



Report by the Executive Board to the Annual General Meeting on item 7 of the Agenda in accordance with Section 203 (2) sentence 2 and Section 186 (3) and (4) sentence 2 of the German Stock Corporation Act (AktG):

Regarding point 7 of the Agenda, a recommendation is submitted to the shareholders at the Annual General Meeting on February 17, 2022 that a new approved capital be created for the period extending until the end of February 16, 2027. The volume of the new 2021 approved capital amounts to approx. 20 % of the company's current subscribed capital.

The Executive Board of the company is only authorized to utilize the 2022 authorized capital in the amount of 20 % of the subscribed capital at the time this authorization becomes effective or – if this value is smaller – at the time this authorization is exercised. The upper limit of 20 % of the subscribed capital shall take into account shares that were or will be issued in order to service bonds with conversion or option rights and/or with conversion or option obligations from conditional capital, provided that these bonds were issued during the term of this authorization excluding subscription rights. This should prevent the Executive Board from increasing the subscribed capital by more than 20 % by utilizing existing authorizations. The upper limit reduced pursuant to the previous sentences of this paragraph will be increased again when a new authorization pursuant to Section 202 or Section 221 of the German Stock Corporation Act (AktG) (in connection with conditional capital pursuant to Section 192 of the German Stock Corporation Act (AktG)) passed by the Annual General Meeting following the reduction goes into effect, provided that the new authorization is sufficient, but up to 20 % of the subscribed capital pursuant to the guidelines of sentence 1 of this paragraph.

The 2022 authorized capital should place the management in a position to issue shares for the purpose of sourcing additional funds, acquiring companies and stakes in companies, or for other reasons in the interests of the company without concerning the shareholders of the Annual General meeting. To enable the management to utilize this option in the company's interests optimally and flexibly, the resolution should arrange for an authorization to exclude subscription rights for different purposes listed in the proposed resolution:

The authorization to exclude subscription rights in accordance with letter a) of the authorization (exclusion of fractional amounts) serves the purpose of enabling a smooth and manageable multiplier in the case of capital increases, which makes implementing the capital measures easier. The fractional amounts are realized optimally in each case, but at the subscription price at the very least.

The authorization to exclude subscription rights arranged for in letter b) of the proposed recommendation regarding Agenda item 7 shall enable the company to acquire, in particular, companies or stakes in companies in exchange for shares. This is an increasingly common form of acquisition. Practical experience shows that, in many cases, the holders of attractive acquisition targets request that shares in the acquiring company be provided in return for the sale of their interests or a company in particular. To be able to acquire such acquisition targets, the company must have the possibility to increase its subscribed capital, in some circumstances at short notice against a contribution in kind, excluding the shareholders' subscription rights. Furthermore, the

company is enabled to acquire companies, stakes in companies, and other assets such as receivables from the company without having to utilize its own liquidity unduly. In the process, the company could need a very significant volume of recent shares, for example in individual cases such as larger acquisitions (especially companies that are already exchange-listed themselves) or overall, which justifies the extent of the subscription right exclusion enabled with the authorization and proposed for resolution. However, the proposed authorization to exclude subscription rights in the case of increases of capital in kind is, at the proposed amount of € 11,508,920.32, considerably below the legal limit of 50 % of the subscribed capital (equivalent to € 57,544,604.16) in terms of volume. In each individual case, the Executive Board will carefully review whether it shall make use of the authorization to carry out a capital increase under the exclusion of subscription rights in the case of acquisition possibilities that are becoming more concrete. It will then only exclude subscription rights if the acquisition in exchange for the issue of company shares is required in the interests of the company. With respect for shareholders' concern regarding a dilution of their shareholdings, the recommendation regarding the exclusion of subscription rights in the case of capital increases in exchange for contributions in kind is limited to a maximum of 10 % of the subscribed capital, both at the time the authorization becomes effective and at the time it is exercised.

The exclusion of subscription rights in the case of cash capital increases under letter c) of the authorization shall place the management in a position to take advantage of favorable stock market situations at short notice. Because of the organizational measures that have to be taken and the subscription period that has to be granted, issues that are subject to subscription rights take much more time than placements for which subscription rights are excluded. Moreover, with such placements, the usual deductions that occur in the case of issues that are subject to subscription rights can be avoided. The company's own capital can therefore be strengthened to a greater extent if subscription rights are excluded than the case would be with an issue subject to subscription rights. Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) declares that the exclusion of subscription rights under the conditions of section c) of the proposed resolution on Agenda item 7 is permissible due to exactly these considerations. Nevertheless, the extent of a cash capital increase under exclusion of subscription rights may not exceed 10 % of the current subscribed capital or – if this amount is lower – a total of 10 % of the subscribed capital entered in the Commercial Register at the time this authorization is first utilized. Because of this limitation, a dilution (in value) of the old shares and a loss of shareholder influence are unlikely. To provide additional protection for the shareholders against loss of influence and dilution of value, this authorization for an exclusion of subscription rights is limited by the fact that other capital measures that have the effects of a cash increase without subscription rights are included in the maximum amount up to which a cash increase can be carried out with exclusion of subscription rights. For example, the authorization arranges for any sale of shares that the company has purchased and sold to third parties due to the authorization of the Annual General Meeting pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) without offering shareholders the option of subscribing these shares to reduce the maximum amount in the same way as a future issue of convertible bonds and/or bonds with warrants if the shareholders are not granted subscription rights to them pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). The maximum amount reduced pursuant to the previous sentences of this paragraph will be increased again when a new authorization to exclude shareholder subscription rights pursuant or corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) passed by the Annual General Meeting following the reduction goes into effect, provided that the new authorization is sufficient, but up to 10 % of the current subscribed capital or – if this amount is lower – a total of 10 % of the subscribed capital entered in the Commercial Register at the time this authorization to exclude subscription rights is utilized. In these cases, the participants of the Annual General Meeting once again have the possibility to make a decision about the

authorization to a simplified exclusion of subscription rights, so the reason for the inclusion in the maximum amount is eliminated again. When the new authorization to simplified exclusion of subscription rights takes effect, the barrier that arose due to the exercise of the authorization to issue new shares or to issue bonds or due to the sale of own shares ceases to exist with regard to the authorization to issue new shares from the 2022 authorized capital.

Since the majority requirements for this type of resolution are identical to those for a resolution regarding the authorization to issue new shares from the authorized capital under simplified exclusion of subscription rights corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), the resolution of the Annual General Meeting about the creation of a new authorization to exclude subscription rights pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) in the scope of selling own shares or of a new authorization to issue convertible bonds and/or bonds with warrants with the option of excluding subscription rights corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) is also a confirmation regarding the resolution for the authorization to issue new shares from the authorized capital pursuant to Section 203 (2) and Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

The inclusion is carried out again if there is a new exercise of an authorization to exclude subscription rights in direct or commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

The exclusion of subscription rights in accordance with letter d) of the authorization to be passed (exclusion of subscription rights for the benefit of holders or creditors with option or conversion rights) shall enable holders or creditors of these types of rights to be granted an appropriate protection against dilution in the case of capital increases. The holders or creditors with option or conversion rights can be protected from the dilution of their option or conversion rights through a reduction in the respective option or conversion price, an additional cash payment, or the granting of a subscription right to new shares. The management will decide in good time prior to utilizing the authorized capital which of the options is appropriate in the case at hand. In order to not be limited to the alternatives of reducing the option or conversion price or issuing a cash payment from the start, an arrangement is usually made for an authorization to exclude the shareholders' subscription right to new shares to the extent necessary to grant holders or creditors with option or conversion rights a subscription right to the extent to which they would be entitled if they had made use of their subscription rights prior to the adoption of the respective resolution on the capital increase. In terms of the amount, this authorization is also limited to a maximum of 10 % of the subscribed capital, both at the time the authorization becomes effective and at the time it is exercised.

The authorizations to exclude subscription rights in the case of capital increases against a cash contribution and/or a contribution in kind described in the previous paragraphs may not exceed 10 % of the company's subscribed capital, neither at the time the authorization goes into effect nor at the time it is exercised.

Shares of the company (i) that are issued during the period of this authorization excluding the shareholder subscription right from other authorizations and (ii) that are or will be issued to service bonds should be counted towards the aforementioned 10 % limit, provided that the bonds were issued during the period of this authorization excluding the shareholder subscription rights. This includes capital increases from another authorized capital and the issue of bonds.

At the same time, this limitation restricts a possible dilution of the voting rights of the shareholders excluded from the subscription rights. The upper limit reduced pursuant to

the aforementioned offsetting clause will be increased again when a new authorization to exclude shareholder subscription rights passed by the Annual General Meeting following the reduction goes into effect, provided that the new authorization is sufficient, but up to 10 % of the subscribed capital pursuant to the aforementioned guidelines. In this case, the participants of the Annual General Meeting once again have the possibility to make a decision about an exclusion of subscription rights, so the reason for the inclusion is eliminated again.

Based on the remarks mentioned above, the authorization to exclude subscription rights in the circumscribed limits is necessary, suitable, appropriate, and imperative in the interests of the company in all four cases.

The Supervisory Board will only issue its required consent for the utilization of the authorized capital under the exclusion of the subscription right if the conditions described, as well as all of the legal conditions, are fulfilled. The Executive Board will report any exclusion of subscription rights to the participants of the Annual General Meeting.

Hamburg, December 2021

Aurubis AG