

Dear Shareholders,

the significant geopolitical developments in the past fiscal year, especially those related to the war in Ukraine, regrettably caused discontinuities and uncertainties for the global economy, including significant inflationary pressures. In addition, the negative impact of the Covid 19 pandemic in key regions of the world continued throughout much of the year. Combined, these effects negatively impacted supply chains and market demand, creating a challenging economic environment. This development also impacted the semiconductor industry, the technology sector as a whole, and ams OSRAM's sales markets last year.

Despite the more difficult market situation in the course of 2022, ams OSRAM remained on track and continued to focus on its strategic goals and their implementation. ams OSRAM recorded further good progress in the integration of OSRAM and the realignment of the group's portfolio to the core technology fields of sensors, lighting, and visualization. This included the announcement and full implementation of further planned divestments of business units not belonging to this strategic core. Overall, the integration milestones defined for 2022 were achieved in the process. Integration was also an important aspect of the Supervisory Board's work last year, following a number of significant steps already taken in 2021.

At the same time, ams OSRAM continued its focus on innovation and future growth in a targeted manner. For example, construction of the new 8-inch LED wafer production facility in Malaysia began last year, with the construction phases of this major investment so far implemented on time and on budget despite more challenging conditions. In addition, ams OSRAM continued its intensive R&D investments in new technology platforms such as the innovative MicroLED technology for next generation displays. In order to actively counter the unfavorable market conditions during the year, ams OSRAM also paid high attention to cost discipline in all areas of the business.

The economic challenges and the implementation of major portfolio and investment projects also determined the work of the Supervisory Board in 2022. Important decisions included electing the new Chair and Vice Chair of the Supervisory Board, adopting the annual plan and agreeing the corporate strategy, approving a streamlining of the Group structure by reducing the number of Group companies, approving appointments to corporate bodies in subsidiaries, and making adjustments to the Supervisory Board's working methods and internal structures, among other things by setting up a committee for environmental, social and governance matters (ESG Committee). At the same time, the Supervisory Board began work on adjustments to the compensation system for the Management Board in the 2022 financial year and mandated an independent compensation expert for this purpose.

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

At its meetings during the 2022 financial year, the Supervisory Board was regularly informed by the Management Board in writing and orally about the business policy and business development of the Company and the Group and dealt intensively with corporate matters. The Supervisory Board usually holds five scheduled meetings a year; in 2022, the Supervisory Board convened a total of six meetings, as the Board was reconstituted after the Annual General Meeting and the new Chairwoman of the Supervisory Board was elected to office. Furthermore, as in previous years, the Supervisory Board held

an additional strategy meeting. Mr. Kaltenbrunner, and from the end of June 2022 Dr. Haase as Chairperson, and the respective Deputy Chairperson of the Supervisory Board also held scheduled monthly conference calls with all members of the Management Board and regular individual telephone calls with individual members of the Management Board to discuss ongoing business development and strategic issues.

After the Supervisory Board meetings in 2021 were largely held virtually due to the pandemic situation, the Supervisory Board returned to face-to-face meetings from spring 2022. However, due to continuing uncertainties, the Annual General Meeting had to be held in virtual form, as it had been in 2021 due to the pandemic. At this Annual General Meeting, Dr. Wolfgang Leitner and Mr. Andreas Gerstenmayer were elected to the Supervisory Board as capital representatives. They succeeded Mr. Hans-Jörg Kaltenbrunner and Mr. Michael Grimm, who left the Supervisory Board as planned at the end of their term of office. Mr. Kaltenbrunner, as Chairman of the Supervisory Board for many years, and Mr. Grimm, as Deputy Chairman and Chairman of the Audit Committee for many years, played a major role in shaping the work of the Supervisory Board and rendered outstanding services to the successful development of the Company. Following the Annual General Meeting, the Supervisory Board elected Dr. Haase as Chairwoman of the Supervisory Board and Dr. Leitner as her deputy. Mr. Gerstenmayer was elected Chairman of the Audit Committee at the same meeting.

In the reporting year, the Supervisory Board intensively analyzed and discussed the economic situation, the business portfolio and future potential of the company and made the necessary decisions at the Supervisory Board meetings, both with and without the participation of the Management Board. All members attended all meetings of the Supervisory Board, as well as its committees, with the exception of one member who was prevented from attending due to a conflicting obligation. The meetings were supplemented by a large number of direct contacts between members of the Management Board and the Supervisory Board, in which the Management Board reported in detail - over and above the monthly reports - on the Group's business and financial situation, personnel, project and technology development, investments and the production situation. In addition to the topics mentioned at the beginning of this report, the topics discussed or decided on in detail included the annual financial statements, the budget, the progress made in integrating ams and OSRAM, the implementation of investments in an optimized and integrated manufacturing structure, the development of innovative technologies in optical semiconductors including micro-LED technology, the Company's future sustainability strategy, and an adjustment to the 2019 Long-Term Incentive Plan. A full-day strategy meeting, held together with the extended management, addressed the longer-term technical and commercial development of the individual business areas as well as the medium-term planning, which forms the basis of the annual budgets.



In 2022, the Management Board and Supervisory Board again evaluated the economic success and implementation of key decisions made in previous years. The picture varied, but in a majority of cases the targets were achieved or exceeded in some cases. In those cases where the targets were not achieved, the analysis led to significant findings that will be incorporated into future decisions.

Furthermore, the Supervisory Board evaluated its own working methods and structures from summer 2022. The process resulted in the establishment of a new committee for environmental, social and governance matters (ESG Committee). Together with the Management Board, this focuses on integrating sustainability parameters and ESG criteria into the business strategy. This includes formulating the sustainability strategy for the Group as well as measures to ensure sustainability in business operations and resource use. ESG and sustainability-related topics have also been included in the Management Board's compensation targets since 2022. From fiscal 2023, long-term variable compensation will also be dependent on the achievement of ESG-related targets, not only for the Management Board but for the entire management of the company.

In addition, the Supervisory Board made minor adjustments to its Rules of Procedure to make its working methods more flexible. It also adopted the "Board Composition and Diversity Policy of the Supervisory Board" to ensure a structured and transparent composition of the Supervisory Board, paying attention to a balanced mix of skills and experience as well as sufficient independence of the Supervisory Board members. The new members of the Supervisory Board also took part in special compliance training.

### **Activity of the committees**

The Nomination Committee met twice, each meeting lasting around one hour, and dealt with possible candidates for future service on the Management Board or Supervisory Board and with long-term succession planning. The Supervisory Board followed the recommendations of the Nomination Committee regarding candidates for the Supervisory Board and for the future selection of Management Board positions.

The Audit Committee met six times in 2022 with an average meeting duration of one and a half hours. It dealt with the process and audit of the annual financial statements, mostly in close cooperation with the auditors, with whom the Chairman of the Audit Committee was also in regular contact with the CFO of the Company and the members of the finance departments. The quality and independence of the audit and the audit approach were also discussed. The results of the internal audits, the structure and operation of the internal control and risk management systems, and the monitoring of the financial reporting process were further key topics of the committee meetings. The Audit Committee also received regular reports on significant compliance issues and the compliance system, as well as on significant legal disputes.

The Technology Committee met four times in fiscal year 2022 with the Chief Technology Officer, the Chief Strategy Officer, and the management of the development departments and addressed, among other things, innovation management, important customer and development projects, the further development and industrialization of microLED technology, the application strategy, the optimization of central development processes, and cooperation with colleges and universities .

The Compensation Committee met a total of five times, with an average meeting duration of around one hour, one of which was held jointly with the LTIP Committee. Among other things, the Committee evaluated the parameters of the annual variable management compensation and set new targets for fiscal 2022. Following a comprehensive analysis of existing programs and in view of changing stakeholder expectations, it also addressed the update and realignment of the compensation policy for the Management Board.

The LTIP Committee met three times (one meeting together with the Compensation Committee). The main topics were the assessment of the fulfillment of the defined performance criteria of the long-term compensation plans and the allocation of stock options to the members of the Management Board or the approval of the annual allocation of such instruments to additional beneficiaries by the Management Board in accordance with the terms of the 2019 LTIP. Finally, the LTIP Committee discussed a partial adjustment of the plan terms of the 2019 LTIP and prepared the drafting of a new share-based compensation plan to take into account shareholder guidance and changed standards for such plans, to be effective from summer 2023.

#### **Consolidated and annual financial statements 2022**

The Supervisory Board was presented with the annual financial statements as of December 31, 2022 by the Management Board. The annual financial statements in accordance with the Austrian Commercial Code (UGB) and the management report, insofar as it explains the annual financial statements, were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs- GmbH, Porzellangasse 51, 1090 Vienna, and issued with an unqualified audit opinion. The consolidated financial statements as of December 31, 2022 were also presented to the Supervisory Board by the Management Board. The consolidated financial statements according to IFRS and the management report, insofar as it explains the consolidated financial statements, were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs- GmbH, Porzellangasse 51, 1090 Vienna, and also issued with an unqualified audit opinion.

The Supervisory Board examined these documents submitted to it at its meeting on April 27, 2023 and was unable to identify any objections in the course of these examinations. The Supervisory Board approves the annual financial statements as of December 31, 2022 and the proposal of the Management Board to release the unallocated capital reserve in the amount of EUR 98,697,019.70 to cover the net loss for the year in the amount of EUR -98,697,019.70. This results in retained earnings of EUR 0.00 for the financial year 2022. The Supervisory Board also approved the consolidated financial statements for the year ending December 31, 2022 in accordance with IFRS, which show a negative net result for the year of EUR -443,732,304.84 and shareholders' equity of EUR 2,833,469,502.64.

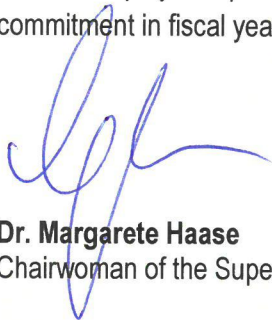
#### **Changes in the Management Board after the balance sheet date**

At the end of January 2023, the Supervisory Board reached an agreement with the Chairman of the Management Board, Mr. Alexander Everke, on the premature termination of his Management Board mandate by mutual consent effective March 31, 2023. At the same time, Mr. Aldo Kamper was appointed Chairman of the Management Board with effect from April 1, 2023 for a term ending on March 31, 2027. As the Company's Chief Financial Officer, Mr. Ingo Bank, announced in the fall of 2022 that he did not wish to



extend his mandate, which expires at the end of April 2023, the Supervisory Board appointed Mr. Rainer Irle as Chief Financial Officer in March 2023 with effect from July 1, 2023 until June 30, 2026. The Supervisory Board would like to express its sincere thanks to Mr. Everke and Mr. Bank for their great commitment to ams OSRAM and their constructive cooperation over many years.

The Supervisory Board would like to thank the members of the Managing Board, the employees, and the employee representatives of ams-OSRAM AG and all Group companies for their great commitment in fiscal year 2022.



**Dr. Margarete Haase**  
Chairwoman of the Supervisory Board