DRAM chips by 88 percent (source: Gartner, December 4, 2023). In addition, the significant increase in demand for microchips for artificial intelligence applications at the end of 2023 is likely to continue in 2024 and have a positive impact on the growth of equipment manufacturers – and thus on our growth.

Outlook for sales development in the semiconductor industry in USD billion[1]



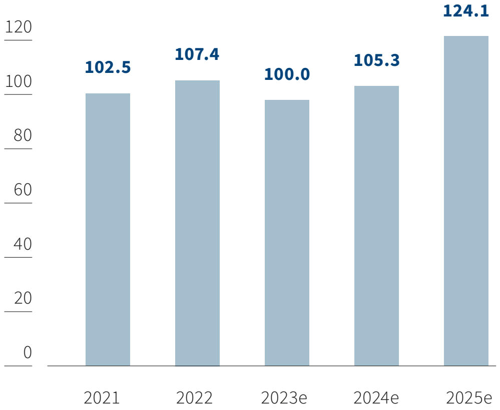
Source: Gartner, January 16, 2024/December 4, 2023

1 The suffix "e" after a year indicates an expected/estimated value

After the semiconductor equipment market's decline by approximately 6.1% in 2023 compared to the record year of 2022 to a volume of approximately USD 100 billion (source: SEMI, December 11, 2023), it is expected to return to a strong growth trajectory in the coming years. The market is expected to grow from USD 105.3 billion in 2024 to as much as USD 124.1 billion in 2025. This is equally driven by investments in the frontend and backend of the semiconductor industry. Equipment manufacturers will also benefit from strong investment in storage elements. The industry experts at Yole assume that the market for high-performance memory chips (high bandwidth memory, or HBM for short), which is relevant for SUSS MicroTec, will grow from approximately USD 5.5 billion in 2023 to approximately USD 19.9 billion in 2025. This will require corresponding capacity expansions in the equipment sector (source: Yole Intelligence, Next-Generation DRAM 2024 – Focus on HBM and 3D DRAM, January 2024). These high-performance memory elements are used in AI applications and high-end server applications, among others.

From a regional perspective, the largest investments are still expected in China, Taiwan, and South Korea.

Outlook for development of sales in the semiconductor equipment market in USD billion[1]

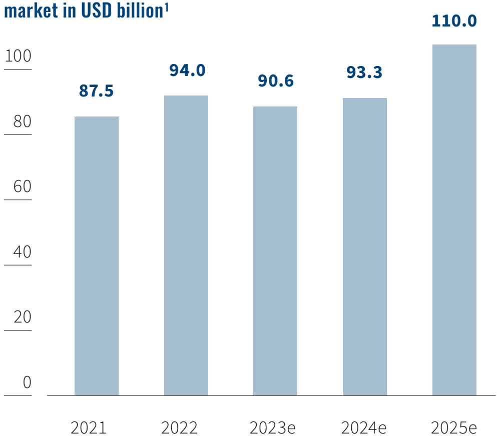


Source: Semi, December 12, 2023

1 The suffix “e” after a year indicates an expected/estimated value

The wafer fab equipment submarket, which is particularly important to us, recorded a decline of approximately 3.7 percent to a volume of USD 90.6 billion in 2023 compared to the record previous year. The industry association SEMI was still forecasting a more significant decline of 18.8 percent in mid-2023. The improved situation was due to unexpectedly strong investment by Chinese companies in the second half of 2023. However, growth in 2024 could be more moderate at approximately 3 percent and then increase significantly more to USD 110.0 billion in 2025 due to the equipping of new semiconductor factories, capacity expansions, and the use of new technologies (source: Semi, December 12, 2023).

Outlook for development of sales in the wafer fab equipment market in USD billion[1]



Source: Semi, December 12, 2023

1 The suffix “e” after a year indicates an expected/estimated value

Expected Development in the Major Markets

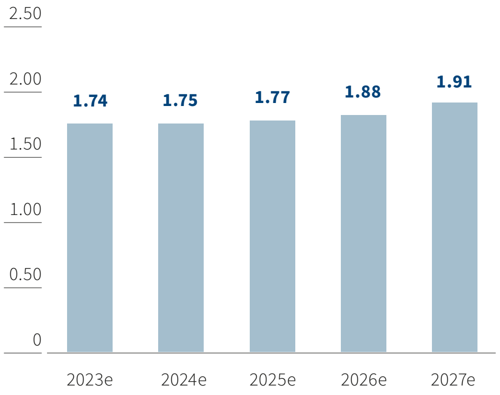
Advanced Backend

We understand advanced backend to mean the processing of wafers after all frontend processes have been completed, but before they are separated into microchips. This market segment includes various technologies such as wafer-level packaging (WLP), in which the touchdowns occur while the individual chips are still located on the wafer. The chips are separated only after the packaging process. The packaging process therefore takes place at a highly sensitive moment in the value chain for a wafer. The wafer produced reaches its peak value here, while the precision and reliability of the packaging determine the sales and the quality level associated with the overall production process. Each packaging process is specifically designed to meet the requirements for gentle processing of the individual parts installed. Special packaging methods include fan-in and fan-out WLP, flip chip bonding, wafer-level chip-scale packaging, and both 2.5D and 3D integration, which has been in high demand for AI applications since the second half of 2023. SUSS MicroTec equipment can process almost all wafers, regardless of the substrate material. The processing of compound semiconductors is therefore also one of our application areas. SUSS MicroTec is particularly active in these fields with its lithographic and bonding solutions.

Advanced Backend Lithography

According to their estimates from 2022, the industry experts at Yole expect the market for advanced backend lithography applications to grow from approximately USD 1.5 billion in 2021 to approximately USD 1.9 billion in 2027. This corresponds to average annual growth of approximately 5.3 percent (source: Lithography and Bonding Equipment 2022 "Focus on More Than Moore," Yole Intelligence 2022). According to Yole, the application areas of power electronics, RF applications, and CMOS image sensors account for more than half of the market volume.

Market for photolithography in USD billion[1]



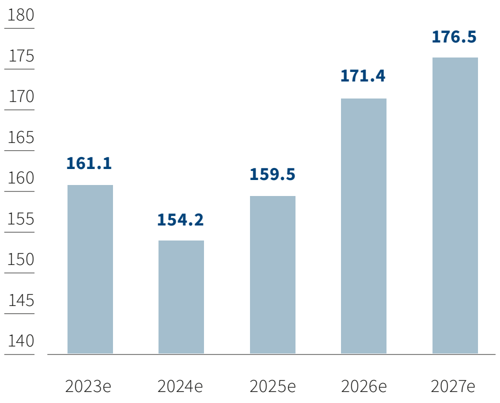
Source: Yole Intelligence 2022

1 The suffix "e" after a year indicates an expected/estimated value

Temporary Bonding – 3D-Integration

3D TSV integration is another sub-area of advanced backend technologies. In this process, thinned microchips are stacked on top of each other and connected by through-silicon vias (TSVs). The advantage of this technology is the high degree of packing density and complexity in a very small space. Through 3D TSV integration, it is also possible to integrate various options, such as memory and the processor, in one package. With its temporary bonders and debonders, SUSS MicroTec offers reliable equipment for the processing of thinned and thus extremely sensitive wafers. Yole Développement expects the equipment sector for temporary bonders to grow at an average rate of approximately 6.6 percent a year from 2021 to 2027 to reach a market volume of approximately USD 176.5 million. In addition to our temporary bonders, permanent bonders are also used to ultimately bond the wafers or microchips together for good. The temporary bonding market segment will benefit greatly in the future from investments in AI applications. According to estimates by Bloomberg Intelligence (as of June 1, 2023), the market for generative AI applications is expected to grow at an average annual rate of more than 42 percent over the next ten years. Investments in equipment for the production of HBM memory elements for AI applications are particularly relevant for us. In addition to our temporary bonders, permanent bonders are also used to ultimately bond the wafers or microchips together for good. Our temporary bonders can also be used in the processing of compound semiconductors, where the experts at Yole Développement expect significant growth averaging 17% annually between 2023 and 2029 to a market volume of approximately USD 3.3 billion.

Market for temporary bonding in USD million[1]



Source: Yole Intelligence 2022

1 The suffix “e” after a year indicates an expected/estimated value

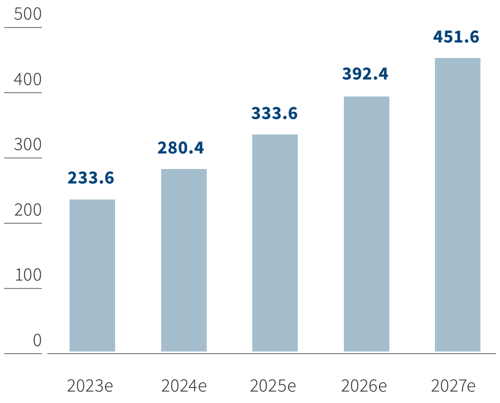
Permanent Bonding and Hybrid Bonding

At a time in which traditional transistor scaling is reaching its limit, 3D packaging and heterogeneous integration are common in the industry in order to further increase the performance and functionality of today’s semiconductor devices. However, the current 2.5D and 3D packaging techniques are limited by the clearances between the individual touchdowns (interconnects) required by the traditional microbump technology. This problem is solved by hybrid bonding. This technique bonds the contact surfaces between two metal pads (usually copper) and the surrounding dielectric materials in a single step. This bump-free bonding approach enables significantly smaller distances (pitches) between individual metal contacts and thus a higher density of interconnects, which is the basic prerequisite for future generations of multi-chip solutions.

The scaling of interconnects is driven by a number of fast-growing applications such as power computing, artificial intelligence (e.g., autonomous driving or generative AI), the 5G cellular standard, a variety of other More-than-Moore devices, and the next generation of CMOS image sensors. For high-performance systems with a high density of interconnects, customers need not only solutions for high-precision chip placement, but also reliable surface activation and a process that ensures particle-free surfaces.

The experts at Yole expect growth for hybrid bonding equipment to reach USD 451.6 million in 2027 due in large part to the many different application areas. This is almost a doubling between 2023 and 2027.

Market for hybrid bonding (W2W and D2W) in USD million[1]



Source: Yole Intelligence 20222

1 The suffix “e” after a year indicates an expected/estimated value

Microelectromechanical Systems (MEMS)

Lithography and bonding solutions from SUSS MicroTec are used to manufacture MEMS sensors and actuators. MEMS are part of our day-to-day lives since they are found in cellphones, cars, and many other items we use every day. The outlook for this market remains positive. According to the expectations of the industry experts at Yole, the market volume is expected to increase by an average of approximately 5 percent annually from 2022 to 2028 to a total volume of approximately USD 20 billion. The consumer electronics sector will account for the largest share of this, with a current market volume of approximately USD 7.6 billion. This sector is expected to increase in market volume to USD 9.4 billion by 2028. Currently, according to the market research institute Yole, consumer electronics still accounts for more than 50 percent of the overall sector. In addition, the automotive, industrial application, and medical device sectors will contribute to market growth. Overall, the estimates were reduced slightly compared to the previous year, since the market for smartphones in particular was weaker than expected in 2023 and fewer MEMS components were needed. In addition, the number of MEMS sensors per smartphone is not expected to increase significantly in the coming years (Yole Intelligence, 2023).

Statement on the Projected Development of the Group – Outlook for 2024

SUSS MicroTec once again achieved record order intake of €420.5 million in the 2023 fiscal year based on continuing operations. The order book as of December 31, 2023, also grew to a record number of €452.5 million. Based on this very high order intake and the current order book, we are well positioned to continue our growth trajectory in 2024. We assume that around two thirds of the order book can be converted into sales in the 2024 fiscal year. For the remaining third, we expect the equipment to be delivered and sales to be recognized in the 2025 fiscal year.

For 2024 as a whole, we expect that our products and services will be in high demand with our customers in the markets that are relevant to us. Whether the order intake of the 2023 fiscal year, which was driven by an initial wave of orders in connection with AI applications, can be achieved again depends on the acceptance of AI applications in the end markets. In the Advanced Backend Solutions division, we anticipate a decline in order intake for bonders compared to the 2023 record year, although the level is still likely to be significantly higher than in previous years. However, we expect the orders position to improve in the backend lithography business, i.e. in the imaging and coating product lines. These product areas are most closely linked to the general semiconductor cycle, which experts expect to pick up in 2024 after a quiet 2023. In the Photomask Solutions division, order intake is also unlikely to reach the 2023 high level because demand from Chinese customers, who have placed exceptionally high orders to build a local semiconductor infrastructure in recent years, is likely to slow down. In the Photomask Solutions and Bonding divisions in particular, we will not be able to deliver new orders that we receive in the 2024 fiscal year and recognize them as sales until the 2025 fiscal year due to the high order book and high capacity utilization. In the medium term, we expect additional incoming orders in connection with the semiconductor industry's multi-billion euro subsidy programs in the USA, Europe, and Asia.

Although the supply chain situation has improved significantly in 2023, it is not yet back to the level we were used to before the COVID-19 pandemic. Delivery times are still very long. The situation remains challenging for special components and modules, which we need for the equipment currently in high demand in the Bonding and Photomask Solutions divisions, because our suppliers cannot increase their capacities at will at short notice. This may result in longer lead times and inefficiencies in project processing. Further factors of uncertainty are the timely filling of vacant positions, especially at our manufacturing sites in Sternenfels and Hsinchu (Taiwan), the development of geopolitical escalations in Eastern Europe and the Middle East, and the expected increases in material prices and wages due to inflation. Provided that there is no unexpected deterioration of the global economy in general and the semiconductor or semiconductor equipment market in particular, and we are not again affected by increased administrative efforts and delays in export clearances for deliveries to China, we expect sales in a range of €340 to 370 million for the full year 2024. At the midpoint of the range, this would correspond to growth of 16.7 percent. Despite the successful sale of the MicroOptics division in January 2024, we are maintaining our previous medium-term target of achieving sales of €400 million in the 2025 fiscal year.

We generally expect the gross profit margin to improve in 2024. We assume that the expected higher sales volume will ensure better coverage of fixed costs. The product mix of the equipment deliveries planned for 2024 should also have a positive impact on the margin trend. We are also undergoing a growth transformation connected to expenses. At the Hsinchu site, we are currently expanding production capacity and enabling the site to build temporary bonders. Increased cost of sales is expected during the set-up phase because of the training required for new employees and the initial effort to implement the production processes. We are also continuing to intensify our cooperation with external production service providers. In the future, we intend to have complete modules manufactured by partners to increase capacity and optimize flexibility in the cycles typical of the industry. In the short term, we are focusing our cooperation with production partners on the product areas with the greatest demand, i.e. bonders and tools in the Photomask Solutions division. Additional expenses are incurred as a result of the initial phase of a collaboration. Regarding all factors, we expect the gross profit margin in the 2024 fiscal year to range from 35 to 38 percent. The midpoint of this range would correspond to an improvement of 2.4 percentage points compared to the gross profit margin of 34.1 percent in the 2023 fiscal year.

We expect the higher level of sales and the associated economies of scale to have a positive impact on earnings before interest and taxes (EBIT). Our chosen path for our growth transformation is also having an impact here. We are specifically increasing expenditure on research and development and on growth-oriented improvements in production, sales, and administration. Overall, we expect the EBIT margin to range from 10 to 12 percent. In connection with the sale in January 2024 of the MicroOptics division to Focuslight Technologies, we expect extraordinary income of approximately €58 million. This non-operating earnings effect is higher than expected in November 2023 because significant transaction expenses was already recognized in the 2023 fiscal year.

The Advanced Backend Solutions division will continue to contribute by far the largest proportion to Group sales in the 2024 fiscal year. We expect significant double-digit sales growth due to the very positive order situation in 2023 for our bonders in connection with the expansion of capacity for the production of AI chips. This growth driver should also have a positive impact on the gross profit margin and EBIT margin in this division. We expect a sideways movement in the Photomask Solutions division after very strong growth in 2023, in which we could increase our sales by more than 80 percent compared to the previous year. We do not expect the EBIT margin to improve due to increasing development costs, especially for the next photomask cleaning generation MaskTrack Smart and the new wafer cleaning solution.

Forward-Looking Statements

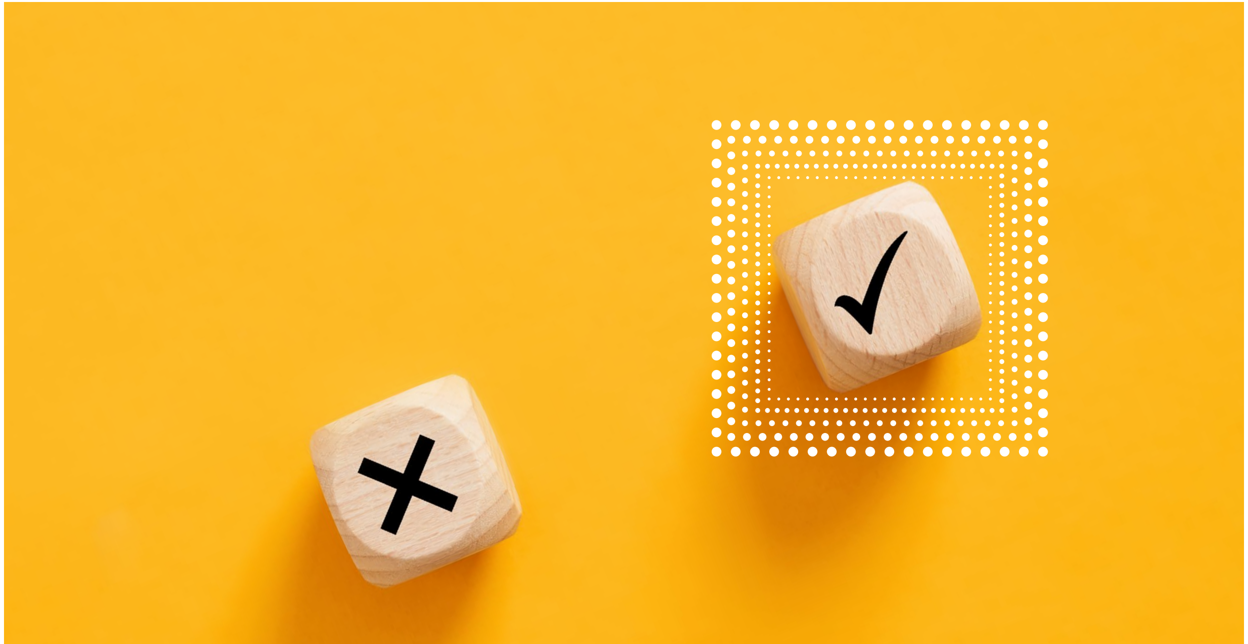
This report contains information and forecasts that refer to the future developments of the SUSS MicroTec Group and its companies. The forecasts are assessments that the Company has made based on all of the information available to it at the present time. Should the assumptions on which these forecasts are based not occur or the risks – as addressed in the risk report – arise, the actual results may deviate from those currently expected.

Garching, March 18, 2024

signed
Burkhardt Frick
Chief Executive Officer/CEO

Dr. Cornelia Ballwiesser
Chief Financial Officer/CFO

Dr. Thomas Rohe
Chief Operating Officer/COO



CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Consolidated Statement Of Income (IFRS)

for the period from January 1 to December 31, 2023

in € thousand	Note	01/01/2023–12/31/2023	01/01/2022–12/31/2022[1]
Sales	(4)	304,262	259,968
Cost of sales excl. impairment losses on assets Laser/Scanner		–200,370	–160,293
Reversal of impairment losses/special write-downs on assets of the Laser and Scanner product line		0	947
Cost of sales	(5)	–200,370	–159,346
Gross profit		**103,892**	**100,622**
Selling costs		–21,374	–21,099[1]
Research and development costs	(11)	–31,309	–28,715[1]
Administration costs		–24,197	–19,555
Other operating income	(6)	7,311	10,713
Other operating expenses	(7)	–6,537	–10,498
Analysis of net income from operations (EBIT):			
EBITDA (Earnings Before Interest and Taxes, Depreciation, and Amortization)		34,651	37,381
Depreciation and amortization of tangible, intangible and financial assets		–6,865	–5,913
Net income from operations (EBIT)		**27,786**	**31,468**

in € thousand	Note	01/01/2023–12/31/2023	01/01/2022–12/31/2022[1]
Financial income		955	267
Financial expenses		–418	–526
Financial result	**(8)**	**537**	**–259**
Profit/loss before taxes (continuing operations)		**28,323**	**31,209**
Income taxes	(9)	–10,988	–7,941
Profit/loss (continuing operations)		**17,335**	**23,268**
Profit/ loss (discontinued operations)	**(3)**	**–12,638**	**1,256**
Net profit/(loss)		**4,697**	**24,524**
Thereof equity holders of SUSS MicroTec		4,697	24,524
Thereof non-controlling interests		0	0
Earnings per share (basic)	**(10)**		
Earnings per share in €		0.91	1.22
Earnings per share (diluted)			
Earnings per share in €		0.91	1.22

1 See Notes letter B., application costs were reclassified from distribution costs to research and development costs in order to ensure comparability with the current figures.

Statement Of Comprehensive Income (IFRS)

for the period from January 1 to December 31, 2023

in € thousand	**01/01/2023–12/31/2023**	01/01/2022–12/31/2022
Net profit/(loss)	**4,697**	**24,524**
Items that are not reclassified to profit and loss		
Remeasurements of defined benefit pension plans	–1,534	725
Deferred taxes	173	–197
Other income after tax for items that are not reclassified as an expense or income	**–1,361**	**528**
Items that are reclassified in later periods		
Fair value fluctuations of available for sale securities	0	0
Foreign currency adjustment	–626	–1,140
Cash flow hedges	0	0
Deferred taxes	0	0
Other income after tax for items that are reclassified as an expense or income in later periods	**–626**	**–1,140**
Total income and expenses recognized in equity	**–1,987**	**–612**
Total income and expenses reported in the reporting period	**2,710**	**23,912**
Thereof equity holders of SÜSS MicroTec SE	2,710	23,912
Thereof non-controlling interests	0	0

Consolidated Balance Sheet (IFRS)

as at December 31, 2023

Assets

in € thousand	Note	12/31/2023	12/31/2022
Non-current assets		56,317	75,140
Intangible assets	(12)	5,499	5,875
Goodwill	(13)	18,494	18,574
Tangible assets	(14)	31,129	48,869
Other assets	(15)	511	417
Deferred tax assets	(8)	684	1,405
Current assets		313,415	278,022
Inventories	(16)	166,708	150,537
Trade receivables	(17)	17,685	19,096
Contract assets	(18)	35,238	37,880
Other financial assets	(19)	1,009	638
Securities	(33)	9,895	9,943
Current tax assets	(20)	123	58
Cash and cash equivalents	(21)	38,114	51,364
Other assets	(22)	10,779	8,506
Assets held for sale	(3)	33,864	0
Total assets		**369,732**	**353,162**

Liabilities & shareholders' equity

in € thousand	Note	12/31/2023	12/31/2022
Equity		176,617	177,730
Total equity attributable to shareholders of SÜSS MicroTec SE		176,617	177,730
Subscribed capital	(23)	19,116	19,116
Reserves	(23)	157,323	156,450
Accumulated other comprehensive income	(23)	178	2,164
Non-current liabilities		26,378	32,807
Pension plans and similar commitments	(24)	1,584	5,032
Provisions	(25)	1,675	776
Financial debt	(27)	5,313	6,563
Financial debt from lease obligations	(27)	6,267	9,627
Other financial liabilities	(26)	332	0
Other liabilities		0	264
Deferred tax liabilities	(8)	11,207	10,545
Current liabilities		166,737	142,625
Provisions	(28)	7,347	5,951
Tax liabilities	(32)	11,825	7,024
Financial debt	(27)	1,249	1,226
Financial debt from lease obligations	(27)	2,349	2,588
Other financial liabilities	(29)	9,420	11,989
Trade payables		27,110	27,091
Contract liabilities	(30)	87,038	77,939
Other liabilities	(31)	7,411	8,817
Liabilities in connection with assets held for sale	(3)	12,988	0
Total liabilities and shareholders' equity		**369,732**	**353,162**

Consolidated Statement Of Cash Flows (IFRS)

for the period from January 1 to December 31, 2023

in € thousand	**01/01/2023–12/31/2023**	01/01/2022–12/31/2022
Net profit/loss (after taxes)	4,697	24,524
Adjustments to reconcile net income/(loss) to operating cash flows		
Income/(loss) from discontinued operations (net of taxes)	12,638	–1,256
Amortization of intangible assets	1,521	963
Depreciation of tangible assets	5,344	4,950
Profit or loss on disposal of intangible and tangible assets	147	72
Change of reserves on inventories	5,364	–3,261
Change of reserves for bad debts	–1,361	1,868
Other non-cash effective income and expenses	–1,697	–609
Change in inventories	–29,446	–48,180
Change in contract assets	2,634	–5,910
Change in trade receivables	–2,422	–4,363
Change in other assets	–3,647	–95
Change in pension provisions	–94	–292
Change in trade payables	1,686	4,649
Change in contract liabilities	9,537	44,159
Change in other liabilities and other provisions	1,773	1,947
Change in tax assets and tax liabilities	5,810	1,944
Cash flow from operating activities – continuing operations	**12,484**	**21,110**
Cash flow from operating activities – discontinued operations	**–8,697**	**2,828**
Cash flow from operating activities – total	**3,787**	**23,938**
Disbursements for other tangible assets	–3,353	–2,837
Disbursements for intangible assets	–1,250	–1,312
Cash outflows due to investments within short-term commercial paper	–9,895	–9,943
Cash income due to investments within short-term commercial paper	9,943	0
Cash flow from investing activities – continuing operations	**–4,555**	**–14,092**
Cash flow from investing activities – discontinued operations	**–3,627**	**–3,748**
Cash flow from investing activities – total	**–8,182**	**–17,840**
Repayment of bank loans	–1,250	–1,250
Repayment of leasing liabilities	–2,194	–1,691
Change in other financial debt	23	14
Dividends paid	–3,823	–3,058
Cash flow from financing activities – continuing operations	**–7,244**	**–5,985**
Cash flow from financing activities – discontinued operations	**–773**	**–789**
Cash flow from financing activities	**–8,017**	**–6,774**

Continuation on the next page

Consolidated Statement Of Cash Flows (IFRS)

for the period from January 1 to December 31, 2023

Continuation

in € thousand	**01/01/2023–12/31/2023**	01/01/2022–12/31/2022
Adjustments to funds caused by exchange-rate fluctuations	–196	–35
Change in cash and cash equivalents	**–12,608**	**–711**
Funds at beginning of the year	51,364	52,075
Funds at end of the period	**38,756**	**51,364**
(thereof cash and cash equivalents from discontinued operations)	**642**	**2,670**
Cash flow from operating activities (continuing operations) including:		
Interest paid during the period	174	262
Interest received during the period	910	261
Taxes paid during the period	5,136	2,379

Consolidated Statement Of Shareholders' Equity (IFRS)

for the period from January 1 to December 31, 2023

					Accumulated other comprehensive income			
					Items that will not be reclassified to profit or loss		Items that will be reclassified to profit or loss in later periods	
in € thousand	Subscribed capital	Additional paid-in capital	Earnings reserve	Retained earnings	Remeasurement of defined benefit plans	Deferred taxes	Foreign currency adjustments	Total equity attributable to shareholders of SÜSS MicroTec SE
As of January 1, 2022	19,116	55,822	202	78,960	–2,469	662	4,583	156,876
Net income/(loss)				24,524				24,524
Total income and expenses recognized in equity					725	–197	–1,140	–612
Total comprehensive income/(loss)				24,524	725	–197	–1,140	23,912
Dividends paid				–3,058				–3,058
As of December 31, 2022	**19,116**	**55,822**	**202**	**100,426**	**–1,744**	**465**	**3,443**	**177,730**
As of January 1, 2023	19,116	55,822	202	100,426	–1,744	465	3,443	177,730
Net income/(loss)				4,697				4,697
Total income and expenses recognized in equity					–1,534	173	–626	–1,987
Total comprehensive income/(loss)				4,697	–1,534	173	–626	2,710
Dividends paid				–3,823				–3,823
As of December 31, 2023	**19,116**	**55,822**	**202**	**101,300**	**–3,278**	**638**	**2,817**	**176,617**

Fixed Assets Movement Schedule

Fixed Assets Movement Schedule 2023

	Acquisition and Manufacturing Costs							Accumulated Depreciation							Net Book Value	
in € thousand	01/01/2023	Currency difference	Additions	Reclassification assets held for sale	Additions due to businesscombinations	Disposals	12/31/2023	01/01/2023	Currency difference	Additions	Reclassification assets held for sale	Reclassifications	Disposals	12/31/2023	12/31/2022	12/31/2023
I. Intangible Assets																
1. Concessions, industrial and similar rights and assets, and licences in such rights and assets	18,279	19	1,285	−664	7		18,926	12,753	5	1,486	511			13,733	5,526	5,193
2. Development Costs	29,511	−32					29,479	29,511	−32					29,479	0	0
3. Other intangible assets	1,395						1,395	1,046	8	35				1,089	349	306
	49,185	**−13**	**1,285**	**−664**	**7**	**0**	**49,800**	**43,310**	**−19**	**1,521**	**511**	**0**	**0**	**44,301**	**5,875**	**5,499**
II. Goodwill	32,987	−80					32,907	14,413						14,413	18,574	18,494
III. Tangible Assets																
1. Properties, buildings, fixtures	22,025	−7	920		69		23,007	6,654	−2	888				7,540	15,371	15,467
2. Technical equipment and machinery	34,702	1,688	1,300	−29,974	1,401	546	8,571	19,367	965	1,004	16,081		354	4,901	15,335	3,670

Continuation on the next page

Fixed Assets Movement Schedule

Fixed Assets Movement Schedule 2023

Continuation

	Acquisition and Manufacturing Costs							Accumulated Depreciation							Net Book Value	
in € thousand	01/01/2023	Currency difference	Additions	Reclassification assets held for sale	Additions due to businesscombinations	Disposals	12/31/2023	01/01/2023	Currency difference	Additions	Reclassification assets held for sale	Reclassifications	Disposals	12/31/2023	12/31/2022	12/31/2023
3. Other equipment, office, and plant furnishings	15,383	−63	1,684	−784	−261	276	15,683	11,868	−32	1,256	474		268	12,350	3,515	3,333
4. Vehicles	400	−4	77				473	356	−5	13				364	44	109
5. Equipment under construction	2,469	145	2,963	−4,328	−1,216	33	0								2,469	0
6. Capitalized lease assets																
Technical equipment and machinery	327	−12					315	327	−12					315	0	0
Vehicle fleet	28	−1		−2			25	30	−3					27	−2	−2
7. Right-of-use assets	19,669	79	4,065	−7,310		583	15,920	7,532	−50	2,183	1,755		542	7,368	12,137	8,552
	95,003	**1,825**	**11,009**	**−42,398**	**−7**	**1,438**	**63,994**	**46,134**	**861**	**5,344**	**18,310**	**0**	**1,164**	**32,865**	**48,869**	**31,129**
IV. Financial Assets																
Other financial assets	2,120						2,120	2,120						2,120	0	0
	2,120	**0**	**0**	**0**	**0**	**0**	**2,120**	**2,120**	**0**	**0**	**0**	**0**	**0**	**2,120**	**0**	**0**
	179,295	**1,732**	**12,294**	**−43,062**	**0**	**1,438**	**148,821**	**105,977**	**842**	**6,865**	**18,821**	**0**	**1,164**	**93,699**	**73,318**	**55,122**

Fixed Assets Movement Schedule

Fixed Assets Movement Schedule 2022

	Acquisition and Manufacturing Costs							Accumulated Depreciation						Net Book Value	
in € thousand	01/01/2022	Currency difference	Additions	Additions due to business combinations	Reclassifications	Disposals	12/31/2022	01/01/2022	Currency difference	Additions	Reclassifications	Disposals	12/31/2022	12/31/2021	12/31/2022
I. Intangible Assets															
1. Concessions, industrial and similar rights and assets, and licences in such rights and assets	18,119	125	1,326			1,291	18,279	12,946	119	977		1,289	12,753	5,173	5,526
2. Development Costs	29,461	50					29,511	29,461	50				29,511	0	0
3. Other intangible assets	3,615	133				2,353	1,395	3,231	133	35		2,353	1,046	384	349
	51,195	**308**	**1,326**	**0**	**0**	**3,644**	**49,185**	**45,638**	**302**	**1,012**	**0**	**3,642**	**43,310**	**5,557**	**5,875**
II. Goodwill	32,862	125					32,987	14,413					14,413	18,449	18,574
III. Tangible Assets															
1. Properties, buildings, fixtures	21,464	22	726			187	22,025	5,994	14	833		187	6,654	15,470	15,371
2. Technical equipment and machinery	33,551	1,342	1,895		1,525	3,611	34,702	18,741	809	3,397	31	3,611	19,367	14,810	15,335

Continuation on the next page

Fixed Assets Movement Schedule

Fixed Assets Movement Schedule 2022

Continuation

	Acquisition and Manufacturing Costs							Accumulated Depreciation						Net Book Value	
in € thousand	01/01/2022	Currency difference	Additions	Additions due to business combinations	Reclassifications	Disposals	12/31/2022	01/01/2022	Currency difference	Additions	Reclassifications	Disposals	12/31/2022	12/31/2021	12/31/2022
3. Other equipment, office, and plant furnishings	15,208	−7	1,214		−97	935	15,383	11,460	42	1,277	−31	880	11,868	3,748	3,515
4. Vehicles	388	−1	40			27	400	373	−1	6		22	356	15	44
5. Equipment under construction	1,149	52	2,696		−1,428		2,469							1,149	2,469
6. Capitalized lease assets															
Technical equipment and machinery	308	19					327	308	19				327	0	0
Vehicle fleet	30	−2					28	32	−2				30	−2	−2
7. Right-of-use assets	15,360	219	5,208			1,118	19,669	6,044	25	2,567		1,104	7,532	9,316	12,137
	87,458	**1,644**	**11,779**	**0**	**0**	**5,878**	**95,003**	**42,952**	**906**	**8,080**	**0**	**5,804**	**46,134**	**44,506**	**48,869**
IV. Financial Assets															
Other financial assets	2,120						2,120	2,120					2,120	0	0
	2,120	**0**	**0**	**0**	**0**	**0**	**2,120**	**2,120**	**0**	**0**	**0**	**0**	**2,120**	**0**	**0**
	173,635	**2,077**	**13,105**	**0**	**0**	**9,522**	**179,295**	**105,123**	**1,208**	**9,092**	**0**	**9,446**	**105,977**	**68,512**	**73,318**

Segment Reporting (IFRS)

Segment reporting is part of the Notes to the consolidated financial statements.

Segment information by business segment

	Advanced Backend Solutions		Photomask Solutions		MicroOptics[1]		Central Group Functions		Consolidation Effects		Total	
in € thousand	**12M/2023**	12M/2022	**12M/2023**	12M/2022	**12M/2023**	12M/2022[2]	**12M/2023**	12M/2022[2]	**12M/2023**	12M/2022	**12M/2023**	12M/2022
External Sales	214,500	210,749	89,676	48,782	22,943	39,169	86	437			327,205	299,137
Internal Sales	226	128		–	1,766	1,866		–	–1,992	–1,994	–	–
Total Sales	**214,726**	**210,877**	**89,676**	**48,782**	**24,709**	**41,035**	**86**	**437**	**–1,992**	**–1,994**	**327,205**	**299,137**
Gross profit	77,782	82,449	26,547	16,780	2,631	10,174	–838	666			106,122	110,069
Gross profit margin	36.2%	39.1%	29.6%	34.4%	10.6%	24.8%					32.4%	36.8%
Other segment expenses/income (net)	–57,718	–53,985	–14,193	–10,680	–11,093	–9,432	–7,052	–3,165			–90,056	–77,262
thereof intersegment cost allocation (net)	–10,540	–7,939	–3,514	–2,552	–759	–977	14,813	11,468			–	–
thereof central services of SMT SE	–10,504	–7,727	–3,514	–2,552	–1,153	–1,189	15,171	11,468			–	–
Result per segment (EBIT)	**20,064**	**28,464**	**12,354**	**6,100**	**–8,462**	**742**	**–7,890**	**–2,499**			**16,066**	**32,807**
EBIT margin	**9.3%**	**13.5%**	**13.8%**	**12.5%**	**–34.2%**	**1.8%**					**4.9%**	**11.0%**

1 discontinued activities
2 €2 thousand in sales for 2022 was reclassified from the MicroOptics segment to the Central Group Functions segment, as this relates to sales from continuing activities

Continuation on the next page

Segment Reporting (IFRS)

Continuation

Segment information by business segment

	Advanced Backend Solutions		Photomask Solutions		MicroOptics[1]		Central Group Functions		Consolidation Effects		Total	
in € thousand	**12M/2023**	12M/2022	**12M/2023**	12M/2022	**12M/2023**	12M/2022[2]	**12M/2023**	12M/2022[2]	**12M/2023**	12M/2022	**12M/2023**	12M/2022
Income before taxes	20,000	28,419	12,349	6,096	–8,520	703	–7,283	–2,709			16,546	32,509
Significant non-cash items	–2,442	2,704	–1,558	–1,323	4,414	–2,198	22	–3			436	–820
Segment assets	189,348	184,391	67,906	46,603	31,855	31,449	34,963	25,090	–16,948	–6,700	307,124	280,833
thereof goodwill	18,494	18,574									18,494	18,574
Unallocated assets											62,608	72,329
Total assets											**369,732**	**353,162**
Segment liabilities	–68,348	–75,669	–57,499	–43,846	–19,987	–11,165	–4,790	–2,627	16,948	6,700	–133,676	–126,607
Unallocated liabilities											–59,439	–48,825
Total liabilities											**–193,115**	**–175,432**
Depreciation and amortization	4,205	2,735	840	1,602	2,486	3,182	1,817	1,573			9,348	9,092
thereof scheduled	4,205	2,735	840	1,602	2,486	3,182	1,817	1,573			9,348	9,092
thereof impairment loss												
Capital expenditure	**2,449**	**2,257**	**758**	**555**	**3,629**	**3,750**	**1,394**	**1,335**			**8,230**	**7,897**
Employees as of December 31	941	840	220	206	138	161	46	45			1,345	1,252

1 discontinued activities
2 €2 thousand in sales for 2022 was reclassified from the MicroOptics segment to the Central Group Functions segment, as this relates to sales from continuing activities

Segment Reporting (IFRS)

Segment information by region[1]

	Sales		Capital expenditure		Assets (without Goodwill)	
in € thousand	**12M/2023**	12M/2022	**12M/2023**	12M/2022	**12M/2023**	12M/2022
EMEA	69,745	60,257	7,055	7,206	262,249	254,943
North-America	45,914	38,029	27	35	2,698	5,486
Asia and Pacific	211,546	200,851	1,148	656	21,597	16,252
Consolidation effects					2,086	–14,422
Total	**327,205**	**299,137**	**8,230**	**7,897**	**288,630**	**262,259**

1 including discontinued activities

Notes to the Consolidated Financial Statements According to IFRS

of SÜSS MicroTec SE for the 2023 Fiscal Year

(1) Description of Business Activity

SÜSS MicroTec SE (the "Company"), domiciled at Schleissheimer Str. 90, 85748 Garching, near Munich, Germany, and its subsidiaries constitute an international Group (hereinafter: "the Group") that develops, manufactures and distributes products using microelectromechanical systems and microelectronics. Production is spread across the facilities in Garching and Sternenfels in Germany, Hauterive and Neuchâtel in Switzerland[1] and Hsinchu in Taiwan.

The Company's products are distributed by the production facilities directly and through distribution companies in the USA, France, the United Kingdom, Japan, Singapore, China, and South Korea. In countries in which the Group does not have offices of its own, distribution is organized through trade representatives.

1 Discontinued operations

(2) Summary of Significant Accounting Policies

A) Basis of Presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved and published by the International Accounting Standards Board (IASB) which are mandatory in the European Union.

The Company is a Societas Europaea or European company (SE) and is subject to German law. SÜSS MicroTec SE was formed by way of the transformation of SÜSS MicroTec AG. The transformation was recognized in the Commercial Register Department B of the District Court of Munich on August 9, 2017. Under the regulations of the German commercial code (Handelsgesetzbuch, HGB), the Company is obligated to prepare consolidated financial statements in accordance with the accounting regulations of Section 315e HGB as SÜSS MicroTec SE is a capital market-oriented company. The Group Management Report has been prepared in accordance with Section 315 HGB. The income statement has been prepared using the cost of sales method.

The consolidated financial statements were prepared on the basis of historical acquisition and production costs, with the exception of certain financial instruments which were recognized at fair value on the balance sheet date. A corresponding explanation is made as part of the respective accounting and valuation principles. The requirements of the IFRS have been met in full and lead to the presentation of a true and fair view of the net assets, financial position, and results of operations of the SUSS MicroTec Group. The consolidated financial statements were prepared on the basis of the going concern assumption.

The consolidated financial statements and the Group management report as of December 31, 2023, are submitted to the Federal Gazette and published.

B) Change in Presentation

In the consolidated financial statements of SUSS MicroTec as of December 31, 2023, the presentation of expenses for applications was changed. These are individual process developments for customers that are carried out in application laboratories. The associated expenses were shown under selling costs in the past. Since the 2023 fiscal year, these expenses have been reported under research and development expenses in order to achieve greater transparency and a presentation of the earnings situation that is appropriate for the industry. For the sake of comparability, the previous year has been adjusted accordingly and marked in the table below. The change in presentation has no influence on the EPS.

in € thousand	01/01/2022–12/31/2022	reclassifications	adjusted 01/01/2022–12/31/2022
Selling sosts	–26,202	5,103	–21,099
Research and development costs	–23,612	–5,103	–28,715

C) Standards and Interpretations that have been applied for the first time

In the 2023 fiscal year, SÜSS MicroTec SE also applied the following new standards and amendments to existing standards, to the extent applicable, for the first time:

- Amendment to IFRS 17 “Insurance Contracts” and amendments to IFRS 17 (EU-endorsed, mandatory application from January 1, 2023)
- Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (EU-endorsed, mandatory from January 1, 2023)
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (EU-endorsed, mandatory application from January 1, 2023)
- Amendments to IAS 1 Presentation of Financial Statements: and IFRS Practice Statement 2: Explanation of accounting policies (EU-endorsed, mandatory from January 1, 2023)
- Amendment to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (EU-endorsed, mandatory application from January 1, 2023)

The initial application of the aforementioned amended standards and interpretations is not expected to result in any material impact on the consolidated financial statements of SUSS MicroTec.

D) Standards and Interpretations that have not been applied prior to the mandatory applicable date

In addition to the standards presented above, the IASB has issued further standards, interpretations, and amendments to standards and interpretations, the application of which is also not yet mandatory at the present time and the applicability of some of which still requires adoption into EU law (“endorsement”); SÜSS MicroTec SE does not currently assume that the application of these standards, interpretations, and amendments will have a material impact on the presentation of the financial statements:

- Amendment to IFRS 16 Lease Liabilities for Sale and Leaseback (pending adoption into EU law, mandatory application from January 1, 2024)
- Amendment to IAS 1 (Presentation of the Financial Statements): Classification of Liabilities as Non-current or Current (pending adoption into EU law, mandatory application from January 1, 2024)
- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments Disclosures: Supplier Finance Arrangements”, Publication in May 2023 (Adoption into EU law is still pending, mandatory from January 1, 2024).

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability," publication in August 2023, adoption into EU law still pending, adoption into EU law still pending, mandatory from January 1, 2025).

E) Significant Accounting and Valuation Methods

Taking into consideration the quality criteria of the accounting and the applicable IFRS, the consolidated financial statements fulfill the principle of true and fair view and of fair presentation. In preparing the consolidated financial statements according to IFRS, primarily the following accounting policies were applied.

Goodwill

Under IFRS 3, derivative goodwill is not subject to amortization, but is instead examined once annually for impairment. An examination is also performed if there are triggering events that indicate possible impairment. Goodwill is tested for impairment at the level of cash-generating units, which represent the smallest identifiable group of assets and are monitored for internal management purposes. The operating divisions are defined as cash-generating units in the Group.

An impairment loss is recognized if the carrying amount of the cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized on goodwill are not reversed in subsequent periods.

The recoverable amount is the higher of value in use and fair value less costs to sell. When assessing the value in use, the estimated future cash flows are discounted to their present value.

In the reporting year, SÜSS MicroTec SE used the recoverable amount of the cash-generating units for measurement on the basis of fair value less costs to sell and value in use. This value is generally based on valuations using discounted cash flow.

Other Intangible Assets

Purchased and internally generated intangible assets are capitalized pursuant to IAS 38 if it is probable that a future economic benefit will flow from the use of the asset and the costs of the asset can be determined reliably. They are recognized at cost and amortized normally using the straight-line method over their useful life, which is a maximum of ten years.

Development costs in connection with product development are capitalized as cost of sales if the expense can be attributed clearly and if technical feasibility and successful marketing are assured. It must, moreover, be sufficiently probable that the development activity will indeed generate a future economic benefit. The capitalized development performances comprise all costs that are directly attributable to the development process, including overheads relating to development. Capitalized development costs are amortized normally using the straight-line method from the commencement of production over the expected product life cycle, which is generally three to five years.

There are no other intangible assets with an indeterminate useful life in the SUSS MicroTec Group.

Tangible Assets

Tangible assets are recognized at cost of sales and impaired on the basis of probable useful life by straight-line depreciation. The depreciation periods for the principal categories of assets are given below:

Buildings, fixtures	10–40 years
Technical equipment and machinery	4–10 years
Other equipment, office, and plant furnishings	3–7 years
Vehicles	5 years

When assets are disposed of, the pertinent historical acquisition costs and accumulated depreciation are derecognized and the difference to the revenue from the sale is recognized as other operating expense or income.

For granted rights of use, the Group recognizes an asset that is disclosed under tangible assets in accordance with IFRS 16. The right of use is measured upon conclusion of the lease agreement at cost, reflecting the present value of the anticipated lease payments. Amortization of right-of-use assets is recognized on a straight-line basis over the term of the lease, unless the useful life of the leased asset is shorter. If the lease agreement contains sufficiently certain purchase options, the right of use is amortized over the economic useful life of the underlying asset.

In compliance with the rules of IAS 16, there was no revaluation of tangible assets.

Impairment of Intangible Assets and Depreciation of Tangible Assets

Intangible assets, including goodwill, and tangible assets are subject to impairment if the book values of the assets would no longer be covered by the sales proceeds that may be expected or by the discounted net cash flow from further use. If it is not possible to determine the recoverable amount for individual assets, the cash flow is determined for the next higher grouping of assets for which such a cash flow can be determined. The impairment test is carried out at the level of a (group of) cash-generating unit(s), which is generally represented by a division. The (group of) cash-generating unit(s) represents the lowest level at which goodwill is monitored for internal management purposes.

If the reasons for the impairment cease to apply or decrease in subsequent periods, the impairment loss is reversed. The revaluation is made at a maximum of the amount that would have resulted if the impairment had not been recognized. Impairment losses on goodwill may not be reversed.

Inventories

Inventories are measured at cost or, if lower, their net realizable value. The net realizable value is the sales proceeds that can probably be obtained less the costs likely to be incurred prior to sale. Inventory risks arising from decreased marketability and technical risks are accommodated by appropriate value adjustments.

The costs of conversion of work in progress and finished goods include direct material and production costs as well as attributable material and production overhead costs.

For materials and supplies, the acquisition costs are computed on the basis of a weighted average. If the reasons that led to an value adjustment of the inventories cease to be applicable, a reversal is made.

Financial Instruments

Financial instruments are contractual relationships which lead to a financial asset for one party and to a financial debt or an equity instrument for the other. Financial instruments are recognized as soon as SUSS MicroTec becomes a contractual party to the financial instrument. Debt instruments that are held for the purpose of collecting contractual cash flows and whose contractual features give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

Financial Assets

Receivables, Other Financial Assets, and Contract Assets

Trade receivables and contract assets are recognized at the time the contractual performance obligation is fulfilled. All other financial assets and liabilities are initially recognized on the trading date on which the Company becomes a contractual party in accordance with the contractual provisions.

Trade receivables without significant financial components are measured upon initial recognition at the transaction price and in the subsequent periods at amortized cost. Contract assets involve claims of the Group for consideration for services that have been completed but not yet invoiced as of the reporting date.

On initial recognition, contractual assets are measured at 96% of the transaction price, which is usually attributable to the performance obligation “production and delivery of the machine.” Customer down payments received are subtracted from this amount. Contract assets are reclassified to trade receivables as soon as the performance obligation “installation and initial customer training,” which usually accounts for 4% of the transaction price, has been satisfied and the rights become unconditional (see letter E Revenue recognition).

All other financial assets are measured upon initial recognition at fair value. Measurement in the subsequent periods – according to the type of financial asset – is either with or without effect on profit or loss. Receivables become due promptly in accordance with customer payment agreements. Provided that down payment agreements with customers exist, receivables are immediately settled by offsetting them with down payments received.

Debt instruments that are not measured at fair value through profit or loss are measured on initial recognition, taking into account expected future impairments. For trade receivables and contract assets, the impairment requirement is always determined on the basis of the losses expected over the entire term. For all other instruments, impairments are only determined on the basis of expected losses over the entire term if the credit risk has increased significantly since initial recognition. Otherwise, impairments are only determined on the basis of the expected losses that would result from a loss event occurring within twelve months of the reporting date. In this case, loss events that may occur later than twelve months after the reporting date are not taken into account.

To determine the future need for impairment of financial assets, SÜSS uses impairment models that are generally based on historical probabilities of default and are supplemented by relevant future parameters.

The impairments take sufficient account of the expected future default risks; specific defaults lead to the derecognition of the receivables concerned. Financial assets are grouped on the basis of similar default risk characteristics and jointly tested for impairment and written down.

Impairments of Financial Instruments

Financial assets are subject to default risks, which are taken into consideration by providing for a risk provision or, in case of losses that have already been incurred, by recognizing an impairment. The default risk of receivables and contract assets is accounted for by creating individual value adjustments and portfolio-based value adjustments.

Specifically, a risk provision is created for these financial assets in the amount of the expected loss according to uniform Group standards. Actual individual value adjustments for the losses that have occurred are taken from this risk provision. The potential need for a value adjustment is assumed not only if various circumstances exist, such as a payment delay over a certain period of time or a final payment default (e.g., through insolvency), but also for receivables that are not past due.

In order to determine portfolio-based value adjustments, both insignificant receivables and significant individual receivables without any indication of impairment are combined into homogeneous portfolios based on comparable credit risk characteristics and divided into risk classes. In order to determine the impairment amount, average historical default probabilities are considered along with forward-looking parameters of the respective portfolio.

Credit default risks must be considered for all financial assets measured at amortized cost or at fair value through other comprehensive income (debt instruments) and for contractual assets in accordance with IFRS 15.

Securities

A distinction should be made as to whether securities are to be classified as “debt instruments” or as “equity instruments.” The measurement of a financial asset determines its categorization at the time of acquisition and depends on the respective cash flow criterion and the business model criterion. Depending on their classification, securities are measured at amortized cost or fair value. In accordance with the categorization in IFRS 9, measurement effects resulting from measurement at fair value are to be recognized either in other comprehensive income or in the financial result through profit or loss.

Cash, Cash Equivalents, and Time Deposits

Cash equivalents comprise cash and financial assets that can be converted into cash at any time, as well as short-term time deposits with a maximum term of three months. Cash, cash equivalents and time deposits with a remaining term of less than three months at the time of acquisition or investment are measured at amortized cost. Cash and cash equivalents are measured at amortized cost (see Note (33) Additional information on financial instruments).

Pension Plans and similar Commitments

Provisions for pension plans and similar commitments are recognized pursuant to IAS 19 “Employee Benefits.”

Defined contribution plans generally do not lead to the formation of provisions since the Company’s obligation is restricted to the payment of contributions to retirement/pension funds. Premium payments to retirement/pension funds are recognized as an expense in the period in which they are accrued.

With defined benefit plans, the Company’s obligation consists of ensuring promised benefits to active and former employees. Defined benefit plans generally do not lead to the formation of pension provisions.

The net liability from defined benefit plans (the cash value of the defined-benefit obligation less the value of plan assets) is calculated based on the projected unit credit method. Future salary increases and other increases in benefits are taken into consideration. The measurement of the pension obligations is on the basis of pension reports using the assets existing to cover these obligations (at the fair value of plan assets). The effects from the remeasurement of the net liability (actuarial gains and losses, income from plan assets, and changes in the effect of the upper limit on assets) are recognized in full in accumulated other comprehensive income. In case of future changes to the plan, the unrecognized prior service cost is recognized immediately in profit and loss.

Provisions

Provisions are formed under IAS 37 when there is an obligation to outside parties whose fulfillment they are likely to demand and if the probable amount of the necessary provision can be estimated reliably. They are measured at the expected settlement amount. Non-current provisions are recognized on the basis of corresponding interest rates at their discounted settlement amount as of the reporting date.

Financial Debt

Financial debt comprises bank borrowings and liabilities from rent and lease agreements. Bank borrowings are allocated to the category “Financial liabilities” and measured at amortized cost. Liabilities that result from rent and lease agreements are measured and recognized in accordance with IFRS 16.

Other Financial Liabilities

With the exception of derivative financial instruments, other financial liabilities are allocated to the category “Financial liabilities” and measured at amortized cost.

Trade Payables

Trade payables are allocated to the category “Financial liabilities” and measured at amortized cost.

Contract Liabilities

Contract liabilities relate to advance payments received from customers for contracts concluded in accordance with IFRS 15 and installation services not yet performed for customers. They are measured at amortized cost. Upon settlement of a performance obligation in accordance with IFRS 15, it is subtracted from the associated contract assets or offset with trade receivables.

Leasing

The Group’s leases include office and production space, IT equipment, and vehicles. The term of the lease agreements is between three and twelve years, in some cases with the option to extend the lease agreements after this period. Individual lease agreements provide for additional lease payments based on the change in the local price indexes.

Rights of use are presented separately under tangible assets:

For concluded lease agreements and rights of use granted in this connection, the Group recognizes an asset that is disclosed under tangible assets in accordance with IFRS 16.

The right of use is measured upon conclusion of the lease agreement at cost, reflecting the present value of the anticipated lease payments. Subsequently, the right of use is depreciated on a straight-line basis from the provision date until the end of the leasing period.

The lease liabilities are recognized when the agreement is concluded at the present value of the lease payments that have still not been made as of the provision date. The subsequent measurement of the lease liability is done at its amortized carrying amount using the effective interest method. The lease liability is remeasured if the future lease payments change due to a change in the index or (interest) rate.

The Group has decided not to recognize right-of-use assets and lease liabilities for leases based on low-value assets and for short-term leases. The Group recognizes the lease payments associated with these leases as an expense over the term of the lease. In the 2023 fiscal year, the related leasing expenses amounted to €819 thousand (previous year: €697 thousand).

Sales Recognition

Revenue is recognized in accordance with IFRS 15 if the conditions are met for recognizing them. Using a principles-based, five-step model, an assessment is made regarding in what amount and at what time or over what period revenue is recognized.

The following separable performance obligations were identified for the sale of machines, for which separate revenue is recognized in each case:

- Production and delivery of the tool
- Installation of the tool and initial training of the customer on the tool (including the warranty)
- Training of employees on the tool
- Warranty that exceeds the legal scope
- Maintenance and service of the tool
- Delivery of replacement parts
- Implementation of upgrades to the tool

For each identified performance obligation, an assessment is made whether the performance of service occurs over time or at a point in time. Sales are recognized if control over the good or service has been transferred to the customer.

For the production and delivery of the tool on the one hand and the installation or initial training on the tool on the other hand, revenue recognition occurs in each case at the point in time when control is transferred to the customer. In this context, the point in time of delivery or the transfer of risk to the customer is crucial for the performance obligation "production and delivery of the tool." Upon conclusion of "bill and hold" agreements, the transfer of risk occurs when the tool is stored at the customer's request in a place of their choosing and the risk of accidental destruction is transferred to the customer. For the performance obligation "installation of the tool/initial training of the customer," a transfer of control occurs at the point in time when the installation has been completed and the tool has been accepted by the customer. 96% of the amount of the order normally accrues to the performance obligation "production and delivery of the tool"; 4% of the amount of the order is normally allocated to the performance obligation "installation of the tool/initial training of the customer." Revenue recognition at the point in time of the transfer of control occurs in the corresponding amount. Revenue from the sale of micro-optics is recognized at a point in time upon delivery.

Sales from services are recognized when the service has been rendered or, in the case of service contracts, proportionately over time. In the case of sales of spare parts, the sales are recognized on delivery.

Under the terms of payment, SUSS MicroTec does not grant any discounts, credits or other sales incentives. There is no general right of return or right to cancel the order free of charge. As a rule, the payment terms for advance payments and customer invoices are short-term and contracts do not include a financing component.

Cost of Sales

The cost of sales comprises the manufacturing and procurement expenses attributable to sales revenue for products sold and spare parts as well as expenses for services. In addition to the directly allocable materials and manufacturing costs, it also includes overhead costs such as depreciation and amortization of production facilities and in property, plant, and equipment as well as value adjustments on inventories.

Research and Development Costs

Expenses for research and expenses for development work that cannot be capitalized are recognized as expense when incurred.

Other Operating Expenses and Income

The other operating expenses and income are classified under the operating income and allocated to the appropriate period. This also applies to expenses and income from foreign currency translation.

Deferred Taxes

In accordance with IAS 12 "Income Taxes," deferred tax assets and liabilities are formed on all temporary differences between the fiscal measurement bases of the assets and debts and their recognized values in the IFRS consolidated statement of financial position as well as on tax loss carryforwards. The deferred taxes are computed on the basis of tax rates that apply or are expected to apply at the time of realization in light of the present legal situation in the relevant countries. Deferred tax assets on temporary differences or on loss carryforwards are only recognized if it seems sufficiently certain that they can be realized in the near future. Furthermore, deferred liabilities are not recognized if the temporary difference arises from goodwill.

Deferred taxes are measured using tax rates that are expected to be applied to temporary differences as soon as they reverse, namely using tax rates that are valid or have been announced on the reporting date. This also applies to the future expected use of remaining tax loss deductions. As a result, the amount of recognized deferred taxes reflects any possible uncertainty inherent in income taxes.

Treatment of Subsidies

Under IAS 20 "Accounting for Government Grants," public subsidies are only recognized if there is sufficient certainty that the attached conditions will be fulfilled and the subsidies granted. They are recognized in profit and loss, generally in the periods in which the expenses that are to be met by the subsidies are incurred.

Grants relating to investments that can be capitalized are recognized on the liabilities side as other financial liabilities and released proportionately over the useful life of the funded investments. Other government grants are recognized under other operating income if the research and development costs have been incurred and all conditions for the grant have been met.

Foreign Currency Valuation

Transactions denominated in a currency other than the functional currency of a business unit are recognized in the functional currency at the mean spot exchange rate on the date of initial recognition. At the end of the reporting period, the Company measures monetary assets and liabilities denominated in foreign currencies in the functional currency at the mean spot exchange rate applicable at that time. Gains and losses from these foreign currency valuations are recognized in profit or loss. Non-monetary consolidated balance sheet items in foreign currencies are carried at historical exchange rates.

Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the profit from continuing operations, the profit from discontinued operations, and the profit after taxes attributable to the shareholders of SÜSS MicroTec SE, respectively, by the weighted average number of shares outstanding during the fiscal year. Diluted earnings per share are calculated on the assumption that all potentially dilutive securities and share-based payment plans are converted or exercised.

Segment Reporting

The segment reporting of the SUSS MicroTec Group is aligned with the internal organizational and reporting structure in accordance with the management approach. The data used to determine the internal control parameters is derived from the consolidated financial statements prepared in accordance with IFRS, with the exception that intragroup leases are recognized as operating leases in accordance with IAS 17.

Discontinued operations and non-current assets held for sale

An individual non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group recognizes assets and liabilities as a disposal group if they are to be sold or otherwise disposed of as a group in a transaction and meet the criteria defined in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations.” The assets and liabilities of the disposal group are reported separately in the balance sheet in the lines “Assets held for sale” and “Liabilities in connection with assets held for sale.” The expenses and sales of a disposal group are included in the result from continuing operations until disposal, unless the disposal group qualifies as a discontinued operation for reporting purposes. The Group reports the results of a disposal group that meets the requirements for a so-called separate component of the Group as discontinued operations if it represents a major line of business or includes the entire range of activities in a geographical region. Results from discontinued operations are recognized in the period in which they are incurred and reported separately in the income statement as “Profit/loss (discontinued operations)”. The income statement for the previous period is adjusted accordingly by reporting the results of the Group component in discontinued operations. The cash flows from discontinued operations are presented separately from the cash flows from continuing operations in the cash flow statement. The previous period’s figures are adjusted accordingly.

When they are classified as assets held for sale for the first time, non-current assets are recognized at the lower of carrying amount and fair value less costs to sell; they are no longer amortized. A disposal group is first measured in accordance with the relevant IFRS standards and then the resulting carrying amount of the group is compared with the net fair value to determine the lower value to be recognized. Impairment losses due to initial classification as assets held for sale are recognized in the income statement, as are subsequent impairment losses and reversals of impairment losses up to the amount of the cumulative impairment loss.

F) Use of Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires estimates and assumptions that affect the presentation of assets and debts, the disclosures of contingent liabilities at the reporting date, and the presentation of income and expenses. The estimates and respective underlying assumptions are constantly monitored. In individual cases, the actual values may deviate from the assumptions and estimates made.

Trade Receivables

Trade receivables included overdue receivables. The Group assesses the recoverability of these receivables on the basis of past experience and the assessment of individual receivables based on the creditworthiness of the respective customer and current economic developments. These show that the default risk is not significantly higher even where receivables are overdue. The Company bases the determination of impairments on receivables on expected losses. Based on historical estimates, a value adjustment of 0.5% was made for overdue amounts of up to half a year.

As of December 31, 2023, the total value adjustment to trade receivables was € 589 thousand (previous year: € 1,960 thousand).

The specific value adjustments are determined according to the following principles:

Receivables overdue since	% of value adjustment to be made
> 180 days and =< 270 days	10%
> 270 days and =< 360 days	25%
> 360 days and =< 720 days	50%
> 720 days	100%

Recoverability of Goodwill

SÜSS MicroTec SE examines the goodwill for possible impairment at least once annually. The determination of the recoverable amount of a cash generating unit that the goodwill is allocated to is associated with estimates by management. The recoverable amount is the higher of the fair value, less costs to sell, and the value in use. The Company generally determines these figures using measurement methods based on discounted cash flows. These discounted cash flows are determined for a period of five years. The basis used here for the immediate future is the cash flow derived from the Group budget (Level 3 of the fair value hierarchy according to IFRS 13). For cash flow forecasts beyond the period of detailed planning, suitable forecasts from the semiconductor sub-supplier industry are used to check the plausibility of our own estimates. On the basis of these forecasts, a growth rate is determined for each year of the period under consideration. For the five-year period, average annual growth of 11.65% (previous year: 10.43%) is calculated for the Advanced Backend Solutions cash-generating unit (previous year: Lithography), to which the recognized goodwill is allocated. Here, the growth rates used are checked against external market forecasts. At the end of the five-year planning horizon, an annual sales growth rate of 1.5% is assumed for the subsequent years. The forecast net cash flows are discounted using the calculated risk-adjusted interest rate (WACC) of 12.04% (previous year: 11.80%). The risk-adjusted interest rates used were aligned with external determinations. The premises and the underlying method may have a considerable influence on the values in question and, finally, on the amount of any possible impairment of goodwill.

Recoverability of Assets

If it is not possible to determine the recoverable amount for individual assets in the framework of an impairment test for tangible assets or other intangible assets, the cash flow is determined for the next higher group of assets for which such a cash flow can be determined. For tangible or intangible assets, the determination of the recoverable amount is also similarly associated with estimates by management, which has a considerable influence on the values concerned and, in the final analysis, on the amount of any impairment.

Pension Plans and similar Commitments

Commitments for pensions and associated expenses and income are determined in accordance with actuarial measurements. These measurements are based on key premises, including discount factors, the expected yield from plan assets, salary trends, and life expectancies. The assumed discount factors reflect the interest rates obtained as of the reporting date for high-quality, fixed-interest investments with corresponding terms.

On account of fluctuations in the market and economic situation, the premises applied may deviate from the actual development, with material effects on the obligations for pensions.

Provisions

The determination of provisions for contractually agreed guarantees and warranty claims is associated to a considerable extent with estimates. Where the Company derives these provisions from historical guarantee and warranty cases, a decline in the sales volume reduces such provisions correspondingly, and vice versa.

Other Financial Liabilities

Other financial liabilities are capitalized at their settlement amount. They are derecognized when the contract liabilities have been met or rescinded or have expired. Depending on the contents of the contractual agreements, estimates are necessary in order to determine the likely settlement amount.

Purchase Price Allocation

Upon the acquisition of entities, under IAS 27 (rev. 2008) and IFRS 3 (rev. 2008), the purchase price for the entity acquisition must be made on the identifiable assets, debts and contingent liabilities acquired at purchase. With some exceptions (e.g., tax liabilities, pension obligations and share-based remuneration), assets, debts, and contingent debts must be recognized at fair value. Here, consideration must be given not only to assets in the financial statement but also to intangible assets that have not previously been recognized.

G) Consolidation

Consolidation Principles

The consolidated financial statements include SÜSS MicroTec SE and all active companies over which, independent of the level of its participatory investment, the proprietary company can exercise control (i.e., the control principle). Control exists if SÜSS MicroTec SE has the power to participate in positive and negative variable returns of a company and can influence these returns through its power of disposition. In cases where the majority of voting rights are held, it is assumed that it exercises control.

Receivables and liabilities as well as income and expenses incurred between the companies included in the consolidated financial statements as well as intra-Group profits and losses are eliminated. As part of capital consolidation, the shares of the subsidiaries attributable to the Group are offset against the corresponding equity.

Translation of Financial Statements in Foreign Currency

The reporting currency of the Group is the euro, which is also the functional currency of the proprietary company. All figures are in thousand euros unless otherwise stated.

Statement of financial position items of subsidiaries that use their local currency as their functional currency are (with the exception of equity, which is translated at historical rates) translated at the rate on the reporting date, and the items in the statement of income are translated at average rates.

The resulting translation differences are shown as a separate component of equity (i.e., under accumulated other comprehensive income). On disposal of a foreign operation, the corresponding cumulative translation differences that were previously recognized in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss in the same period in which the gain or loss on disposal is recognized.

	2023		2022	
	Balance Sheet	P&L	Balance Sheet	P&L
1 € vs 1 USD	1.108	1.082	1.068	1.057
1 € vs 1 JPY	156.784	152.349	140.663	137.519
1 € vs 1 GBP	0.869	0.870	0.887	0.853
1 € vs 1 CHF	0.927	0.973	0.985	1.004
1 € vs 1 TWD	33.920	33.665	32.788	31.388
1 € vs 1 SGD	1.461	1.452	1.431	1.454
1 € vs 1 CNY	7.885	7.673	7.378	7.097
1 € vs 1 KRW	1,431.660	1,413.879	1,344.507	1,355.153

Disclosures on the Scope of Consolidation

Compared with the consolidated financial statements as of December 31, 2022, there were no additional changes to the scope of consolidation.

Accordingly, the following subsidiaries and investments of SÜSS MicroTec SE (Group parent company) are included in the consolidated financial statements as of December 31, 2023 (disclosure of capital and net income of the individual companies in accordance with local law in the presentation currency euro) HUGLE Lithography Inc., San Jose, USA, is not included in the scope of consolidation due to its insignificance and the value adjustment in accordance with IFRS 9.

Company/based in	Subscribed capital Reporting currency[4]	Subsidiary	Share capital Reporting currency[4]	Net Profit Reporting currency [4]	Consolidation
SÜSS MicroTec SE, Garching[1]	19,115,538.00	Holding	97,933,741.45	–10,113,032.82	Full
SUSS MicroTec Solutions GmbH & Co. KG, Sternenfels[2]	4,000,000.00	100%	41,353,006.18	22,626,529.93	Full
SUSS MicroTec Photomask Equipment Beteiligungs-GmbH, Sternenfels	25,000.00	100%	18,720.01	1,653.63	Full
SUSS MicroTec Ltd., Market Rasen, Vereinigtes Königreich	11,506.16	100%	814,539.67	60,940.67	Full
SUSS MicroTec KK, Yokohama, Japan	191,346.18	100%	–4,701,093.67	–34,862.02	Full
SUSS MicroTec S.A.S., Pierre Bénite, Frankreich	114,750.00	100%	1,858,031.21	597,136.34	Full
SUSS MicroOptics S.A., Hauterive, Schweiz	2,698,181.43	100%	7,861,777.56	–7,988,925.58	Full
SUSS MicroTec, Inc., Corona, USA	3,788,932.02	100%	11,858,788.43	–1,780,903.91	Full
SUSS MicroTec (Taiwan) Company Ltd., Hsin Chu, Taiwan	147,405.23	100%	8,368,001.57	194,737.96	Full
SUSS MicroTec Company Ltd., Shanghai, China	209,936.78	100%	15,571,307.24	3,914,349.16	Full
HUGLE Lithography Inc., San Jose, USA[3]	1,074,697.12	53%	–35,730.79	–722.22	--
SUSS MicroTec REMAN GmbH, Oberschleißheim[2]	25,564.59	100%	969,652.14	763,780.08	Full
SUSS MicroTec (Singapore) Pte. Ltd., Singapur	17,108.64	100%	3,561,920.18	–313,528.42	Full
SUSS MicroTec Korea Co. Ltd., Hwaseong City, Korea	34,924.49	100%	2,691,860.34	794,366.81	Full
SUSS MicroTec Netherlands B.V., Niederlande	10.00	100%	–4,128,412.94	–990,264.30	Full

1 Equity and net income before consideration of the profit and loss transfer agreement of SUSS MicroTec REMAN GmbH and before profit allocation of SUSS MicroTec Solutions GmbH & Co. KG
2 Equity and net income before taking into account the profit and loss transfer agreement with SÜSS MicroTec SE and before the profit allocation to SÜSS MicroTec SE
3 Entity considered at cost due to immateriality
4 Companies in foreign currencies were translated at the exchange rate on December 31, 2023 for better comparability.

The closing date of the financial statements of all the companies included is December 31 of the year in question.

Among the domestic subsidiaries within the legal form of a corporation, SUSS MicroTec REMAN GmbH, Oberschleißheim, Germany, fulfills the conditions for exemption pursuant to Section 264 (3) HGB. All exemption rules were applied.

SUSS MicroTec Solutions GmbH & Co. KG, which has the legal form of a partnership, fulfills the conditions for exemption pursuant to Section 264b HGB. All exemption rules were applied.

SÜSS MicroTec SE prepares consolidated financial statements based on the International Financial Reporting Standards (IFRS) in accordance with Section 315e HGB for the largest and smallest group of companies. These consolidated financial statements and the combined Group management report for the 2023 fiscal year are published in the Federal Gazette.

3) Discontinued Operations

At the beginning of 2023, the decision was made to no longer include the third cash-generating division MicroOptics as part of SUSS MicroTec's core business due to low synergies with our semiconductor equipment divisions and to initiate a possible sales process.

As of September 30, 2023, the MicroOptics division met the criteria to be classified as a discontinued operation according to IFRS 5. The agreement to sell the subsidiary SUSS MicroOptics S.A. to Focuslight Technologies was signed on November 8, 2023. The closing of the transaction, combined with the deconsolidation of the subsidiary SUSS MicroOptics S.A., took place on January 15, 2024 (see note (39) Subsequent Events).

In accordance with IFRS 5, all income and expenses for discontinued operations in the current reporting period are reported separately in the income statement and all cash flows are reported separately in the cash flow statement and the prior-period figures are adjusted accordingly. The assets and liabilities attributable to discontinued operations are only reported separately in the balance sheet as of the current reporting date. In conjunction with the initiated sale, the assets and liabilities are still measured at their carrying amount, as this is lower than the fair value less costs necessary to sell. Non-current assets are no longer amortized when they are classified as discontinued operations.

The assets and liabilities of the discontinued subsidiary SUSS MicroOptics S.A., which relate to the MicroOptics division, are shown in the following table:

in € thousand	2023
Intangible assets	117
Tangible assets	21,641
Inventories (net)	7,193
Trade receivables	3,422
Cash and cash equivalents	642
Other current assets	849
Assets held for sale	**33,864**
Pension plans and similar commitments	4,661
Financial debt from lease obligations IFRS16 (non-current)	4,045
Other liabilities	239
Other current provosions	591
Financial debt from lease obligations IFRS 16 (current)	779
Other financial liabilities	1,077
Trade payables	1,031
Contract liabilities	303
Other current liabilities	262
Liabilities in connection with assets held for sale	**12,988**

The results of discontinued operations are as follows:

in € thousand	2023	2022
Sales	22,943	39,169
Other income	474	1,038
Expenses[1]	–35,194	–38,907
Ordinary income/(loss) from discontinued operations (before tax)	**–11,777**	**1,300**
Income taxes	–861	–44
Ordinary income/(loss) from discontinued operations (net of tax)	**–12,638**	**1,256**
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	0	0
Income taxes	0	0
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	**0**	**0**
Income/(loss) from discontinued operations (net of tax)	**–12,638**	**1,256**

1 Expenses in the fiscal year 2023 already include incidential selling costs of €4.4 million

Comments on the IFRS Consolidated Statement of Income

The following explanations to the consolidated statement of income relate exclusively to the Group's continuing operations. All figures are in € thousand unless otherwise stated.

(4) Revenue

Revenue was composed as follows:

in € thousand	2023	2022
Machinery and equipment	255,063	215,234
Spare parts and upgrades	31,260	28,849
Services	15,588	15,150
Other sales	2,351	735
Total Sales	**304,262**	**259,968**

Revenue from continuing operations in the 2023 fiscal year was broken down by division as follows (see Note (38) Segment reporting)

in € thousand	Advanced Backend Solutions	Photomask Solutions	Central Group Functions	2023 Total
Machinery and equipment	178,448	76,615	0	255,063
Spare parts and upgrades	25,024	6,221	16	31,260
Services	8,747	6,840	0	15,588
Other sales	2,281	0	69	2,351
Total Sales	**214,500**	**89,676**	**85**	**304,262**

The regional distribution of revenue in the 2023 fiscal year was as follows:

in € thousand	Advanced Backend Solutions	Photomask Solutions	Central Group Functions	2023 Total
EMEA	49,681	6,871	0	56,552
North America	36,387	8,763	0	45,150
Asia-Pacific	128,432	74,042	85	202,560
Total sales	**214,500**	**89,676**	**85**	**304,262**

Revenue during the previous year is allocated to the divisions as follows:

in € thousand	Advanced Backend Solutions	Photomask Solutions	Central Group Functions	2022 Total
Machinery and equipment	176,841	38,393	0	215,234
Spare parts and upgrades	25,121	3,703	24	28,849
Services	8,727	6,408	15	15,150
Other sales	60	278	398	735
Total Sales	**210,749**	**48,782**	**437**	**259,968**

The regional distribution of revenue in 2022 was as follows:

in € thousand	Advanced Backend Solutions	Photomask Solutions	Central Group Functions	2022 Total
EMEA	39,093	3,641	0	42,734
North America	35,723	1,370	0	37,093
Asia-Pacific	135,933	43,771	437	180,141
Total sales	**210,749**	**48,782**	**437**	**259,968**

Contract Balances

The following table provides information about receivables, contract assets, and liabilities from contracts with customers.

in € thousand	**12/31/2023**	12/31/2022
Contract Balances		
Trade receivables	17,685	19,096
Contract assets	35,238	37,880
Contract liabilities	–87,038	–77,939

The contract assets involve claims of the Group for consideration for services from machine orders that have been rendered but not yet invoiced as of the reporting date. The contract assets are reclassified to trade receivables when the rights become unconditional. This occurs as a rule when SUSS MicroTec prepares a final invoice for the customer.

Contract assets developed as follows:

in € thousand	2023	2022
Opening balance of contractual assets as of 01/01	**37,880**	**31,820**
Additions	143,545	126,696
Disposals (reclassification to trade receivables)	–146,187	–120,636
Closing balance of contractual assets as of 12/31	**35,238**	**37,880**

Contract liabilities relate to down payments received from customers for the production of machines and deferred revenue due to delayed customer installations (postponements). Upon delivery or acceptance and associated sales recognition, the contract liabilities are offset against the contract assets or receivables that arise.

Contract liabilities developed as follows:

in € thousand	2023	2022
Opening balance of contractual liabilities as of 01/01	**77,939**	**33,838**
Additions	241,957	185,624
Reclassification to liabilities in connection with assets held for sale	–303	0
Disposals	–232,555	–141,523
Closing balance of contractual liabilities as of 12/31	**87,038**	**77,939**

The amount of €77,939 thousand that was disclosed under contract liabilities as of the previous year's reporting date was largely recognized as revenue in the 2023 fiscal year. This includes €451 thousand in deferred revenue due to delayed customer installations (previous year: €614 thousand).

The order book as of December 31, 2023 for continuing operations amounted to €452,528 thousand (previous year: €335,361 thousand). SUSS MicroTec assumes that around two thirds of the order book can be converted into sales in 2024.

(5) Cost of Sales

In the 2023 fiscal year, there were no more reversals of impairment losses on assets for scanner spare parts and laser spare parts. In the previous year 2022, the upward revaluation of the scanner materials occurred since these components could be used at our production site in Taiwan. In addition, we received customer orders for laser spare parts. Accordingly, the cost of sales in the 2022 fiscal year decreased by €947 thousand.

in € thousand	2023	2022
Reversals of impairment losses on inventory reserves	0	–947
Extraordinary effects Scanner/Laser	**0**	**–947**

The cost of sales from continuing operations includes impairment losses on equipment for demonstration purposes of €3,410 thousand (previous year: €3,272 thousand) and on other inventories of €3,519 thousand (previous year: €2,326 thousand). The systems for demonstration purposes are used as development or demonstration machinery and are subject to normal wear and tear, which is accounted for through appropriate value adjustments. The remaining impairments primarily involve materials and supplies. Of the total impairment losses, €5,149 thousand (previous year: €4,629 thousand) was attributable to inventories in the Advanced Backend Solutions division and €1,780 thousand (previous year: €964 thousand) to inventories in the Photomask Solutions division.

(6) Other Operating Income

Other operating income was comprised as follows:

in € thousand	2023	2022
Foreign currency gains	5,951	9,286
Company cars	435	357
Insurance claims	388	90
Other grants/reimbursements/subsidies	211	382
Income from sale of assets	84	0
Income from the reversal of other provisions	0	273
Others	242	325
Other operating income	**7,311**	**10,713**

The foreign currency gains arose primarily from the reporting date valuation of the US dollar-denominated balance sheet accounts held in foreign currencies.

No public research grants were awarded in the past fiscal year (previous year: €223 thousand).

(7) Other Operating Expenses

Other operating expenses were comprised as follows:

in € thousand	2023	2022
Foreign currency losses	5,022	8,690
Other taxes	1,188	1,170
Allowances for value adjustments for doubtful debts and contract assets	285	216
Losses on disposal of assets	0	30
Remaining other operating expenses	32	17
Others	10	375
Other operating expenses	**6,537**	**10,498**

The foreign currency losses arose primarily from the reporting date valuation of the US dollar-denominated balance sheet accounts held in foreign currencies.

(8) Financial Result

The financial result is composed of interest expenses and interest income as well as other financial expenses and other financial income.

Financial income of €955 thousand (previous year: €267 thousand) resulted primarily from interest income for money market investments and securities.

The financial expenses were comprised as follows:

in € thousand	2023	2022
Interest for bank loans	172	288
Interest for lease liabilities	142	149
Commissions on bank guarantees	102	51
Other interest and financial expenses	2	38
Financial expenses	**418**	**526**

The interest in bank loans contain €73 thousand (previous year: €86 thousand) which relate to two loans granted as part of a KfW funding program (loan status on December 31, 2023: €6,563 thousand). Bank interest of around €66 thousand (previous year: €92 thousand) is attributable to the provision of the syndicated loan, which comprises a credit line of €40 million (see note (27) Financial debt to banks).

(9) Income Taxes

The tax expense and its breakdown into current and deferred taxes were as follows:

in € thousand	2023	2022
Current tax expense	10,264	6,437
Deferred tax income (–)/expense	724	1,504
thereof on temporary differences	90	1,792
Total expense	**10,988**	**7,941**

The following table shows a reconciliation of the expected tax expense in the respective fiscal year to the reported tax expense.

Expected tax rate	2023	2022
Corporate income tax rate	15.00%	15.00%
Solidarity surcharge	5.50%	5.50%
Trade income tax rate	12.43%	12.43%
Composite tax rate	**28.25%**	**28.25%**

in € thousand	2023	2022
Earnings before tax	**28,323**	**31,209**
Expected income taxes	**8,001**	**8,817**
Different foreign tax rates	–92	–152
Minimum taxation	0	0
Trade income additions and deductions	–1	–5
Other non-deductible expenses	481	355
Foreign taxes	–95	–106
Deferred taxes on consolidation measures	79	–146
Tax expenses from previous years	435	–116
Non-activation/value adjustment on deferred taxes	2,079	–303
Use of value-adjusted loss carryforwards	–37	–375
Non-taxable income	0	–65
Others	138	37
Effective income taxes	**10,988**	**7,941**

The comparison of the expected and effective income taxes from continuing operations showed a deviation of €2,987 thousand (previous year: €876 thousand). Instead of the expected tax expense of €8,001 thousand, a tax expense of €10,988 thousand resulted at the Group level in the reporting year.

No tax deferral was recorded on non-distributed profits from subsidiaries. It was decided to forgo a calculation of the possible tax effects because the time and effort would have been disproportionate.

The deferred income and prepaid expenses for deferred taxes were computed as follows:

	Assets		Liabilities		Temporary Differences	
in € thousand	**2023**	2022	**2023**	2022	**2023**	2022
Other liabilities	809	1,195	0	77	309	–994
Pension plans and similar commitments	482	833	0	0	351	59
Trade Receivables	0	0	9,922	10,819	–897	2,528
Customer deposits	0	0	30,198	24,909	5,289	3,842
Noncurrent provisions	27	166	3	3	139	–190
Intangible assets	1,382	1,795	347	68	692	–442
Other current assets	0	1	0	0	1	–1
Goodwill	0	0	2,064	2,064	0	0
Adjustment item SMT Photomask Equipment	0	0	0	0	0	–96
Inventories	29,574	24,315	10	10	–5,259	–3,887
Tangible assets	2	0	578	1,116	–540	1,001
Others	59	65	0	1	5	–28
Loss carryforwards	264	1,556	0	0	0	0
Offsetting	–31,915	–28,521	–31,915	–28,521	0	0
Total	**684**	**1,405**	**11,207**	**10,546**	**90**	**1,792**

The Group has tax loss carryforwards of €73,538 thousand (previous year: €60,846 thousand). In the previous year, only the deferred tax asset was recognized for loss carryforwards at SÜSS MicroTec SE. Of this amount, a total of €15,651 thousand will have lapsed by December 31, 2032. In the period from 2033 to 2042, a total of €3,504 thousand will lapse. Loss carryforwards of €54,383 thousand can be used indefinitely.

The total amount of loss carryforwards of €40,288 thousand relate with €36,281 thousand to SUSS MicroTec Inc. and in the amount of €4,007 thousand to SUSS MicroTec Netherlands B.V. Since SUSS MicroTec has not yet assumed that it will be able to use these loss carryforwards in the foreseeable future, no deferred tax assets were recognized. The loss carryforwards also include trade tax loss carryforwards of SÜSS MicroTec SE in the amount of €12,029 thousand.

In the reporting year, deferred tax assets were adjusted in the amount of €912 thousand on trade tax loss agreements, as it cannot be assumed with reasonable certainty that sufficient offsettable trade income will be available in the income tax group of SÜSS MicroTec SE in the near future. Deferred tax assets on current trade tax losses of €308 thousand in the reporting year were also no longer recognized.

These loss carryforwards can still be used for tax purposes subject to the time restrictions in the first paragraph and on the basis of national tax laws.

Transaction costs of €4,400 thousand were incurred in the 2023 fiscal year due to the planned sale of SUSS MicroOptics S.A. As these expenses are not shown under continuing operations, there is no effect on the permanent differences reported under continuing operations, even if some of these expenses are directly related to the transaction and should, therefore, only reduce the selling price under tax law and not be recognized as current expenses.

Tax expenses were allocated to continuing or discontinued operations on the basis of economic cause.

Income tax expenses from discontinued operations amounted to €861 thousand in 2023 (previous year: €44 thousand).

No deferred tax assets were recognized for loss carryforwards of €78,541 thousand (previous year: €50,871 thousand) and temporary differences of €1,849 thousand (previous year: €14,411 thousand).

According to IAS 12.74 et seq, deferred tax assets and liabilities are to be offset if the possibility to do so exists according to civil law and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The tax effect on other comprehensive income recognized directly in equity in 2023 consists of tax income of €173 thousand (previous year: €−197 thousand) and results from the remeasurement of defined benefit pension plans.

As of December 31, 2023, deferred tax assets and liabilities of €32,008 thousand (previous year: €27,777 thousand) were offset.

(10) Earnings per Share

The following table shows the calculation of basic and diluted earnings per share:

	2023		2022	
in € thousand	**Total amount**	Earnings per share in € – basic	**Total amount**	Earnings per share in € – basic
Earnings after taxes (continuing operations) Of which equity holders of SUSS MicroTec	17,335	0.91	23,268	1.22
Earnings after taxes (discontinued operations) Of which equity holders of SUSS MicroTec	–12,638	–0.66	1,256	0.07
Net profit / (loss) Of which equity holders of SUSS MicroTec	4,697	0.25	24,524	1.28
Weighted average number of outstanding shares	19,115,538		19,115,538	

There were no dilution effects in the reporting period presented.

(11) Additional Disclosures on the IFRS Consolidated Statement of Income

Expenditures for Research and Development

The research and development expenditures were € 31,309 thousand in the past fiscal year (previous year: € 28,715 thousand). Previous year's figures have been adjusted (see letter B) Change in presentation).

As in the previous year, no depreciation or amortization of capitalized development costs is included in research and development costs. Research and development costs include public subsidies received in the amount of € 869 thousand (previous year: € 281 thousand).

Personnel Expenses

The consolidated statement of income of the SUSS MicroTec Group includes personnel expenses under the various postings as follows:

in € thousand	**2023**	2022
Wages and salaries	80,725	75,485
Social security expenses and expenses for benefits	9,063	8,409
Pension expenses	5,792	5,411
Personnel expenses	**95,580**	**89,305**

The social security charges and expenses for benefits primarily contain the employer's portions of social security insurance and contributions to the employer's liability insurance.

The expenditures for pension provisions include pension expenses from Company pension plans and employer contributions to the statutory retirement insurance.

Of the total personnel expenses of €95,580 thousand (previous year: €89,305 thousand), €44,369 thousand (previous year: €41,350 thousand) was attributable to the cost of sales, €25,604 thousand (previous year: €21,100 thousand) to research and development costs, €14,595 thousand (previous year: €15,919 thousand) to selling expenses and €11,553 thousand (previous year: €10,935 thousand) to general administrative expenses.

Cost of Materials

The cost of materials in the 2023 fiscal year came to €129,589 thousand (previous year: €149,488 thousand).

Depreciation and Amortization

Depreciation and amortization were composed as follows:

in € thousand	2023 Planned depreciation and amortization total	2022 Planned depreciation and amortization total
Intangible assets	1,521	963
Tangible Assets	5,344	4,950
Depreciation and amortization	**6,865**	**5,913**

During the 2023 fiscal year, concessions and industrial property rights and similar rights as well as licenses to such rights and values as well as other intangible assets were amortized in the amount of €1,521 thousand (previous year: €963 thousand).

Apart from the depreciation of tangible assets of €5,344 thousand (previous year: €4,950 thousand), no extraordinary write-downs were taken in the 2023 fiscal year.

Explanations on the Assets Side

The following explanations to the consolidated statement of financial position relate exclusively to the Group's continuing operations in the reporting year. All figures are in € thousand unless otherwise stated.

(12) Other Intangible Assets

As of the reporting date, patents, licenses, and similar rights of €5,193 thousand (previous year: €5,535 thousand) are disclosed under intangible assets. The Group-wide SAP system is included in this amount. In the 2019 fiscal year, right-of-use assets were capitalized in the amount of €2,920 thousand, which relates to a joint applications center with partner BRIDG in Kissimmee, USA. As part of a cooperation agreement, SUSS MicroTec has sold four machines of the bonder and coater production lines to BRIDG. The four machines – along with other demonstration equipment from SUSS MicroTec – were installed at BRIDG's application center in Kissimmee, Florida. For five years, SUSS MicroTec has the right to use not only its own systems for demonstration purposes but also the machines sold to BRIDG at this applications center for research and development as well as for customer demonstrations. These right-of-use assets were measured at €2,920 thousand and are being amortized over five years from the start of use. Two of the four systems were already successfully accepted in October and December 2021. The last two assets were accepted in April 2022 and November 2022. The carrying amount of the rights of use assets as of December 31, 2023, was €2,259 thousand.

(13) Goodwill

The goodwill of €18,494 thousand (previous year: €18,574 thousand) reported as of the reporting date is attributable in full to the cash-generating unit Advanced Backend Solutions. A part of goodwill (USD 2,366 thousand) is denominated in US dollars and therefore subject to currency fluctuations.

(14) Tangible Assets

The breakdown of tangible assets that is combined in the statement of financial position and their development in the reporting year are shown in the fixed assets movement schedule, which is a component part of these Notes.

Since 2019, right-of-use assets for leased and rented assets have been disclosed under tangible assets; the carrying amount totaled €8,552 thousand as of December 31, 2023 (previous year: €12,137 thousand).

in € thousand	Right-of-use total	Thereof property, buildings and other fixtures	Thereof other equipment, factory and office equipment
As of 01/01/2023	12,137	10,852	1,285
Additions to rights-of-use	4,065	1,108	2,957
Disposals to rights-of-use	–583	–109	–474
Depreciation for the financial year (continuing activities)	–2,183	–1,331	–852
Depreciation for the financial year (discontinued activities)	–581	–581	0
Disposal depreciation for wear and tear	542	68	474
Currency difference	129	130	–1
Reclassification in assets held for sale	–4,974	–4,852	–122
As of 12/31/2023	8,552	5,285	3,267

As of December 31, 2023, real estate with a carrying amount of €8,442 thousand (previous year: €8,616 thousand) was encumbered with a land charge as security for a bank loan (see note (27) Financial liabilities to banks). Following repayment of the loan, this will be carried forward as an owner's land charge.

(15) Other (Non-Current) Assets

Other non-current assets include security deposits paid for rented office buildings.

in € thousand	2023	2022
Deposits	511	417
Other noncurrent assets	**511**	**417**

(16) Inventories

Inventories can be broken down as follows:

in € thousand	2023	2022
Materials and supplies	87,529	71,665
Work in process	57,872	56,029
Finished goods	19,527	22,940
Systems for demonstration purposes	33,174	31,307
Value adjustments	–31,394	–31,404
Inventory reserves	**166,708**	**150,537**

Of the total amount of inventories recognized as of December 31, 2023 for continuing operations of € 166,708 thousand (previous year: € 150,537 thousand), € 52,696 thousand (previous year: € 51,345 thousand) were recognized at their net realizable value.

There was no further reversal of impairment losses for scanner and laser materials in the 2023 fiscal year (previous year: € 947 thousand). Furthermore, in the 2022 fiscal year, an impairment loss of € 887 thousand was recognized on work in progress when measuring the inventories of the discontinued operations of SUSS MicroOptics S.A., Hauterive, Switzerland, and a standardized marketability discount was applied to finished goods. For the 2022 fiscal year, this resulted in an impairment loss of € 325 thousand.

The amount of inventories for continuing operations recognized as an expense in the fiscal year totals € 173,074 thousand (previous year: € 142,633 thousand).

(17) Trade Receivables

Trade receivables break down as follows:

in € thousand	2023	2022
Receivables from third parties	18,274	21,056
Value adjustments	–589	–1,960
Trade receivables	**17,685**	**19,096**

Value adjustments on receivables from contracts with customers were formed on the basis of expected losses as follows in 2023:

in € thousand	Not due	overdue 1–180 days	overdue 181–360 days	overdue 361–720 days	overdue >720 days	Total
Receivables from third parties	11,475	5,075	1,072	508	144	18,274
Value adjustments	–11	–22	–156	–256	–144	–589
Trade receivables	**11,464**	**5,053**	**916**	**252**	**0**	**17,685**

In the previous year, value adjustments on receivables from contracts with customers were presented as follows:

in € thousand	Not due	overdue 1–180 days	overdue 181–360 days	overdue 361–720 days	overdue >720 days	Total
Receivables from third parties	14,177	4,438	2,058	367	16	21,056
Value adjustments	–14	–26	–1,725	–179	–16	–1,960
Trade receivables	**14,163**	**4,412**	**333**	**188**	**0**	**19,096**

Of the receivables not due, a percentage of 0.10% was value-adjusted.

The following table reproduces the changes in the value adjustments on the stock of trade receivables.

in € thousand	**2023**	2022
Value adjustments at the beginning of the fiscal year	**1,960**	**72**
Payment receipts and reversals for receivables that had been written off	–1,858	–11
Additions	487	1,899
Value adjustments at the end of the fiscal year	**589**	**1,960**

The Group has inferred from empirical values that a low default risk exists and that it has not increased significantly since initial recognition.

Additional information on the determination of value adjustments on trade receivables can be found in the Group Management Report.

(18) Contract Assets

in € thousand	2023	2022
Contract assets	35,257	37,899
Value adjustments	–19	–19
Contract assets	**35,238**	**37,880**

The contract assets of € 35,238 thousand (previous year: € 37,880 thousand) involve claims of the Group for consideration for services from machine orders that have been completed but not yet invoiced as of the reporting date. The contract assets are reclassified to receivables when the rights become unconditional. This usually occurs when SUSS MicroTec issues a final invoice to the customer. It is expected that the recognized contractual obligations will be met within the next twelve months. A percentage of 0.05% of the contract assets was written down based on experience.

(19) Other Financial Assets

Other financial assets of € 1,009 thousand (previous year: € 638 thousand) primarily include supplier bonuses and requested subsidies as well as expected reimbursements from insurance companies.

(20) Tax Refund Claims

Current tax assets amounting to € 123 thousand (previous year: € 58 thousand) relate to refund claims from Taiwan. In the previous year, € 31 thousand was attributable to tax prepayments made by the companies in Germany.

(21) Cash and Cash Equivalents

Cash and cash equivalents amounting to € 38,114 thousand (previous year: € 51,364 thousand) relate to cash in hand, cheques and bank balances that are available within three months of the date of deposit. The year-on-year change is presented in the consolidated statement of cash flows.

(22) Other (Current) Assets

The following items are presented under other current assets:

in € thousand	2023	2022
Deferred items	2,080	1,850
Prepayments	4,010	1,975
Value-added tax	3,867	3,779
Bidding securities	146	207
Others	676	696
Other current assets	**10,779**	**8,506**

Prepaid expenses include prepayments for future expenses, e.g. licenses, maintenance contracts and insurance premiums.

Explanations on the Equity & Liabilities Side

The following explanations to the consolidated statement of financial position relate exclusively to the Group's continuing operations in the reporting year. All figures are in € thousand unless otherwise stated.

(23) Shareholders' Equity

Subscribed Capital

The equity capital of SÜSS MicroTec SE remained unchanged at € 19,115,538.00 as of the reporting date (divided into 19,115,538 registered and fully paid-in no-par-value shares each with an imputed face value of € 1.00). We refer here to the presentation of the Consolidated Statement of Changes in Equity.

Each individual share carries one vote. The individual shares are not repayable and cannot be converted. Dividends may only be distributed from the distributable profits as recognized in the financial statements of SÜSS MicroTec SE prepared in accordance with commercial law.

The authorized capital as of the reporting date was € 2,500 thousand (previous year: € 2,500 thousand).

in € thousand	2023	2022
Equity capital	19,116	19,116
Authorized capital	2,500	2,500

Reserves

The Group's reserves were composed as follows:

in € thousand	2023	2022
Additional paid-in capital	55,822	55,822
Earnings reserve	202	202
Retained earnings	101,300	100,426
Reserves	**157,324**	**156,450**

Accumulated Other Comprehensive Income

The development of accumulated other comprehensive income was as follows:

in € thousand	2023	2022
Revaluation of defined benefit plans	–1,744	–2,469
Foreign currency adjustment	3,443	4,583
Cash flow hedges	0	0
Tax effects		
Revaluation of defined benefit plans	465	662
Cash flow hedges	0	0
Status at the beginning of the period	**2,164**	**2,776**
Pre-tax changes		
Revaluation of defined benefit plans	–56	725
Revaluation of defined benefit plans (discontinued activities)	–1,478	
Foreign currency adjustment	–1,437	–1,140
Foreign currency adjustment (discontinued activities)	811	
Cash flow hedges		0
Tax effects		
Revaluation of defined benefit plans	17	–197
Revaluation of defined benefit plans (discontinued activities)	156	
Cash flow hedges	0	0
Status at the end of the period	**177**	**2.164**

Dividend

SÜSS MicroTec SE declared and paid the following dividends in the 2022 and 2023 fiscal years:

in € thousand	2023	2022
€0.20 (previous year: €0.16) per dividend-bearing share	3,823	3,058

The dividends always relate to the previous year. For the 2022 fiscal year, a dividend of €0.20 per dividend-bearing share was resolved in the 2023 fiscal year and therefore paid out in the amount of €3,823 thousand.

The Management Board and Supervisory Board of SÜSS MicroTec SE will propose a total dividend of €3,823 thousand for distribution at the Shareholders' Meeting for the fiscal year 2023. This corresponds to a dividend of €0.20 per dividend-bearing share.

Management of Equity

The SUSS MicroTec Group's equity – comprised of subscribed capital, retained earnings, and accumulated other equity – totaled €176,500 thousand as of December 31, 2023 (previous year: €177,730 thousand); this corresponds to an equity ratio of 47.7% (previous year: 50.3%).

With its management of equity, SUSS MicroTec Group pursues the goal of sustainably strengthening its equity base in order to ensure future growth and increase the value of the Company. However, accounting capital is only used as a passive control criterion, while sales, net income, cash flow-based key figures, ROCE and the equity ratio are used as active control parameters.

In order to maintain or adjust the capital structure, the Group can exploit all the options arising from SÜSS MicroTec SE's listing on the stock exchange.

The dividend policy adopted by SUSS MicroTec provides for shareholders to participate in the Company's success through a reliable and appropriate distribution and, at the same time, for the Company to have sufficient financial resources for its operating business and for strategic investments, including any acquisitions, and to maintain an appropriate equity ratio of at least 40%. Specifically, SUSS MicroTec's dividend policy stipulates that between 20% and 40% of the free cash flow generated by the Group is to be distributed as a dividend and that the remaining profit is to be retained. This principle may be deviated from, in particular due to a negative overall economic development or insufficient existing distributable earnings of SÜSS MicroTec SE.

(24) Pension Plans and Similar Commitments

The Company grants various benefits arrangements primarily covering old age, death, and invalidity. The plans vary depending on the legal, fiscal, and economic conditions in the various countries. As a rule, the benefits are calculated on the basis of the salaries and length of service of the insured employees.

A distinction is made between a defined benefit system and a defined contribution system. In the case of defined benefit commitments, the obligation of the Group consists in fulfilling the promised benefits to former employees, for which corresponding provisions are set up.

In the case of defined contribution plans, the Group does not enter into any further obligation apart from making contributions to special purpose funds. The contribution payments are charged against income; no provisions are set up. Pension obligations were composed as follows:

in € thousand	**2023**	2022
Present value of provisions for pensions	1,584	19,958
Fair value of plan assets	0	–14,926
Calculated pension liability	**1,584**	**5,032**

Defined Benefit Plans

The Group maintains defined benefit pension plans in Germany, Japan, and Switzerland.

The existing pension commitments in Germany comprise claims to old age, invalidity, and surviving dependents' pensions and are linked to annual salary or take the form of fixed commitments. Former members of management are eligible for these benefits. The main actuarial estimates for pension commitments in Germany are shown below:

	2023	2022
Discount rate	3.86%	3.21%
Expected return on plan assets	0.00%	0.00%
Salary increase	0.00%	0.00%
Pension increase	2.00%	2.00%
Life expectancy according to Richttafeln Heubeck 2018 G		

Salary-related increases have not been included since there are no longer any active claimants waiting under the German plans.

Pension commitments of the subsidiary in Switzerland comprise claims to occupational retirement, survivors' and disability pension plans that result from the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). Accordingly, every employer is obligated to conclude a retirement insurance policy for its employees, depending on reaching an age threshold and a minimum annual salary. For this purpose, the employer must establish or join a pension plan entered in the register of occupational pension plans.

SUSS MicroOptics S.A. has concluded pension plan policies for a total of 141 active insured persons (previous year: 168 active insured persons). Two individuals are paid a disability pension. One individual receives a retirement pension (unchanged from the previous year).

The principal actuarial estimates for the benefit plan of SUSS MicroOptics S.A. are shown below:

	2023	2022
Discount rate	1.50%	2.25%
Expected return on plan assets	1.50%	2.25%
Salary increase	1.00%	1.50%
Pension increase	0.00%	0.00%

The pension commitments of the subsidiary in Switzerland were reclassified due to being treated as liabilities associated with assets held for sale.

The subsidiary in Japan has a noncontributory unfunded defined benefit plan, under which certain employees receive a pension payment after leaving the Company. The level of the pension payment is determined by a set computation method providing for a benefit of 80% of the monthly salary per year of employment for each qualifying employee. Every employee qualifies after belonging to the Company for at least three years.

The principal actuarial estimates for pension commitments of the Japanese subsidiary are shown below:

	2023	2022
Discount rate	1.00%	0.80%
Salary increase	0.00%	0.00%
Pension increase	0.00%	0.00%

The present values of defined benefit obligations and the fair values of the plan assets of the Group developed as follows:

in € thousand	2023	2022
Present values as of 01/01	**19,958**	19,962
Service cost	23	1,989
Interest cost	43	92
Pension payments	–226	–452
Actuarial (–) gain / (+) loss due to changes in financial assumptions	–26	–3,988
Actuarial (–) gain / (+) loss due to changes in demographic assumptions	0	–242
Actuarial (–) gain / (+) loss due to experience adjustments	94	1,741
Reclassification SUSS MicroOptics S.A.	–18,249	0
Foreign exchange fluctuations	–33	856
Present values as of 12/31	**1,584**	**19,958**

in € thousand	2023	2022
Plan assets as of 01/01	14,926	14,612
Expected return on plan assets		63
Fund allocations paid		1,345
Actuarial (+) gain / (–) loss		–1,811
Reclassification SUSS MicroOptics S.A.	–14,926	0
Foreign exchange fluctuations		717
Plan assets as of 12/31	**0**	**14,926**

Of the fund allocations made in the amount of € 1,280 thousand (previous year: € 1,345 thousand), € 1,100 thousand (previous year: € 822 thousand) were paid by the employees.

The components of plan assets are reinsurance policies for pension obligations in Switzerland. According to the key figures report of the AXA Foundation LLP Suisse romande, the investment portfolio as of December 31, 2023, was comprised as follows:

Debt securities (e.g. bonds)	29.70%
Equity instruments	33.50%
Real estate	23.90%
Alternative investments	9.80%
Liquidity	3.10%

Of the plan asset classes shown, there are market price quotes in an active market for debt instruments and equity instruments.

With regard to the benefit plan, there are interest rate risks as well as actuarial and biometric risks. As a risk minimization strategy, a professional asset manager undertakes a diversified investment strategy.

In the 2023 fiscal year, payments of €1,048 thousand were made to the employer's pension plan and payments from beneficiary employees of €976 thousand.

Of the present value of the pension obligations, €315 thousand (previous year: €18,560 thousand) applies to pension claims financed by funds.

The pension expenses break down as follows:

in € thousand	**2023**	2022
Service cost	23	1,989
Personnel expenses component	**23**	**1,989**
Interest cost	43	92
Actuarial (+) gains/(–) losses	11	0
Interest cost component	**54**	**92**

For 2023, the Group expects to make payments totaling €215 thousand (previous year: €1,248 thousand) to meet pension obligations.

The weighted average term of the obligations (duration) as of December 31, 2023, is 12.9 years (previous year: 14.3 years).

The following overview shows how the present value of all defined benefit obligations would be affected by changes in the essential actuarial assumptions:

Change in the present value of all defined benefit obligations if	**2023**	2022
interest rate were 50 basis points lower	49	1,475
interest rate were 50 basis points higher	–46	–1,301
salary increase were 50 basis points lower	–21	–339
salary increase were 50 basis points higher	19	342
rate of pension increase were 0.50% lower	–25	–30
rate of pension increase were 0.50% higher	26	574

Defined Contribution Plans

The Group has set up a defined contribution plan for its employees in the USA. All employees of SUSS MicroTec Inc., Corona, USA, from the age of 21 and with a minimum of 1,000 working hours per year benefit from the plan. All contributions are held in a trust fund. Qualifying employees obtain a non-forfeitable claim to benefits over a period of three to five years.

Both 401(k) plans offer employees the possibility of paying a certain portion of their annual remuneration into the 401(k) plan. The maximum possible amount is determined by the limit set by the American financial authorities, which amounted to USD 22,500.00 in 2023. Starting at age 50, employees can pay in an additional USD 7,500.00.

The employer also makes contributions to the 401(k) plans. For each USD 1.00 the employee pays into the 401(k) plan, the employer contributes USD 1.00. The employer participates in the retirement savings plan up to a maximum contribution amount of 4% of the employee's salary.

In the 2023 fiscal year, the expenses to the Group for the 401(k) plan came to USD 268 thousand (previous year: USD 252 thousand). Of this, USD 10 thousand were contributions paid for a member of management.

Furthermore, in the reporting year, employer contributions were paid into the statutory pension plan in the amount of €5,544 thousand (previous year: €5,577 thousand).

(25) (Non-Current) Provisions

Non-current provisions include share-based payment transactions for the Management Board in the form of virtual shares with cash settlement in the following amounts:

in € thousand	12/31/2023	12/31/2022	12/31/2021
Provision for virtual shares (settled in cash)	**1,675**	**776**	**378**
thereof tranche 2021–2023	0	298	378
thereof tranche 2022–2024	592	425	0
thereof tranche 2023–2025	1,083	0	0
thereof sign-on and retention-Bonus	0	52	0

Non-current provisions comprise remuneration components from the 2022–2024 and 2023–2025 tranches of the LTI. In the 2023 fiscal year, the 2021–2023 tranche was recognized in other (non-current) financial liabilities, while the sign-on and retention bonus was recognized in other (current) financial liabilities.

Under the remuneration system introduced in the 2021 fiscal year (remuneration system 2021), the Company will grant the Management Board members in the 2021 and 2022 fiscal years – Dr. Bendele, Mr. Albrecht and Dr. Rohe – variable remuneration for the 2021 fiscal year (2021–2023 tranche) and for the 2022 fiscal year (2022–2024 tranche), respectively, based on the long-term performance of the Company, the calculation of which is directly linked to the Company's share price.

A new remuneration system (Remuneration System 2022) was established for the 2023 fiscal year (2023–2025 tranche). In keeping with the Remuneration System 2021, this new remuneration system grants the Management Board members Dr. Ballwiesser, Mr. Frick and Dr. Rohe variable remuneration based on the long-term development of the Company, the calculation of which is linked to the Company's share price.

Dr. Bendele is not included in the variable remuneration program of the 2023–2025 tranche as he stepped down from the Management Board of SUSS MicroTec with effect from December 31, 2022.

Mr. Albrecht left the Management Board of SUSS MicroTec on April 30, 2023. He will benefit from the variable remuneration program of the 2023–2025 tranche for the duration of his employment. In contrast to the other members of the Management Board, the remuneration due to him is still calculated on the basis of the Remuneration System 2021.

The Remuneration System 2021 and Remuneration System 2022 both calculate rTSR/AZFrTSR in the same way.

The Management Board members concerned receive (pro rata temporis) conditional virtual performance shares (VPS) of the Company. Starting on January 1 of the respective grant year, a three-year performance period follows, at the end of which the VPS are converted into final performance shares (virtual shares), taking into account overall target achievement. Immediately after the end of the (respective) performance period, the respective virtual shares are converted into cash remuneration. After a one-year lock-up period following the performance period, the cash remuneration is paid out following the approval of the consolidated financial statements for the fiscal year following the performance period. The term of the tranches therefore amounts to a total of four years, starting from January 1 of the respective year it is granted, with payments delayed by a few months.

The number of VPS assigned is determined by dividing the target amount specified in the respective service contract by the arithmetic mean of the share prices of SUSS MicroTec before the start of the performance period ASP(A). The vesting period corresponds to the first performance year (grant year). If the appointment to or removal from the Management Board takes place during the year in which the grant is made, the VPS are allocated pro rata temporis.

The performance period of the 2021–2023 tranche expires at the end of the 2023 fiscal year. Financial liabilities were recognized as of December 31, 2023 which will be paid out after the one-year lock-up period to settle the 2021–2023 tranche (see note (26) Other non-current financial liabilities).

(Pro Rata) Allocation of Virtual Performance Shares

Tranche 2022–2024

Dr. Bendele was a member of the Management Board of SUSS MicroTec until October 16, 2022, and receives a pro rata temporis allocation of VPS (approx. 79%) for the 2022 fiscal year. Mr. Albrecht and Dr. Rohe were not appointed to or removed from the Management Board during the year.

The arithmetic mean of the share prices of SUSS MicroTec before the beginning of the performance period on January 1, 2022 (ASP(A)), is determined as the average of the closing prices in XETRA trading of Deutsche Börse AG over the last 60 trading days and amounts to €21.91. The VPS were calculated on the basis of the respective target amount and the (ASP(A)):

	Tranche 2022–2024	
in € thousand	Target amount	VPS (shares)
Dr. Götz Bendele[1]	192	8,782
Oliver Albrecht	103	4,678
Dr. Thomas Rohe	135	6,162
Total	**430**	**19,622**

1 (pro rata) allocation of virtual performance shares – Tranche 2022–2024

Tranche 2023–2025

Dr Ballwiesser joined the Management Board of SUSS MicroTec on July 1, 2023, and will therefore receive a pro rata allocation of VPS (around 50%) for the 2023 fiscal year. Mr. Burkhardt Frick has been a member of the Management Board since September 11, 2023 and will also receive a pro rata allocation of VPS (around 31%) for the 2023 fiscal year. Dr. Rohe was not appointed to or removed from the Management Board during the year. Mr. Albrecht left the Management Board on April 30, 2023, and will therefore receive a pro rata allocation of VPS (around 33%) for the 2023 fiscal year.

The arithmetic mean of the share prices of SUSS MicroTec before the beginning of the performance period on January 1, 2023 (ASP(A)), is determined as the average of the closing prices in XETRA trading of Deutsche Börse AG over the last 60 trading days and amounts to € 13.53. The VPS were calculated on the basis of the respective target amount and the (ASP(A)):

	Tranche 2023–2025	
in € thousand	Target amount	Target value
Dr. Cornelia Ballwiesser[1]	130	9,608
Burkhardt Frick[1]	84	6,237
Dr. Thomas Rohe	260	19,217
Oliver Albrecht	34	2,525
Summe	**508**	**37,587**

1 (pro rata) allocation of virtual performance shares – Tranche 2023–2025

Transfer of the Financial Performance Criteria Target Achievement

The number of final performance shares is based on the number of VPS and is influenced by the extent to which defined performance criteria have been achieved. This is handled differently in different remuneration systems.

For the LTI program of the 2021–2023 and 2022–2024 tranches (Remuneration System 2021), the number of the final virtual performance shares can increase or decrease in connection with the extent to which two financial/non-market performance criteria – return on capital employed (ROCE) and sales growth – are achieved relative to a target, as well as a performance criterion based on the development of the share price – relative total shareholder return (TSR) compared to two peer groups.

- ROCE for the performance period is calculated as the equally weighted average of the actual ROCE values for the individual fiscal years in the performance period. The actual ROCE value for each fiscal year is calculated as the quotient of earnings before interest and taxes (EBIT) as reported in the audited and approved consolidated financial statements of the Company, the average capital employed based on the Quarterly Reports, and the audited and approved consolidated financial statements in the respective fiscal year.
- Sales growth refers to the increase in Group sales within the performance period and is measured as the compound annual growth rate (CAGR).
- The relative total shareholder return (TSR) is determined as the TSR performance of SUSS MicroTec compared to two peers: the Philadelphia Semiconductor Index as an international sector index, and the DAXsector Technology Index as a German index with a technology focus (TSR Outperformance).

In addition to the above-mentioned performance criteria, the Remuneration System 2022 also includes the non-financial performance criterion of sustainability targets (ESG criteria).

- The Supervisory Board sets the targets for the sustainability criterion for Management Board remuneration on the basis of SUSS MicroTec’s sustainability strategy. The extent to which these targets have been achieved is assessed on the basis of a three-year period.
- ESG ratings from ISS, Sustainalytics, and EcoVadis or equivalent rating agencies play a particularly important role when evaluating the Company’s sustainability performance.

The Supervisory Board has set target values (including threshold and cap values) for the financial performance criteria of ROCE and sales growth. The target value set by the Supervisory Board is based on the return on capital employed expected on the basis of the business strategy or on strategically planned sales growth.

Due to the planned sale of the subsidiary SUSS MicroOptics S.A. on December 31, 2023 (closing: January 15, 2024, see Notes (39) Subsequent Events), adjustments were made to the target values (including threshold and cap values) for the LTI of the 2022–2024 and 2023–2025 tranches of the sales growth and ROCE performance criteria.

The target value for the ROCE performance criterion is 19.00% for the 2021–2023 tranche, 22.00% for the 2022–2024 tranche (19.00% before adjustment) and 23.00% for the 2023–2025 tranche (22.00% before adjustment). The target value for the sales growth performance criterion is 9.60% for the 2021–2023 tranche. The Supervisory Board adjusted the target value from 11.01% to 9.90% for the 2022–2024 tranche and from 10.17% to 10.09% for the 2023–2025 tranche.

The Supervisory Board determines whether both financial performance criteria have been met after approving the consolidated financial statements for the final year of the respective performance period. Target achievement for both financial performance criteria is determined by comparing the respective actual value achieved during the performance period with the defined target value.

The consolidated actual figures of SUSS MicroTec are taken into account for fiscal years which ended prior to December 31, 2023. The fact that the remuneration of the Management Board itself changes the basis of calculation for the remuneration of the Management Board has been taken into account for the 2023 fiscal year. Iterative calculations are used to determine the actual figures for EBIT, net income for the fiscal year, and ROCE, all of which are factored in for remuneration purposes.

For the two non-market performance targets ROCE and sales growth, an expected (actual) target achievement was derived as part of the evaluation based on the Group's own strategic planning over the performance period and the provisional actual values. Accordingly, the expected (actual) target achievement for the 2022–2024 tranche is based on the two actual years of the performance period that have already expired and the remaining plan year of the performance period; the expected (actual) target achievement for the 2023–2025 tranche is based on one actual year of the performance period that has already expired and the remaining two plan years of the performance period.

The calculation for the 2021–2023 tranche is based on actual figures and includes the key financial figures of the subsidiary SUSS MicroOptics S.A., which is classified as a discontinued operation and presented separately. Retrospective adjustments were made to the 2022–2024 and 2023–2025 tranches due to the sale of the subsidiary SUSS MicroOptics S.A. on December 31, 2023. SUSS MicroTec adjusted its

- actual and
- planned
- sales figures for the sales of SUSS MicroOptic S.A., in addition to the relevant thresholds.

The target for the corresponding component of the LTI and the extent to which this target was achieved were recalculated on this adjusted basis. The calculation for the 2021–2023 tranche is based on unadjusted actual figures.

For the non-financial performance criterion of sustainability targets, the Supervisory Board defines sustainability targets for three fiscal years at its own discretion. These targets are derived from SUSS MicroTec's sustainability strategy.

- The Supervisory Board defines a threshold and a cap value for quantitative ESG targets, in addition to the target value. Target achievement is determined by comparing the actual value achieved in the performance period with the target value.
- Target achievement for qualitative ESG targets is assessed appropriately by the Supervisory Board after the end of the performance period at its own discretion. In doing so, the Supervisory Board can set target achievement at five levels. The corresponding payout factor can range from 0.00% (target missed) to 200.00% (target significantly exceeded).

Tranche 2022-2024

For the performance criteria ROCE and sales growth, the expected (actual) target achievement is 15.89% and 14.60%, respectively.

Target achievement is converted into a payout factor of between 0.00% and 200.00% for each of the two performance criteria using a bonus curve, taking into consideration the target, threshold and cap values. The payout factor for the ROCE and for the sales growth currently expected for the performance period is 0.00% and 200.00%, respectively.

	Tranche 2022–2024		
	Threshold value	Target value	Cap value
ROCE			
Target achievement	19.00%	22.00%	25.00%
Payout factor	50.00%	100.00%	200.00%
Sales growth			
Target achievement	6.93%	9.90%	12.87%
Payout factor	50.00%	100.00%	200.00%

Tranche 2023-2025

The interim targets for the performance criteria ROCE and sales growth are 19.46% and 20.31%, respectively. The interim target for the sustainability targets performance criterion has been 100.00% achieved. The extent to which each target has been achieved can only be definitively determined once the performance period has come to an end.

Target achievement is converted into a payout factor of between 0.00% and 200.00% for the three performance criteria using a bonus curve, taking into consideration the target, threshold, and cap values. The payout factor for the ROCE and for the sales growth currently expected for the performance period is 0.00% and 200.00%, respectively. It is 100.00% for the sustainability targets.

	Tranche 2023–2025		
	Threshold value	Target value	Cap value
ROCE			
Target achievement	20.00%	23.00%	26.00%
Payout factor	50.00%	100.00%	200.00%
Sales growth			
Target achievement	7.06%	10.09%	13.12%
Payout factor	50.00%	100.00%	200.00%
Sustainability targets			
Target achievement	Not achieved	Fully achieved	More than fully achieved
Payout factor	0.00%	100.00%	200.00%

The calculation of target achievement for the relative TSR is based on SUSS MicroTec's TSR outperformance compared to the two benchmark indices. The TSR outperformance corresponds to the difference between the TSR performance of SUSS MicroTec shares and the TSR performance of the respective index in percentage points.

Target attainment is calculated using a bonus curve that transforms TSR outperformance into a payout factor:

- An identical TSR performance from SUSS MicroTec and the respective benchmark index then results in a TSR outperformance of 0% and corresponds to a target achievement (payout factor) of 100%.
- With a TSR outperformance (or TSR underperformance) of −30% points, the payout factor is 30%. The −30% TSR outperformance (or TSR underperformance) of −30% also represents a threshold; below that, the payout factor is 0%.
- With a TSR outperformance of +30% points, the payout factor is 200%. The +30% TSR outperformance represents a cap/ceiling value; above that, the payout factor is also 200%.
- If the TSR outperformance is between −30% and 0% or between 0% and +30%, the payout factor is interpolated between the benchmarks.

The TSR outperformance for the 2022–2024 tranche and for the 2023–2025 tranche was determined using Monte Carlo simulations (number: 100,000). The simulation takes changes in the SUSS MicroTec share price and changes in the indexes into account. The changes are based on logarithmic growth processes with normal distribution, taking into account a correlation between the share and the respective index. Here, the trend (drift) is also taken into account in the amount of the risk-free interest rate.

The duration of the simulation for the 2022–2024 tranche is one year in total. It begins on the reporting date (December 31, 2023) and ends at the expiry of the performance period (December 31, 2024).

The duration of the simulation for the 2023–2025 tranche is two years in total. It begins on the reporting date (December 31, 2023) and ends at the expiry of the performance period (December 31, 2025).

Due to the non-linear relationship between TSR outperformance and payout factor, a payout factor must be determined for each simulation step. The average of all simulations then provides an expected value for the payoff factor.

Tranche 2022-2024

The following input parameters were included in the individual simulation steps in order to derive the respective payout factors:

	Tranche 2022–2024		
	SUSS MicroTec shares	DAXsector Tecnology Index	Philadelphia Semiconductor Index
Closing price as of Dec. 31, 2023 (reporting date) in €	27.70	2,120.38	5,243.42
Closing price as of Dec. 31, 2023 including dividend (reporting date) in €	28.20	2,120.38	5,243.42
Closing price on Jan 1, 2022 in €	20.81	2,186.00	4,730.58
Volatility (basis: daily rate of return of the last three years [TSR])	52.83%	30.99%	28.21%
Correlation (basis: daily rate of return of the last three years [TSR])		35.50%	33.74%
Risk-free spot rate (Bundesbank, Svensson; two years, discrete)	3.36%	3.36%	3.36%

The closing price of the SUSS MicroTec share as of December 31, 2023, of €27.70 was adjusted to reflect the reinvestment of the dividends of €0.20 paid since the start of the performance period on January 1, 2022, up to the measurement date on June 5, 2023.

The payout factors determined based on the TSR outperformance versus the respective benchmark index are taken into account on an equally weighted basis when determining the final payout factor for the relative TSR. The expected final payout factor at the end of the performance period on December 31, 2024, is 129.00%.

Tranche 2023–2025

The following input parameters were included in the individual simulation steps in order to derive the respective payout factors:

	Tranche 2023–2025		
	SUSS MicroTec share	DAXsector Tecnology Index	Philadelphia Semiconductor Index
Closing price as of Dec. 31, 2023 (reporting date) in €	27.70	2,120.38	5,243.42
Closing price as of Dec. 31, 2023 including dividend (reporting date) in €	27.93	2,120.38	5,243.42
Closing price on Jan 1, 2023 in €	15.18	1,726.35	3,314.89
Volatility (basis: daily rate of return of the last three years [TSR])	49.69%	35.78%	36.71%
Correlation (basis: daily rate of return of the last three years [TSR])		55.26%	45.40%
Risk-free spot rate (Bundesbank, Svensson; two years, discrete)	2.89%	2.89%	2.85%

The closing price of the SUSS MicroTec share as of December 31, 2023, of €27.70 was adjusted to reflect the reinvestment of the dividends of €0.20 paid since the start of the performance period on January 1, 2022, up to the measurement date on June 5, 2023.

The payout factors determined based on the TSR outperformance versus the respective benchmark index are taken into account on an equally weighted basis when determining the final payout factor for the relative TSR. The expected final payout factor at the end of the performance period on December 31, 2025, is 123.00%.

Summary of the Input Parameters

Tranche 2022–2024

To determine the expected overall target achievement for the 2022–2024 tranche at the end of the performance period, the calculated expected payout factors of ROCE, sales growth, and relative TSR are each multiplied by 1/3 and added together.

	Tranche 2022–2024			
	ROCE	Sales growth	Relative TSR	Overall target achievement
Payout factor	0%	200%	129%	
Weighting	33%	33%	33%	
Weighted payout factor	**0%**	**67%**	**43%**	**110%**

Tranche 2023-2025

To determine the expected overall target achievement for the 2023–2025 tranche at the end of the performance period, the calculated expected payout factors of ROCE, sales growth, the sustainability target, and relative TSR are each multiplied by 1/4 and added together.

Tranche 2023–2025					
	ROCE	Sales growth	Sustainability target	Relative TSR	Overall target achievement
Payout factor	0%	200%	100%	123%	
Weighting	25%	25%	25%	25%	
Weighted payout factor	**0%**	**50%**	**25%**	**31%**	**106%**

For Mr. Albrecht, the expected overall target achievement level for the 2023–2025 tranche at the end of the performance period is calculated in accordance with Remuneration System 2021, i.e., the expected payout factors of ROCE, sales growth and the relative TSR calculated are each multiplied by 1/3 and added together.

Tranche 2023–2025				
	ROCE	Sales growth	Relative TSR	Overall target achievement
Payout factor	0%	200%	123%	
Weighting	33%	33%	33%	
Weighted payout factor	**0%**	**67%**	**41%**	**108%**

Expected overall target achievement of LTI

The number of final performance shares will be determined after the end of the three-year performance period. For this purpose, the number of VPS conditionally granted at the beginning for the performance period is multiplied by the overall target achievement. Next, the resulting number of final performance shares is multiplied by SUSS MicroTec's average share price at the end of the performance period (ASP(E)) to determine the payout amount.

The ASP(E) corresponds to the arithmetic mean of the closing prices in XETRA trading of Deutsche Börse AG over the last 60 trading days before the end of the respective performance period. In the course of the valuations, the ASP(E) for both tranches was determined on the basis of the closing price as of December 31, 2023 of €27.70, which was used in the simulation model to determine the TSR outperformance. With regard to possible distributions, it was assumed that dividends would be paid out and that the present value of the dividends would correspond to 1% of the share price at the measurement date.

As a result, the expected ASP(E) for the 2022–2024 tranche amounts to €27.42 as of December 31, 2024. For the 2023–2025 tranche, the expected ASP(E) as of December 31, 2025, is €27.15.

The amount thereby designated for payment is not paid out until after a one-year lock-up period and the approval of the consolidated financial statements for the fiscal year following the performance period. As a result, the total inflow does not occur until four years after allocation at the earliest. The payout amount is capped at 300% of the respective target amount.

Based on the above simulation model, the share price (on average) “drifts” with the base interest rate from the measurement date onward. In this respect, the amount of the provision can be determined in a simplified manner, ignoring the corresponding compounding factors (drift of the share price, determination of ASP(E)) and discounting factors (discounting the amount paid out).

Tranche 2022-2024

The following table contains a summary of the material results as of the December 31, 2023, reporting date:

	Tranche 2022–2024				
in € thousand	VPS (shares)	Overall target achievement	Final performance shares	ASP(E) in €	Payout = provision
Dr. Götz Bendele	8,781	110%	9,660	27.42	265
Oliver Albrecht	4,678	110%	5,146	27.42	141
Dr. Thomas Rohe	6,162	110%	6,778	27.42	186
Total	**19,621**		**21,584**		**592**

Tranche 2023-2025

The following table contains a summary of the material results as of the December 31, 2023, reporting date:

	Tranche 2023–2025				
in € thousand	VPS (shares)	Overall target achievement	Final performance shares	ASP(E) in €	Payout = provision
Dr. Cornelia Ballwiesser	9,608	106%	10,185	27.15	276
Burkhardt Frick	6,237	106%	6,611	27.15	179
Dr. Thomas Rohe	19,217	106%	20,370	27.15	553
Oliver Albrecht	2,525	108%	2,727	27.15	74
Total	**37,587**		**39,893**		**1,082**

(26) Other (Non-Current) Financial Liabilities

The following items are presented under other non-current financial liabilities:

in € thousand	2023	2022
Tranche 2021–2023	309	0
Dismantling obligation	23	0
Other (non-current) financial liabilities	**332**	**0**

The performance period of the 2021–2023 tranche comes to an end at the end of the 2023 fiscal year. The amounts for the LTI program are finalized and recognized as financial liabilities. The input parameters required to calculate the amounts to be paid out to the participating Management Board members are based on the principles already set out under Non-current provisions (see Note (25) Non-current provisions).

Non-current liabilities include share-based remuneration components for the members of the Management Board in the form of virtual shares with a cash settlement for the 2021–2023 tranche totaling € 309 thousand as at the measurement date.

The amounts due under the LTI program are paid out after the one-year lock-up period. Tranche 2021–2023 is currently scheduled to be paid out in April 2025.

Dr. Bendele and Dr. Rohe were appointed to the Management Board effective May 1, 2021, and will receive a pro rata allocation of VPS (eight twelfths). Mr. Albrecht was not appointed to the Management Board during the year.

The arithmetic mean of the share prices of SUSS MicroTec before the beginning of the performance period on January 1, 2021 (ASP(A)), is determined as the average of the closing prices in XETRA trading of Deutsche Börse AG over the last 60 trading days and amounts to € 17.28. The VPS were calculated on the basis of the respective target amount and the (ASP(A)):

	Tranche 2021–2023	
in € thousand	Target value	VPS (shares)
Dr. Götz Bendele	162	9,375
Oliver Albrecht	103	5,932
Dr. Thomas Rohe	90	5,208
Total	**355**	**20,515**

Transfer of the financial performance criteria target achievement

For the performance criteria ROCE and sales growth, the expected (actual) target achievement is 13.89% and 9.08%, respectively.

Target achievement is converted into a payout factor of between 0% and 200% for each of the two performance criteria using a bonus curve, taking into consideration the target, threshold and cap values. The payout factor for the ROCE and for the sales growth currently expected for the performance period is 0% and 91.00%, respectively.

	Tranche 2021–2023		
	Threshold value	Target value	Cap value
ROCE			
Target achievement	14.00%	19.00%	24.00%
Payout factor	50.00%	100.00%	200.00%
Sales growth			
Target achievement	6.72%	9.60%	12.48%
Payout factor	50.00%	100.00%	200.00%

The following input parameters were used to calculate the relative TSR and determine the payout factors:

	Tranche 2021–2023		
	SUSS MicroTec share	DAXsector Tecnology Index	Philadelphia Semi-conductor Index
Closing price in €, as of Dec. 31. 2023 (reporting date)	25.90	2,020.43	4,895.31
Closing price in €, as of Dec. 31. 2023 (incl. dividend)	26.36	2,020.43	4,895.31
Closing price in €, as of Jan. 1, 2021	18.68	1,584.46	3,270.57

TSR outperformance is determined on the basis of actual figures. The figures is expressed as a percentage and is arrived at by comparing the average closing price (arithmetic mean) of the last 30 trading days immediately prior to the start of the performance period with the average closing price of the last 30 trading days of the performance period.

The SUSS MicroTec share had an average closing price of €25.90 over the last 30 days of the performance period as of December 31, 2023. This was adjusted to reflect the reinvestment of the dividends of €0.16 (paid on June 3, 2022) and €0.20 (paid on June 5, 2023) which had been paid between the start of the performance period for the 2021–2023 tranche on January 1, 2021, and the measurement date.

The payout factors determined based on the TSR outperformance versus the respective benchmark index are taken into account on an equally weighted basis when determining the final payout factor for the relative TSR. The final payout factor at the end of the performance period on December 31, 2023 is 113.00%.

Summary of the Input Parameters

To determine the expected overall target achievement for the 2021–2023 tranche at the end of the performance period, the calculated expected payout factors of ROCE, sales growth and relative TSR are each multiplied by 1/3 and added together.

	Tranche 2021–2023			
	ROCE	Sales growth	Relative TSR	Overall target achievement
Payout factor	0%	91%	113%	
Weighting	33%	33%	33%	
Weighted payout factor	**0%**	**30%**	**38%**	**68%**

The ASP(E) for the 2021–2023 tranche amounts to €23.10 as of December 31, 2023.

The following table contains a summary of the results as of the December 31, 2023, reporting date:

			Tranche 2021–2023		
in € thousand	VPS (shares)	Overall target achievement	Final performance shares	ASP(E) in €	Payout = provision
Dr. Götz Bendele	9,375	68%	6,375	23.10	147
Oliver Albrecht	5,932	68%	4,034	23.10	93
Dr. Thomas Rohe	5,208	68%	3,542	23.10	82
Total	**20,515**		**13,951**		**322**

The LTI amounts of the 2021–2023 tranche will be paid out after the approval of the consolidated financial statements for the fiscal year following the performance period. This is expected to occur in May 2025. The LTI amounts are recognized at fair value as of the measurement date and discounted using the one-year base interest rate of 3.36%. The following non-current liabilities have been recognized on this basis:

		Tranche 2021–2023	
in € thousand	Payout amount	One-year base interest rate	Liabilities as of 12/31/2023
Dr. Götz Bendele	147	3.36%	141
Oliver Albrecht	93	3.36%	89
Dr. Thomas Rohe	82	3.36%	78
Total	**322**		**309**

(27) Financial Debt

Financial Debt to Banks

The maturity structure of bank borrowings as of December 31, 2023, and the previous year's reporting date was as follows:

December 31, 2023

in € thousand	Remaining term up to one year	Remaining term of more than one up to five years	Remaining term of more than five years	Total
Loans payable to banks	1,237	5,000	313	6,550
Current bank liabilities	12	0	0	12
Total	**1,249**	**5,000**	**313**	**6,562**

December 31, 2022

in € thousand	Remaining term up to one year	Remaining term of more than one up to five years	Remaining term of more than five years	Total
Loans payable to banks	1,222	5,000	1,563	7,785
Current bank liabilities	4	0	0	4
Total	**1,226**	**5,000**	**1,563**	**7,789**

Bank borrowings were comprised as follows:

in € thousand	2023	2022
KfW Promotional loan	6,563	7,813
Accrued borrowing costs	–13	–28
Loans payable to banks	**6,550**	**7,785**

In 2019, two KfW Development Bank promotional loans were taken out for an amount of €5,000 thousand each at IKB. These two loans were paid out in April 2019 and August 2019. They feature a term of 10 years and a fixed interest rate of 1.00% and had a payment-free grace period until June 30, 2021. Both loans are secured by land charges on the Company property in Garching.

In October 2019, SÜSS MicroTec SE concluded a syndicated loan agreement for a total volume of €56 million. The syndicated loan agreement features a term of 5 years and grants SÜSS MicroTec SE a credit line of €40 million as well as a guarantee line of €16 million. SÜSS MicroTec SE exercised a contractual option twice to extend the syndicated loan. Accordingly, the agreement ends in October 2026.

The interest rates for utilization of the credit line are variable and are comprised of EURIBOR and a margin whose amount depends on the net debt ratio of the SUSS MicroTec Group and the utilization rate of the credit line. Commitment interest amounting to 35% of the margin is calculated for the portion of the credit line that was not utilized.

The syndicated loan agreement reserves a special termination right for the lending banks if the equity ratio of the SUSS MicroTec Group falls below 40.0%. Additional covenants were not stipulated.

As of December 31, 2023, the credit line under the syndicated loan agreement has not been used (previous year: €0 thousand). In exchange, €13 thousand in borrowing costs was recognized.

In December 2022, the optional debt allowance of €5 million specified in the syndicated loan agreement was used. An additional contract for a guarantee line was concluded for this amount.

The guarantee line was utilized in the amount of €15,825 thousand (previous year: €14,832 thousand).

The total credit and guarantee lines and their utilization have developed as follows:

in € thousand	2023	2022
Credit and guarantee line	61,000	61,000
Utilization in the form of guarantees	15,825	14,832
Available credit and guarantee lines	**45,175**	**46,168**

Additional guarantee lines totaling €15 million will be available starting in January 2024.

Financial Debt from Lease Obligations

With the application of IFRS 16, liabilities are recognized for concluded rent and lease agreements in the amount of the present value of the lease obligations.

The maturity structure of liabilities from lease obligations as of December 31, 2023 was as follows:

December 31, 2023

in € thousand	Remaining term up to one year	Remaining term of more than one up to five years	Remaining term of more than five years	Total
Liabilities from rent and lease agreements	2,349	5,826	441	8,616
Total	**2,349**	**5,826**	**441**	**8,616**

The development of lease liabilities is as follows:

in € thousand	2023
As of 1/1/2023	12,215
Additions 2023	4,065
Repayment continuing activities	–2,194
Repayment discontinued activities	–773
Currency difference	127
Reclassification to liabilities in connection with assets held for sale	–4,824
Financial debt from lease obligations as of 12/31/2023	**8,616**
thereof non-current	6,267
thereof current	2,349

(28) (Current) Provisions

Current provisions were comprised as follows:

in € thousand	2023	2022
Warranty provisions	2,284	3,743
Provisions for severance payments	6	710
Provisions for follow-up costs	670	658
Other provisions	4,387	840
Current provisions	**7,347**	**5,951**

The warranty provisions were set up in the amount of their probable utilization for statutory and contractually agreed guarantees and warranty claims of customers arising from deliveries of machines.

The provisions for follow-up costs were formed for any subsequent deliveries or retrofitting of missing components that are necessary in the course of installing the machine at the customer's site.

The other provisions largely comprise transaction costs of €3,581 thousand related to the sale of SUSS MicroOptics S.A.

Current provisions developed as follows:

in € thousand	As of 01/01/2023	Utilization	Reversal	Additions	Reclassifications to “Liabilities in connection with assets held for sale”	As of 12/31/2023
Warranty provisions	3,743	–2,838	–104	2,018	–535	2,284
Provisions for severance payments	710	–710	0	6		6
Provisions for follow-up costs	658	–244	0	256		670
Other provisions	840	–400	0	4,225	–278	4,387
Current provisions	**5,951**	**–4,192**	**–104**	**6,505**	**–813**	**7,347**

(29) Other (Current) Financial Liabilities

Other current financial liabilities break down as follows:

in € thousand	2023	2022
Premiums and commissions	4,828	5,619
External services	2,122	3,641
Subsidies	0	607
Outstanding wage and church tax	847	818
Suppliers with debit balances	1,178	641
Supervisory Board remuneration	156	467
Others	289	196
Other (current) financial liabilities	**9,420**	**11,989**

All liabilities will lead to outflows within one year.

The premiums and commission include share-based compensation components from the retention bonus of Dr. Bendele.

Dr. Bendele was granted a sign-on and retention bonus in the form of 10,500 performance shares in SUSS MicroTec upon commencement of his service in addition to the total direct compensation specified in his employment agreement as part of an accompanying letter dated March 9, 2021.

The allocation is made in three annual installments of 3,500 shares, subject to the continued existence of the employment agreement. At the end of each fiscal year, one tranche is vested and is paid out in the following year. To determine the amount of the payout, the allocated performance shares are valued at ASP(E) of the respective past fiscal year. The ASP(E) corresponds to the arithmetic mean of the closing prices of SUSS MicroTec in XETRA trading of Deutsche Börse AG over the last 60 trading days. Payment is made together with the salary statement for the STI remuneration.

Dr. Bendele was a member of the Management Board of SUSS MicroTec until October 16, 2022. In the termination agreement between SUSS MicroTec and Dr. Bendele, the vesting of the 3,500 performance shares of the second annual tranche that have not yet been paid out was agreed. The payment of the second annual tranche of 3,500 performance shares will be made as of ASP(E) of the 2023 fiscal year with the regular payroll for the calendar month following the approval of the Company's consolidated financial statements for the 2023 fiscal year by the Supervisory Board (i.e., presumably in April 2024).

The ASP(E) of the 2023 fiscal year is €23.10. Accordingly, an other (current) financial liability of €81 thousand (3,500 x €23.10) is to be recognized for the future salary payment.

(30) Contract Liabilities

The contract liabilities of €87,038 thousand (previous year: €77,939 thousand) involve customer down payments received for the production of tools and deferred sales due to delayed customer installations (postponements). Upon delivery or acceptance and associated sales recognition, the contract liabilities are offset against the contract assets or receivables that arise.

(31) Other (Current) Liabilities

Other current liabilities break down as follows:

in € thousand	**2023**	2022
Accrued personnel expenses	3,601	4,394
Liabilities for payments in kind	2,381	2,769
Value-added tax	103	243
Others	1,326	1,411
Other current liabilities	**7,411**	**8,817**

The accrued personnel expenses primarily contain obligations for vacation arrears and credit accounts under the flexible hours scheme.

(32) Tax Liabilities

The tax liabilities were made up of domestic income taxes of €11,502 thousand (previous year: €6,613 thousand) and foreign income taxes of €323 thousand (previous year: €411 thousand).

Other disclosures

(33) Additional Information on Financial Instruments

Under IAS 32, financial instruments generally comprise all economic occurrences performed on a contractual basis that include a claim for cash. They include original financial instruments such as trade receivables and payables as well as financial receivables and liabilities. The estimated market values of the financial instruments do not necessarily represent the values that the Company would realize in an actual transaction under present market conditions. The following section provides a comprehensive overview of the significance of financial instruments for the Company and supplies additional information on statement of financial position items containing financial instruments. Further information on the risk management of financial instruments can be found in the Management Report in the "Opportunities and Risk Report of the SUSS MicroTec Group" section.

The following table shows the book values of all categories of financial assets and liabilities:

in € thousand	2023	2022
Financial assets		
Cash and Cash Equivalents	38,114	51,364
Receivables and Financial Assets	53,932	57,614
Securities	9,895	9,943
	101,941	**118,921**
Financial liabilities		
Financial liabilities	52,040	59,084
	52,040	**59,084**

The following table shows the book values of all categories of financial assets and liabilities:

in € thousand	2023 Book value	2023 Fair value	Measurement category according to IFRS 9	Hierarchy level fair value measurement
Financial assets				
Cash and cash equivalent	38,114	38,114	at amortized cost	–
Trade receivables	17,685	17,685	at amortized cost	–
Contract assets	35,238	35,238	at amortized cost	
Other financial assets	1,009	1,009	at amortized cost	–
Securities	9,895	9,895	at amortized cost	–
Financial liabilities				
Trade payables	27,110	27,110	at amortized cost	–
Financial Debt	15,178	16,361		
Bank borrowings	6,562	7,745	at amortized cost	Fair value level 3
Lease liabilities	8,616	8,616	at amortized cost	–
Other financial Liabilities	9,752	9,752	at amortized cost	–

in € thousand	2022 Book value	2022 Fair value	Measurement category according to IFRS 9	Hierarchy level fair value measurement
Financial assets				
Cash and cash equivalents	51,364	51,364	at amortized cost	–
Trade receivables	19,096	19,096	at amortized cost	–
Contract assets	37,880	37,880	at amortized cost	
Other financial assets	638	638	at amortized cost	–
Securities	9,943	9,943	at amortized cost	–
Financial liabilities				
Trade Payables	27,091	27,091	at amortized cost	–
Financial Debt	20,004	21,018		
Bank borrowings	7,789	8,803	at amortized cost	Fair value level 3
Lease liabilities	12,215	12,215	at amortized cost	–
Other Financial Liabilities	11,989	11,989	at amortized cost	–

The securities recognized under financial assets are entirely attributable to short-term bonds totaling €9,895 thousand (previous year: €9,943 thousand).

For the trade receivables, the contract assets, and the other financial assets, the book values represent the individual amount of maximum credit risk to which the Group is exposed on the reporting date.

The following methods and assumptions apply in determining the market values:

Cash and Cash Equivalents

The credit risk related to cash and cash equivalents measured at amortized cost is insignificant due to their short-term nature, the credit ratings of the business partners involved and the credit limits which are applied. As a result, SÜSS does not recognize any impairment losses for financial assets.

Trade Receivables/Payables

On account of the short-term nature of the receivables and payables, the book values correspond approximately to the market values of the instruments.

Other Financial Assets/Liabilities

Because of the short-term nature of the assets and liabilities, the book values of the other financial assets and liabilities, which are measured at amortized cost, correspond roughly to their market value.

Securities

Securities were measured at amortized cost due to the business model, as these are held solely for the purpose of collecting related contractual payments in accordance with IFRS 9 category 1. The carrying amounts of securities measured at amortized cost approximate fair value due to their short-term nature.

Bank borrowings

The market value of the financial liabilities with regard to bank borrowings was calculated by discounting the expected outflow of funds (non-observable inputs) at usual market interest rates for debt instruments with comparable conditions and residual terms.

The net gains and losses on financial instruments have developed as follows:

in € thousand	**2023**	2022
Financial assets measured at amortized cost	1,226	1,716
Financial liabilities measured at amortized cost	–152	–152

Net gains or losses from loans and receivables contain changes in the value adjustments, foreign currency effects, gains and losses from retirements and receipts of payments for loans and receivables that had been written off.

Financial Instruments

Purchasing and sales obligations in foreign currencies arise due to cross-border supply relationships between SUSS MicroTec companies and external customers or suppliers who are not based in the eurozone. This applies above all to customers or suppliers in countries using the US dollar and the Japanese yen that obtain products from SUSS MicroTec companies in the eurozone or sell to them. Potential risks arise from the fluctuation of the currency exchange rates and in the creditworthiness of the contractual partners, which are exclusively German financial institutions with a first-rate credit standing.

As in the previous year, there were no open foreign currency forwards as of December 31, 2023. The sensitivity to exchange rates is determined by aggregating the foreign currency items of the operating activities and the Group treasury. Foreign currency risks are thus calculated on the basis of a simulation of a 10% devaluation of all foreign currencies versus the euro. This simulated devaluation would have led to a reduction in the euro-equivalent value of € 1,634 thousand as of the reporting date (previous year: € 1,841 thousand) and a corresponding decrease in annual income.

The following tables show the composition of the foreign currency exposure of the SUSS MicroTec Group, including continuing operations, and the effects on annual earnings of a ten percent appreciation or depreciation of the euro as of the reporting date and that of the previous year:

	2023			
in € thousand	USD	JPY	CHF[1]	Total
Cash and Cash Equivalents	15,097	320	399	15,417
Trade receivables	3,275	207	236	3,482
Trade Payables	–1,007	70	–614	–937
Net exposure	**17,365**	**597**	**21**	**17,962**
Effect on net income in the event of a 10% appreciation of the euro	–1,579	–54	–2	–1,634
Effect on net income in the event of a 10% depreciation of the euro	1,929	66	2	1,997

	2022			
in € thousand	USD	JPY	CHF[1]	Total
Cash and Cash Equivalents	17,916	367	676	18,959
Trade receivables	2,921	0	22	2,943
Trade Payables	–1,280	308	–670	–1,642
Net exposure	**19,557**	**675**	**28**	**20,260**
Effect on net income in the event of a 10% appreciation of the euro	–1,778	–61	–3	–1,841
Effect on net income in the event of a 10% depreciation of the euro	2,173	75	3	2,250

1 Discontinued activities

(34) Leases

The Group leases all premises where the foreign SUSS MicroTec companies are located as well as the premises of SUSS MicroTec REMAN GmbH (Oberschleissheim, Germany). The leased premises are used as offices, warehouses, and production areas. Each of the lease contracts is concluded according to local law and they do not display any uniform structure. Some have agreements for lease increases or lease extension options, for example.

Particularly at sites where major installations have been performed (e.g., cleanrooms for production or applications), lease extension options that the Group can exercise are sought when the lease contracts are finalized. The lease agreements of SUSS MicroTec Korea and SUSS MicroTec KK were extended ahead of schedule during the fiscal year.

In December 2023, lease agreements were concluded with SUSS MicroTec (Taiwan) Company Ltd. for additional office and commercial space until the end of December 2026.

The Group also leases IT hardware, in addition to company vehicles in several countries in which it is represented by branches. The term of the lease usually runs for three or four years.

(35) Related Parties

IAS 24 requires the disclosure of persons that control or are controlled by SÜSS MicroTec SE unless already included in the consolidated financial statements.

Control exists if a shareholder has more than half of the voting shares of SÜSS MicroTec SE or has the possibility, on the strength of the articles of incorporation or contractual agreement, to control the financial and business policies of SÜSS MicroTec SE.

Furthermore, the obligation of disclosure set out in IAS 24 also covers transactions with joint ventures and transactions with persons that exercise a substantial influence on the financial and business policies of SÜSS MicroTec SE, including close family members or intermediate entities. A substantial influence on the financial and business policy of the Group may rest on a shareholding in SÜSS MicroTec SE of 20% or more, a seat on the Management Board or Supervisory Board of SÜSS MicroTec SE or another key management position.

There were no transactions with related parties that fall under the definitions of IAS 24.9 in the 2023 fiscal year, with the exception of the disclosures on the remuneration of the corporate bodies. Details on the remuneration of the corporate bodies can be found in the Remuneration Report.

(36) Financial Obligations and Contingent Liabilities

Other financial obligations and contingent liabilities were composed as follows:

in € thousand	2023	2022
Commitments	67,030	84,777
Total	**67,030**	**84,777**

Purchase contingencies commit the Group to purchase services or materials from third parties.

(37) Explanations on the Consolidated Statement of Cash Flows

In the consolidated statement of cash flows of the SUSS MicroTec Group, a distinction is made in accordance with IAS 7 ("Statement of Cash Flows") between payment flows from operating activities and from investing and financing activities.

The item cash and cash equivalents in the statement of cash flows comprises all of the liquid funds shown in the statement of financial position, i.e., cash in hand, checks and deposits with banks, provided they are available within three months without significant fluctuations in value.

The cash flows from investing and financing activities are computed on the basis of payments. On the other hand, the cash flow from operating activities is derived indirectly from the net result for the year.

Under the indirect computation, effects due to currency translation are eliminated from the relevant changes in statement of financial position items. The changes in the relevant statement of financial position items can, therefore, not be reconciled with the corresponding figures on the basis of the consolidated statement of financial position.

The other non-cash transactions from continuing operations amounting to € 1,697 thousand in the past fiscal year resulted exclusively from currency effects.

The cash flow from financing activities related to continuing operations amounted to € −7,244 thousand. At € −1,250 thousand, it included the repayment of two loans taken out under a KFW subsidy program. Repayments of rent and lease obligations in accordance with IFRS 16 amounted to € −2,194 thousand. Furthermore, a dividend payment of € −3,823 thousand was made in the fiscal year, following the decision to pay a dividend of € 0.20 per dividend-bearing share for the 2022 fiscal year.

Fair value changes or exchange rate effects were not recognized in cash flow from financing activities either in 2023 or in the previous year.

(38) Segment Reporting

Information about the Segments

The activities of the SUSS MicroTec Group are delineated by product line and region in the course of segment reporting in accordance with the rules of IFRS 8 ("Operating Segments"). This analysis is aligned with internal controlling and reporting to the Management Board and takes the different risk and earnings structures of the divisions into consideration.

Until December 31, 2022, the SUSS MicroTec Group was managed through the Lithography, Bonder, Photomask Equipment and MicroOptics business units, which also represented the operating divisions. Changes were made to the composition of divisions as a result of alterations to the internal organizational and reporting structure from the 2023 fiscal year onwards. The Lithography and Bonder divisions were merged into the newly formed Advanced Backend Solutions division in the 2023 fiscal year.

In accordance with IFRS 8, companies are entitled to aggregate identified operating divisions at their discretion, provided the divisions have similar economic characteristics and meet the homogeneity criteria specified in IFRS 8.13. Divisions can be assumed to have similar economic characteristics if they are expected to develop in a similar manner in future or have similar profit margins over a long-term timeframe. Similarity can also be assumed if equivalent criteria are met, such as the expected long-term sales margins for each division or similarity between growth rates over the long term.

The activities of the SUSS MicroTec Group have therefore been divided between the Advanced Backend Solutions, Photomask Solutions, and MicroOptics operating divisions in the reporting year and 2022. The Central Group Functions division combines further activities of the Group and the non-allocable costs of the Central Group Functions.

The Advanced Backend Solutions division of SUSS MicroTec develops, produces and distributes solutions in the mask aligners and UV projection scanners (Imaging Systems), temporary and permanent bonders (Bonding Systems), and coaters and developers (Coating Systems) product lines. The majority of the Company's development work is based in Germany at the locations in Garching and Sternenfels. While all mask aligners are manufactured in Garching, the production of bonders, coaters, and developers is distributed between the production sites in Sternenfels and Hsinchu (Taiwan). UV projection scanners are manufactured in Hsinchu.

Substantial parts of the distribution organizations for the Advanced Backend Solutions division are active in North America and Asia, with small units active in Europe. The Advanced Backend Solutions division comprises around 70% of the entire business of the Group and is represented in the advanced packaging, MEMS, and compound semiconductor markets.

The Photomask Solutions division comprises the development, manufacture, and sale of the HMx, ASx, MaskTrack, and MaskTrack Pro product lines. The development and production of specialized systems for the cleaning and processing of photomasks for the semiconductor industry are conducted at the Sternenfels site.

The production and sales of microlenses and highly specialized optics for a variety of industrial applications are housed in the MicroOptics division (discontinued operation). These activities are bundled in SUSS MicroOptics S.A. in Hauterive, Switzerland.

The Central Group Functions division includes all other activities and the costs of the central Group functions, most of which cannot be allocated at division level. The division recorded negative EBIT of € −7.9 million in 2023 (previous year: € −2.5 million). The result was negatively impacted by expenses of € 4.4 million in connection with the sale of the MicroOptics division.

In the 2023 fiscal year, costs in the form of management, marketing, and insurance allocations amounting to € 9.9 million (previous year: € 7.2 million) were charged on to the operating divisions.

Other Comments on Segment Reporting

Division data was collated using the accounting and measurement methods applied in the consolidated financial statements. Due to the division of the Group by product line across companies, there are no material inter-division transactions. One exception is the reallocation of costs by SÜSS MicroTec SE, recorded in the Central Group Functions division, to the other divisions for the performance of certain Group functions such as financing and strategic matters. These charges also contained the expenses incurred by the holding company in connection with the introduction and operation of the SAP system.

In compliance with the requirements of IFRS 8 "Operating Segments," the segment reporting contains disclosure of the pre-tax result per segment. This enables the sum of the segment results to be reconciled with the overall consolidated result before tax. However, in the view of the Management Board, segment earnings before interest and taxes (EBIT) is the most relevant information to evaluate results compared to other companies in the industry.

During the 2023 fiscal year, there were no sales recorded with any customer which accounted for 10.0% of the Group's total sales.

Inter-division sales in the past fiscal year amounted to € 2.0 million (previous year: € 2.0 million). The main relationships exist between the Advanced Backend Solutions division and the discontinued MicroOptics division. Systems from the Advanced Backend Solutions division are sold to the MicroOptics division for use as production systems. In addition, the MicroOptics division supplies microlenses to the Advanced Backend Solutions division, which are installed in systems there. The other allocations are of a smaller size overall and primarily relate to the sale of spare parts and the allocation of assembly hours, in particular between the Advanced Backend Solutions and Photomask Solutions divisions.

As in the previous year, interdivision cost allocations were made in the 2023 fiscal year and are reported separately. The main portion of € 14.8 million (previous year: € 11.5 million) was accounted for by the allocations of the central services of SÜSS MicroTec SE, which are shown separately as a "thereof" note.

The intercompany loans issued, which serve to finance the investments of the MicroOptics division (discontinued operation), amounted to € 16.9 million (previous year: € 6.7 million) in the 2023 fiscal year after debt consolidation in the Central Group Functions division under Division receivables and in the discontinued MicroOptics division under Division liabilities.

Among the principal non-cash expenses and income are value adjustments on trade receivables, write-downs on inventory reserves, and the addition and reversal of provisions and other liabilities.

Division assets represent the necessary operational assets of the individual divisions. These comprise the intangible assets (including goodwill), tangible assets, inventory reserves, and trade receivables.

The division liabilities include the operating debts and provisions of the individual divisions.

The investments relate to additions of both tangible and intangible assets.

For the geographic segment reporting, sales are segmented according to the location of the customers. In the past fiscal year, SUSS MicroTec generated sales of €41,413 thousand (previous year: €35,065 thousand) in Germany which included the discontinued operation.

The assets and investments were calculated on the basis of the location of the Group company concerned. The non-current assets of the Group are primarily comprised of intangible assets, goodwill, and tangible assets. Of the non-current assets, €42,361 thousand (previous year: €40,925 thousand) were attributable to companies in Germany; €34,519 thousand (previous year: €32,394 thousand) were attributable to foreign companies. In the past fiscal year, the SUSS MicroTec Group undertook investments of €3,399 thousand (previous year: €3,262 thousand) in Germany.

Sales and the EBIT indicator are reconciled to EBT as reported in the statement of income below:

Reconciliation – sales

in € thousand	2023	2022
Sales according to segment reporting	327,205	299,137
– Sales MicroOptics	–24,709	–41,035
+ Sales of MicroOptics with Group companies	1,766	1,866
Sales from continuing activities according to the income statement	**304,262**	**259,968**

Reconciliation of EBIT to earnings from continuing operations (before taxes)

in € thousand	2023	2022
EBIT according to segment reporting	16,066	32,807
+ Financial income	955	267
– Financial expenses	–475	–565
EBT Group	16,546	32,506
– EBT MicroOptics division	–8,520	703
– Intercompany transfers	3,257	–597
EBT from continuing activities (before taxes) according to the income statement	**28,323**	**31,209**

(39) Subsequent Events

Shortly after the reporting date, on January 15, 2024, we signed an agreement to sell the subsidiary SUSS MicroOptics S.A. and the business unit of the same name to Focuslight (HK) Investment Management Co. Ltd., a subsidiary of Focuslight Technologies Inc. listed in Shanghai (China). We received a purchase price of €58.1 million for the acquisition of all shares in SUSS MicroOptics S.A. In addition, the internal financing of €16.9 million was redeemed. The completion of the transaction therefore resulted in a total cash inflow of €75.0 million. Since expenses of €4.4 million were already recognized related to the transaction in the 2023 fiscal year, we expect extraordinary income of approximately €58 million in the 2024 fiscal year, subject to subsequent purchase price adjustments.

(40) Management Board and Supervisory Board

Management Board of SÜSS MicroTec SE

The Members of the Management Board of SÜSS MicroTec SE in the 2023 fiscal year were:

Burkhardt Frick
> Ismaning
Chief Executive Officer since September 11, 2023

Responsible for the areas:
Spokesperson for the Management Board (business objectives, targets; concerns of the Supervisory Board; representing the Company in the media), corporate strategy, steering business units/product lines and subsidiaries, sales and corporate marketing, services business and after sales support, human resources

Further appointments:
None

Dr. Bernd Schulte
> Dr. rer. nat. (Physics), Aachen
Chief Executive Officer until September 10, 2023

Responsible for the areas:
Group strategy, steering business units/product lines and subsidiaries, sales and corporate marketing research and development (including patenting), services business and after sales support, human resources

Further appointments:
None

Oliver Albrecht
> Diplom-Kaufmann (Business Administration), Ravensburg
Chief Financial Officer until April 30, 2023

Responsible for the areas:
Finance and accounting, controlling, IT, legal and compliance, tax and insurance, facility management, and investor relations

Further appointments:
None

Dr. Cornelia Ballwiesser
> Dr. rer. pol, Munich
Chief Financial Officer since July 1, 2023

Responsible for the areas:
Financial accounting and taxes, financial controlling (including participations and subsidiaries, investments, sales and purchasing controlling), corporate finance, IT and digitalization of corporate processes, compliance including risk management, auditing, data protection, legal and insurance, investor relations, ESG

Further appointments:
None

Dr. Thomas Rohe
> Dr. Ing., Poing
Chief Operations Officer

Responsible for the areas:
Production, supply chain management (purchasing, logistics), environmental protection, occupational safety, research and development including patenting, quality management, facility management

Further appointments:
None

The remaining members of the Management Board – Dr. Schulte and Dr. Rohe – took over Mr. Albrecht's responsibilities between May 1, 2023 and June 30, 2023. Dr. Rohe was also responsible for IT, the digitalization of corporate processes, and facility management; Dr. Schulte took over the remaining responsibilities of Mr. Albrecht.

Supervisory Board of SÜSS MicroTec SE

The Members of the Supervisory Board in the 2023 fiscal year were:

Dr. David Dean
Feldafing, Germany, Chair of the Supervisory Board

Further appointments:
Supervisory Board or Advisory Board in the following companies:
- Axiata Group Berhad, Kuala Lumpur, Malaysia
- PT XL Axiata Tbk, Jakarta, Indonesia
- Ncell Axiata Limited, Kathmandu, Nepal

Dr. Myriam Jahn
Düsseldorf, Cologne, Germany; Deputy Chair of the Supervisory Board, CEO of Possehl Digital GmbH, Lübeck, Germany

Further appointments:
Supervisory Board or Advisory Board in the following companies:
- AUMA Riester GmbH & Co KG, Müllheim
- PVA TePla AG, Wettenberg

Jan Smits
Heeze, the Netherlands, management consultant

Further appointments:
None

Dr. Bernd Schulte ***(since September 11, 2023)***
- Dr. rer.nat. (Physics)

Aachen

Further appointments:
None

Prof. Dr. Mirja Steinkamp
Hamburg, Professor of Auditing and Corporate Management at HAW (Hamburg University of Applied Sciences), auditor, tax consultant

Further appointments:
Supervisory Board member in the following companies:

- Basler AG, Ahrensburg
- Hochtief AG, Essen
- BarthHass GmbH & Co. KG, Nuremberg

Remuneration of the Management Board and Supervisory Board

The members of the Management Board received total remuneration of €2,976 thousand (previous year: €2,825 thousand). This is broken down as follows:

in € thousand	2023	2022[1]
Short-term benefits	1,503	1,344
Post-employment benefits	131	
Benefits due on termination of the employment		771
Share-based payment	1,164	
Total	**2,976**	**2,825**

1 Financial year 2022 includes the 2021–2023 tranche and the 2022–2024 tranche

The remuneration of the members of the Supervisory Board, including meeting attendance fees and expense allowances, amounted to €452 thousand (previous year: €467 thousand).

Individualized information about the remuneration of the Management Board and the Supervisory Board is presented in the Remuneration Report, which is part of the condensed Management Report.

Shares and option holdings (without virtual performance shares) held by officers as of year-end:

	2023		2022	
	Shares	Options	Shares	Options
Prof. Dr. Mirja Steinkamp	0	0	0	0
Oliver Albrecht (until 04/30/2023)	–	–	1,350	0
Dr. David Dean	3,250	0	3,250	0
Dr. Myriam Jahn	1,300	0	1,700	0
Dr. Bernd Schulte	11,000	0	11,000	0
Jan Smits	1,550	0	1,000	0
Burkhardt Frick (since 09/11/2023)	3,106	0	–	–
Dr. Cornelia Ballwiesser (since 07/01/2023)	0	0	–	–
Dr. Thomas Rohe	1,850	0	1,850	0

(41) Employees

In the 2023 fiscal year, the SUSS MicroTec Group employed an average of 1,282 employees (previous year: 1,205 employees). Of these, an average of 153 employees were employed in the discontinued MicroOptics division (previous year: 156 employees).

As of December 31, 2023, employees were divided among the following functions as follows:

	2023	2022
Administration	115	115
Marketing and Sales	343	372
Production and Technology	887	765
Total	**1,345**	**1,252**

Of the employees at the end of the 2023 fiscal year, 1,207 were attributable to continuing operations (previous year: 1,091 employees) and 138 to discontinued operations (previous year: 161 employees).

(42) Auditor's Fees

In the 2023 fiscal year, SUSS MicroTec paid a total of € 477 thousand (previous year: € 326 thousand) in fees for the auditor of the consolidated financial statements, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in accordance with Section 314 (1) (9) HGB. Of this amount, € 457 thousand relates to audit services, € 8 thousand to other assurance services and € 12 thousand to other services. Of the auditor's fee for the financial statements, € 179 thousand were for the 2022 fiscal year. The fees for auditing services include, among other things, the voluntary HGB annual audits of SUSS MicroTec Solutions GmbH & Co. KG. The fees for other assurance services were incurred for the audit of the non-financial statement.

Network partners of the Group auditor accounted for further audit fees of € 101 thousand in the 2023 fiscal year (prior year: € 102 thousand).

(43) Corporate Governance

In December 2023, the Management Board and Supervisory Board of SÜSS MicroTec SE declared that, in accordance with Section 161(1) of the German Stock Corporation Act (Aktiengesetz, AktG), SÜSS MicroTec SE has complied with all of the recommendations of the German Corporate Governance Code in the version of April 28, 2022 (published in the official section of the Federal Gazette on June 27, 2022) since the issuance of the last declaration of compliance in December 2022, and will continue to do so in the future.

The declarations of compliance have been made permanently available online at **https://www.suss.com/en/investor-relations/declaration-of-compliance**

(44) Approval of the Financial Statements

The Management Board of SÜSS MicroTec SE approved the IFRS consolidated financial statements for forwarding to the Supervisory Board on March 18, 2024.

Garching, March 18, 2024

The Management Board

Signed
Burkhardt Frick
Chief Executive Officer (CEO)

Signed
Dr. Cornelia Ballwiesser
Chief Financial Officer (CFO)

Signed
Dr. Thomas Rohe
Chief Operating Officer (COO)

Responsibility Statement by The Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position the net assets, financial position and results of operations of the Group and that the Group management report, which is combined with the management report of SÜSS MicroTec SE, includes a fair review of the development and performance of the business and the position of the Group. The business results and the situation of the Group are presented in such a way that a true and fair view of the the Group's position and suitably presents the opportunities and risks opportunities and risks of the expected development of the development of the Group are described.

Garching, March 18, 2024

SÜSS MicroTec SE

The Management Board

Signed	Signed	Signed
Burkhardt Frick	**Dr. Cornelia Ballwiesser**	**Dr. Thomas Rohe**
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Operating Officer (COO)

Audit Certificate of the Independent Auditor

to SÜSS MicroTec SE, Garching, Germany

Certificate Regarding the Audit of the Consolidated Financial Statements and the Condensed Management Report

Audit Opinion

We have audited the consolidated financial statements of SÜSS MicroTec SE and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from January 1, 2023, to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the condensed Management Report of SÜSS MicroTec SE for the fiscal year from January 1, 2023, to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the disclosures contained in the sections "Risk management," "Description and essential characteristics of the compliance management system (CMS)," and "Description and essential characteristics of the internal control system (ICS)," as well as the corporate governance statement contained in the section "Group statement on corporate governance in accordance with Section 289f and Section 315d of the German Commercial Code (HGB)" and the non-financial statement contained in the section "Non-financial Group statement in accordance with Section 315b HGB" of the condensed Management Report.

In our opinion, based on the insights gained in the audit:

- The attached consolidated financial statements comply with IFRS, as applicable in the EU, in all material respects as well as the supplementary regulations under German law according to Section 315e (1) of the German Commercial Code (HGB). In addition, they convey an accurate view of the net assets and financial position of the Group as of December 31, 2023, and its results of operations for the fiscal year from January 1, 2023, to December 31, 2023, in accordance with these principles and
- Furthermore, the attached condensed Management Report conveys an overall accurate picture of the condition of the Group. In all material respects, this condensed Management Report is consistent with the consolidated financial statements, complies with German legal regulations, and presents the opportunities and risks of future development accurately. Our audit opinion on the condensed Management Report does not cover the content of the disclosures contained in the sections "Risk management," "Description and essential characteristics of the compliance management system (CMS)," and "Description and essential characteristics of the internal control system (ICS)," as well as the corporate governance statement contained in the section "Group statement on corporate governance in accordance with Section 289f and Section 315d of the German Commercial Code (HGB)" and the non-financial statement contained in the section "Non-financial Group statement in accordance with Section 315b HGB."

According to Section 322 (3)(1) of the HGB, we declare that our audit has not led to any objections regarding the accuracy of the consolidated financial statements and the condensed Management Report.

Basis for the Audit Opinion

We have conducted our audit of the consolidated financial statements and the condensed Management Report in accordance with Section 317 of the HGB and the EU Auditor Regulation (No. 537/2014; referred to below as "EU-APrVO"), taking into account the generally accepted German accounting principles promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility according to these regulations and principles is further described in the "Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and Condensed

Management Report" section of our audit certificate. We are independent of the Group companies in accordance with European legal and German commercial and professional legal regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, we declare in accordance with Article 10 (2)f of the EU-APrVO that we have not performed any prohibited non-auditing services in accordance with Article 5 (1) of the EU-APrVO. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the condensed Management Report.

Particularly Important Issues in the Audit of the Consolidated Financial Statements

Particularly important audit issues are those matters that were the most significant in our dutiful judgment in our audit of the consolidated financial statements for the fiscal year from January 1, 2023, to December 31, 2023. These issues were taken into account in connection with our audit of the consolidated financial statements as a whole and in the formation of our audit opinion on them; we do not issue any separate audit opinion on these issues.

In our opinion, the following matters were most significant in our audit:

- Impairment of goodwill
- Recognition and presentation of discontinued operations

We have structured our presentation of these key audit matters as follows:

- Situation and problems
- Audit approach and insights
- Reference to further information

In the following, we present the audit matters of particular importance:

Impairment of Goodwill

1. In the consolidated financial statements of SÜSS MicroTec SE, goodwill in the amount of € 18.5 million is reported under the balance sheet item "Goodwill" representing approximately 5% of total assets. The Company allocates goodwill to the relevant groups of cash-generating units. Goodwill is tested for impairment by the Company annually on the reporting date or as required. The use values are compared with the carrying amounts of the corresponding group of cash-generating units. These valuations are regularly based on the present value of future cash flows of the cash-generating unit to which the respective goodwill is allocated. The valuations are based on the budgets of the individual cash-generating units, which are based on the financial plans approved by management. Discounting is performed using the weighted average cost of capital of the respective cash-generating unit. The result of this valuation is highly dependent on the estimation of future cash inflows by the legal representatives of the Company and the discount rate used and is therefore subject to considerable uncertainty, which is why this matter is of particular importance in the context of our audit.

2. To address this risk, we critically assessed management's assumptions and estimates, including the following audit procedures:

- We traced the methodological approach used to perform the impairment tests and assessed the determination of the weighted average cost of capital.
- We have satisfied ourselves that the future cash inflows underlying the valuations and the discount rates used provide an appropriate overall basis for the impairment tests of the individual cash-generating units.

- Our assessment was based on factors including a comparison with general and industry-specific market expectations as well as extensive explanations by management on the key value drivers of the plans and a comparison of this information with the current budgets from the planning approved by the Supervisory Board.
- With the knowledge that even relatively small changes in the discount rate can have a material impact on the amount of the value in use determined in this manner, we considered the parameters used in determining the discount rate applied, including the weighted average cost of capital, and followed the Company's calculation scheme.
- We have determined that the respective goodwill and the carrying amounts of the relevant groups of cash-generating units overall are covered by the discounted future cash flows as of the reporting date.

3. The Company's disclosures on goodwill are included in note 13 to the financial statements.

Recognition and Presentation of Discontinued Operations

1. The statement of income in the consolidated financial statements of SÜSS MicroTec SE includes € −12.6 million attributable to subsidiary SUSS MicroOptics S.A. under the item "Result from discontinued operations after taxes." The figures for the balance sheet items "Assets held for sale" and "Liabilities associated with assets held for sale" were € 33.9 million and € 13.0 million, respectively. The management of SÜSS MicroTec SE made the decision to sell SUSS MicroOptics S.A. during the fiscal year and signed an agreement to sell the entirety of the shares in SUSS MicroOptics S.A. The transaction was finalized in January 2024. During the 2023 fiscal year, management had an obligation to determine whether a sale was highly probable on the basis of the divestment plan and if the subsidiary should be presented as a discontinued operation. From our perspective, this situation had a particularly significant impact in terms of the consolidated financial statements, providing an understandable overview of the net assets, financial position, and results of operations.

2. To address this risk, we critically assessed management's assumptions, including the following audit procedures:

- We gained an understanding of the agreement to sell the subsidiary and its material terms and conditions.
- We assessed the management's decision to classify SUSS MicroOptics S.A. as a discontinued operation.
- We reperformed the process involved in presenting discontinued operations in the consolidated financial statements.

Based on our audit procedures, we were able to understand the assumptions made by management regarding the recognition and presentation of discontinued operations and satisfy ourselves as to their appropriateness.

3. The Company's disclosures on discontinued operations are included in note 3 to the financial statements.

Other Information

The legal representatives are responsible for other information. Other information includes:

- The information contained in the condensed Management Report in the sections "Risk Management," "Description and Essential Characteristics of the Compliance Management System (CMS)," and "Description and Essential Characteristics of the Internal Control System (ICS)"

- The Group declaration on corporate governance included in the condensed management report 2023
- Disclosures on the non-financial Group declaration and declaration of compliance of the condensed management report 2023
- The Report of the Supervisory Board
- The remaining parts of the Annual Report, with the exception of the audited consolidated financial statements, the condensed Management Report, and our audit certificate
- Alternative key performance indicators of the SUSS Group

Our audit opinion on the consolidated financial statements and the condensed Management Report does not extend to other information. Accordingly, we are not issuing either an audit opinion or any other form of audit conclusion regarding it.

In connection with our audit, we have the responsibility to read other information and to evaluate whether the other information:

- Indicates material discrepancies from the consolidated financial statements, the condensed Management Report, or the insights we gained during the audit or
- Otherwise appears to contain material misrepresentations

If we conclude, based on the work we have carried out, that a material misrepresentation of this other information exists, we are obligated to report these facts. In this regard, we have nothing to report.

Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Condensed Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with IFRS, as applicable in the EU, as well as the supplementary regulations under German law according to Section 315e (1) of the German Commercial Code (HGB) in all material respects. In addition, they convey an accurate view of the net assets, financial position, and results of operations of the Group in accordance with these principles. Furthermore, the legal representatives are responsible for internal controls that they determine are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent accounting manipulations and misstatements of assets) or error.

During the preparation of the consolidated financial statements, the legal representatives are responsible for assessing the ability of the Group to continue its corporate activities. Furthermore, they bear responsibility for indicating any issues in connection with the continuation of corporate activities, provided that they are relevant. In addition, they are responsible for accounting on the basis of the going concern principle unless there is the intention to liquidate the Group or to discontinue business, or there is no realistic alternative.

The legal representatives are also responsible for the preparation of the condensed Management Report, which provides an overall accurate picture of the condition of the Group and is consistent with the consolidated financial statements in all material respects, complies with German legal regulations, and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for precautions and measures (systems) that they have deemed to be necessary in order to prepare a condensed Management Report in accordance with the applicable German legal provisions and in order to provide sufficient appropriate evidence for the statements in the condensed Management Report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the condensed Management Report.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Condensed Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misrepresentations, whether due to fraud or error, and whether the condensed Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the condensed Management Report.

Reasonable assurance is a high degree of assurance but no guarantee that an audit performed in accordance with Section 317 of the HGB and the EU-APrVO, taking into account the generally accepted German accounting principles promulgated by the Institute of Public Auditors in Germany (IDW), uncovers every material misrepresentation. Misrepresentations may result from fraud or errors and are deemed as material if it can reasonably be expected that they individually or collectively influence the economic decisions of the addressees made on the basis of these consolidated financial statements and condensed Management Report.

During the audit, we exercise professional judgment and maintain an attitude of professional skepticism. In addition, we do the following:

- Identify and assess the risks of material misrepresentations, whether due to fraud or error, in the consolidated financial statements and the condensed Management Report, plan and carry out audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion. The risk that material misrepresentations resulting from fraudulent activities will not be uncovered is higher than the risk that material misrepresentations resulting from errors will not be uncovered, as fraudulent activities may involve collusion, forgery, intentional omissions, misleading representations, or the bypassing of internal controls.
- Gain an understanding of the relevant internal control system for the audit of the consolidated financial statements and the relevant precautions and measures taken for the audit of the condensed Management Report in order to plan audit procedures that are appropriate under the given circumstances but not for the purpose of issuing an audit opinion on the effectiveness of these systems.
- Assess the appropriateness of the accounting methods applied by the legal representatives as well as the validity of the estimates presented by the legal representatives and the related information.
- Draw conclusions regarding the appropriateness of the going concern accounting principle applied by the legal representatives as well as, on the basis of the audit evidence obtained, whether a material uncertainty exists in connection with events or circumstances that could cast meaningful doubt on the Group's ability to remain a going concern. If we conclude that a material uncertainty exists, we are obligated to call attention to the related information in the consolidated financial statements and the condensed Management Report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained by the date of our audit certificate. However, future events or circumstances may prevent the Group from continuing its corporate activities.

- Assess the presentation, the structure, and the contents of the consolidated financial statements as a whole, including both information and whether the consolidated financial statements present the underlying business transactions and events in such a way that the consolidated financial statements convey a picture of the Group's net assets, financial position and results of operations, taking into account IFRS, as applicable in the EU, and supplementary regulations under German law according to Section 315e (1) of the HGB.
- Obtain sufficient appropriate audit evidence for the accounting information of the companies or the business activities within the Group in order to issue audit opinions on the consolidated financial statements and the condensed Management Report. We are responsible for directing, monitoring, and executing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.
- Assess the consistency of the condensed Management Report with the consolidated financial statements, its legal compliance, and the picture it conveys of the Group's condition.
- Carry out audit procedures on the forward-looking statements presented by the legal representatives in the condensed Management Report. Based on sufficient appropriate audit evidence, we reproduce in particular the significant assumptions underlying the forward-looking statements of the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent audit opinion on the forward-looking statements and the underlying assumptions. A substantial unavoidable risk exists that future events may deviate significantly from the forward-looking statements.

We discuss with those responsible for oversight the planned scope and scheduling of the audit as well as significant audit findings, including potential flaws in the internal control system that we identify during our audit, among other issues.

We issue a declaration to those responsible for oversight that we have complied with the relevant independence requirements and discuss with them all relationships and other issues that can reasonably be assumed to affect our independence and, where relevant, the actions taken or safeguards implemented to address the threats to our independence.

Of the issues that we have discussed with those responsible for oversight, we determine those issues that were most meaningful in the audit of the consolidated financial statements for the current reporting period and therefore constitute particularly important audit issues. We describe these issues in the audit certificate unless laws or other legal provisions preclude public disclosure of the issue.

Other Legal and Statutory Requirements

Certificate Regarding the Audit of the Electronic Consolidated Financial Statements and the Condensed Management Report Created for Disclosure Purposes in Accordance With Section 317 (3a) HGB

Audit Opinion

In accordance with Section 317 (3a) HGB, we have carried out an audit with sufficient assurance regarding whether the consolidated financial statements and the condensed Management Report (hereinafter also referred to as "ESEF documents") in the file named 529900C3KRUTSYDK7N87-2023-12-31-de (3).zip, which were prepared for disclosure purposes, fulfill the requirements of

Section 328 (1) HGB for the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit extends only to the transfer of the information contained in the consolidated financial statements and the condensed Management Report to the ESEF format. It therefore does not extend to the information contained in this representation or to other information contained in the aforementioned file.

In our opinion, the representation of the consolidated financial statements and the condensed Management Report contained in the aforementioned attached file and prepared for disclosure purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We express no opinion on the information contained in this representation, nor on any other information contained in the aforementioned file, beyond this audit opinion and those regarding the attached consolidated financial statements and the condensed Management Report for the fiscal year from January 1, 2023, to December 31, 2023, which are contained in the "Certificate Regarding the Audit of the Consolidated Financial Statements and the Condensed Management Report" above.

Basis for the Audit Opinion

We conducted our audit of the representations of the consolidated financial statements and the condensed Management Report that are contained in the aforementioned attached file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: This concerns the audit of electronic representations of financial statements and management reports that are prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility according to these regulations is further described in the section "Responsibility of the Auditor for the Audit of the ESEF Documents." Our auditing firm applied the IDW's quality assurance standard: Requirements for quality assurance in auditing practice (IDW QMS 1).

Responsibility of the Legal Representatives and the Supervisory Board for the ESEF documents

The legal representatives of the Company are responsible for creating the ESEF documents, including the electronic reproduction of the consolidated financial statements and the condensed Management Report in accordance with Section 328 (1)(4)(1) HGB, and for the tagging of the consolidated financial statements in accordance with Section 328 (1)(4)(2) HGB.

In addition, the legal representatives are responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparation of the ESEF documents as part of the financial reporting process.

Responsibility of the Auditor for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgment and maintain an attitude of professional skepticism. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, plan and carry out audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to auditing the ESEF documents in order to plan audit procedures that are appropriate to the circumstances but not for the purpose of issuing an audit opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents; that is, whether the attached file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited condensed Management Report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as in force on the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Other Disclosures According to Article 10 EU-APrVO

We were chosen as auditors of the consolidated financial statements by the Shareholders' Meeting on May 31, 2023. We were commissioned by the Supervisory Board on November 25, 2023. We have continuously served as auditor for SÜSS MicroTec SE since the 2022 fiscal year.

We declare that the audit opinion contained in this audit certificate is consistent with the supplemental report to the Audit Committee according to Article 11 of the EU-APrVO (audit report).

We provided the following services, which were not specified in the consolidated financial statements or the condensed Management Report of the audited Company, in addition to the audit of the annual financial statement for the audited Company or the companies controlled by it:

- Audit of the remuneration report of SÜSS MicroTec SE

Other Matters – Use of the Audit Certificate

Our audit certificate should always be read in conjunction with the audited consolidated financial statements and the audited condensed Management Report, as well as the audited ESEF documents. The consolidated financial statements and the condensed Management Report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited condensed Management Report and do not replace these documents. In particular, the ESEF certificate and our audit opinion contained therein can only be used in conjunction with the audited ESEF documentation provided in electronic form.

Responsible Auditor

Auditor Valerie Knaack is responsible for the audit.

Munich, March 21, 2024

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

Abel	**Knaack**
Auditor	Auditor

Five-Year Overview

in € million	**2023[1]**	2022[1]	2021	2020	2019
Business development					
Order intake	420.5	411.0	337.0	281.1	219.3
Order book as of December 31	452.5	335.4	193.9	120.1	93.2
Total sales	304.3	260.0	263.4	252.1	213.8
Gross profit	103.9	100.6	94.2	83.7	49.7
Gross profit margin	34.1%	38.7%	35.8%	33.2%	23.2%
Cost of sales	200.4	159.3	169.2	168.4	164.1
Research and development costs	31.3	28.7	22.1	19.8	20.2
EBITDA	34.7	37.4	29.6	28.2	–5.2
EBITDA-margin	11.4%	14.4%	11.2%	11.2%	–2.4%
EBIT	27.8	31.5	22.6	20.4	–13.8
EBIT-margin	9.1%	12.1%	8.6%	8.1%	–6.5%
Net income (earnings after taxes)	17.3	23.3	16.0	12.4	–16.3
Earnings per share (basic)	0.91	1.22	0.86	0.65	–0.85

in € million	**2023[1]**	2022[1]	2021	2020	2019
Balance sheet and cash flow					
Equity	176.6	177.7	156.9	136.5	125.4
Equity ratio	47.8%	50.3%	56.2%	59.0%	62.7%
ROCE (Return on Capital Employed)	17.5%	23.6%	14.0%	12.9%	–
Balance sheet total	369.7	353.2	279.2	231.4	199.9
Net cash	32.8	41.3	33.8	20.3	–18.0
Free cash flow	7.9	17.0	14.7	44.0	–36.9
Further key figures					
Investments	4.6	4.1	9.6	11.3	6.1
Investment ratio	1.5%	1.6%	3.6%	4.5%	2.9%
Depreciation	6.9	5.9	7.1	7.8	8.6
Employees as of December 31	1,207	1,091	1,178	1,009	937

1 without division SUSS MicroOptics

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