

REPORT OF THE SUPERVISORY BOARD



Dear shareholders,

The past financial year was heavily influenced by a significant economic slowdown and the outbreak of the COVID-19 pandemic. Despite a challenging operating environment, AT&S delivered solid results in the financial year 2019/20 and generated revenue of € 1,000.6 million (previous year: € 1,028.0 million). Although AT&S very successfully managed to keep the effects of the COVID-19 pandemic on ongoing production to a minimum at all locations, the economic impact could not be avoided completely. EBITDA, at € 194.5 million, was lower than in the previous year at € 250.1 million. The EBITDA margin declined to 19.4% (previous year: 24.3%).

After finance costs – net and income taxes, a profit of € 21.5 million was recorded for the financial year 2019/20.

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board met six times during the financial year 2019/20. After having undergone surgery, Mr Androsch did not participate in person in more than half of the meetings of the Supervisory Board.

In the financial year 2019/20, the Supervisory Board performed the tasks for which it is responsible in accordance with the law, the articles of association and rules of procedure. During the financial year from 1 April 2019 to 31 March 2020, the Supervisory Board was regularly informed by the Management Board about the market situation, strategy, operating and financial position of the Group and its investments, staff situation and planned capital expenditures in plenary and committee meetings, as well as in comprehensive oral and written reports. The Supervisory Board made the respective decisions accordingly. At these meetings, there was a comprehensive exchange between the Management Board and the Supervisory Board about the

business development and situation of the AT&S Group, including the financial performance. The Chairman of the Supervisory Board and his deputies were regularly informed about relevant developments by the Management Board, also between meetings of the Supervisory Board.

The activities of the Supervisory Board also focused on the preparation of the budget for the financial year 2020/21 and the further technological development. In the past financial year, the consulting activities and decisions of the Supervisory Board were also related to advancing the company's strategic development, which the Management Board coordinated with the Supervisory Board in detail on a regular basis, the expansion projects at the various production sites, in particular the expansion project of a new plant at the Chongqing site, and the design of the Group's financing structure.

SUPERVISORY BOARD COMMITTEES

Within the Supervisory Board, the Audit Committee, the Nomination and Remuneration Committee as well as the Finance Committee, as standing committees, exercise certain tasks assigned to them through the rules of procedure of the Supervisory Board. The respective committees carried out detailed analyses of particular matters where necessary and reported their findings to the Supervisory Board:

The Audit Committee, consisting of Regina Prehofer (Chairwoman), Gertrude Tumpel-Gugerell (finance expert, from the AGM 2019), (Gerhard Pichler (finance expert, until the AGM 2019)), Georg Riedl, Wolfgang Fleck and Günther Wölfler, focused primarily on the review of the annual and consolidated annual financial statements for the year ended 31 March 2019, and on planning and preparation for the audit of the annual and con-

solidated financial statements for the financial year 2019/20 and, in particular, the preparation of a proposal for the election of the statutory auditor. By means of discussions with the auditor, inspection of relevant documents and discussions with the Management Board, it obtained a comprehensive view. The Audit Committee also monitored the effectiveness of the company-wide internal control system and the Group's internal audit and risk management systems. The Audit Committee reported to the full Supervisory Board with respect to this monitoring and found no deficiencies. The Audit Committee convened six times in the past financial year. The meetings, which were attended by all committee members, were chaired by Regina Prehofer.

In accordance with a decision made by the Supervisory Board, the members of the Nomination and Remuneration Committee are Hannes Androsch (Chairman), Willibald Dörflinger (Deputy Chairman), Georg Riedl, Wolfgang Fleck and Günther Wölfler. This committee held four meetings in the past financial year, which focused in particular on matters related to succession planning for the position of the COO.

The following Supervisory Board members were appointed members of the Finance Committee:

The members of the Finance Committee are Hannes Androsch (Chairman), Willibald Dörflinger, Regina Prehofer, Georg Riedl, Wolfgang Fleck and Günther Wölfler.

The Finance Committee met once during the financial year 2019/20 and discussed matters of general group financing as well as project financing.

SELF-EVALUATION OF THE SUPERVISORY BOARD

The Supervisory Board annually carries out a self-evaluation, and did so again for the financial year 2019/20. This evaluation performed by the Supervisory Board based on a digital questionnaire confirmed that its practices meet the Good Governance requirements and that its organisation, work practices and target orientation are efficient and effective.

ANNUAL FINANCIAL STATEMENT AND DIVIDENDS

The Supervisory Board of AT&S proposed to the 25th Annual General Meeting that PwC Wirtschaftsprüfung GmbH, Vienna, be appointed Company and Group auditors for the financial year 2019/20. The proposal was approved by the Annual General Meeting of 4 July 2019.

The annual financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft and the consolidated financial statements for the year ended 31 March 2020 were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and awarded an unqualified audit report. The Management Report and the Group Management Report for the financial year 2019/20 were consistent with the annual financial statements and the consolidated financial statements. Based on the prior discussions of the Audit Committee, and, following its own detailed discussions and examination, the Supervisory Board approved the Company's annual financial statements for the year ended 31 March 2020 in accordance with Section 96 (4) of the Austrian Stock Corporation Act (AktG) at its meeting on 4 June 2020. With regard to the non-financial report, the Management Board obtained a statement by the auditor prior to the audit, which was submitted to the Supervisory Board. Moreover, based on the prior discussions of the Audit Committee, and after its own detailed consideration and examination, the Supervisory Board approved the consolidated financial statements drawn up in accordance with IFRS pursuant to Section 245a of the Austrian Commercial Code (UGB) as well as the Management Report, the Group Management Report, the Corporate Governance Report and the Non-financial Report. The Supervisory Board review, which included extensive discussions with the auditors, did not give rise to any objections. Pursuant to the recommendation of the Audit Committee, the Supervisory Board of AT&S will propose to the 26th Annual General Meeting that Deloitte Audit Wirtschaftsprüfung GmbH, Vienna, be appointed Company and Group auditors for the financial year 2020/21.

The Supervisory Board supports the proposal of the Management Board: it will be proposed to the Annual General Meeting that out of the total profit of € 105,198,064.56 a dividend of € 0.25 per no-par share outstanding on the payout date and entitled to dividend be distributed and an amount of € 95,485,564.56 be carried forward. Furthermore, the Management and the Supervisory Board of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft will propose to authorise the Management Board to reclassify an amount of up to € 80,000,000.00 of the aforementioned total profit carried forward to free reserves, subject to the approval of the Supervisory Board.

THANKS TO THE MANAGEMENT BOARD AND ALL AT&S EMPLOYEES

Despite recently difficult market developments and the challenges related to the COVID-19 pandemic, AT&S closed a satisfactory year. Strategically, AT&S is on a promising course which provides for further growth.

The Supervisory Board would like to thank all those who worked with great trust and commitment to further develop the AT&S Group. We are convinced that together we will continue to advance the AT&S Group and achieve even more success!

On behalf of the Supervisory Board

Leoben-Hinterberg, 4 June 2020

Hannes Androsch m.p.
Chairman of the Supervisory Board