Report by the Executive Board to the Annual General Meeting on item 6 of the Agenda on exclusion of the subscription right in accordance with Section 221 (4) sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186 (3) and (4) sentence 2 German Stock Corporation Act (AktG):

The proposed resolution foresees authorizing the Executive Board, subject to the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (referred to collectively as "**bonds**") until February 16, 2027 once or several times, with or without a maturity limit, in the total nominal amount of up to € 500,000,000.00 and to grant conversion or option rights to the holders or creditors of such bonds for no-par-value bearer shares in the company representing a proportionate amount of the subscribed capital totaling € 11,508,920.32 as further specified in the terms and conditions of the conversions or options.

The issuance of bonds in the sense described above offers the company the possibility to utilize attractive financing alternatives on the capital market depending on the market situation, in addition to the classic options of taking up borrowings and equity. The authorization to issue profit-dependent or profit-oriented instruments in particular, such as profit participation rights and participating bonds, offers the possibility to strengthen the company's funding by issuing so-called hybrid financing instruments and to secure the conditions for future business growth in this way. For the reasons mentioned above, the creation of an authorization to issue bonds is proposed to the participants of the Annual General Meeting. The purpose of the recommended authorization is to align the situation to current market practice and to achieve further flexibility.

The issuance of bonds enables the taking up of borrowings that can be classified as equity or similar to equity according to the arrangement of the bond conditions for rating purposes as well as for accounting purposes. The conversion or option premiums achieved and the inclusion in equity benefit the capital base. The additional foreseen possibilities of stipulating conversion obligations and the company's rights to offer shares or combining convertible bonds, bonds with warrants, profit participation rights and/or participating bonds, in addition to granting conversion and/or option rights, expand the scope for arranging these financial instruments. Moreover, the authorization enables the company to place the bonds itself or through its direct or indirect affiliated holding companies. Aside from euros, the bonds can be issued in other currencies, for example the legal currency of an OECD country, with or without a maturity limit.

The Executive Board of the company is only authorized to issue bonds if the number of shares that have been issued or will be issued to service bonds with conversion or option rights and/or conversion or option obligations from conditional capital does not exceed 10 % of the subscribed capital at the time the authorization becomes effective or – if this value is smaller – at the time the authorization is exercised. Shares that are issued during the term of this authorization from authorized capital are to be counted in this upper limit of 10 % of the subscribed capital. This should prevent the Executive Board from increasing the subscribed capital by more than 10 % 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 10 % of the subscribed capital pursuant to the guidelines of sentence 1 of this paragraph.

The authorization includes the provision that the conversion and/or option price to be established in each case – with the exception of the cases in which an option or conversion obligation is intended – either amounts to at least 80 % of the arithmetic mean of the closing prices of the company's share in Xetra trading (or an equivalent successor system) on the Frankfurt Stock Exchange on the ten trading days before the day of the Executive Board's final decision about the placement of bonds or about the acceptance or allocation by the company in the context of a placement of bonds or – for the case that a subscription right is granted – correspond to at least 80 % of the arithmetic mean of the closing prices of the company's share in Xetra trading (or an equivalent successor system) during (i) the days on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days that the subscription rights are traded, or (ii) the days from the beginning of the subscription period until the time the subscription price is finally established. Section 9 (1) and Section 199 of the German Stock Corporation Act (AktG) remain unaffected. In the case of bonds related to conversion or option rights and/or conversion or option obligations, the conversion or option price can be reduced, irrespective of Section 9 (1) and Section 199 of the German Stock Corporation Act (AktG), based on a dilution protection clause after conditions are defined in more detail, if the company increases the subscribed capital during the conversion or option period while granting a subscription right to its shareholders or if the company issues additional bonds, or grants or guarantees other option rights, and holders of bonds with conversion or option rights and/or conversion or option obligations are not granted a subscription right to the extent to which they would be entitled after exercising the conversion or option rights and/or fulfilling the conversion and/or option obligations. The reduction of the option or conversion price can also be fulfilled, in accordance with the detailed terms and conditions of the bonds, through a cash payment upon the exercise of the option or conversion right and/or upon fulfillment of the conversion and/or option obligations. The conditions can also provide for a value-preserving adjustment of the conversion or option price for other measures that could lead to a dilution of the value of the conversion or option rights (e.g., the payment of a dividend). In each case, the proportionate amount of the subscribed capital of the shares that are subscribed for each individual bond may not exceed the nominal amount of the respective individual bond.

The shareholders shall fundamentally be granted a subscription right for bonds when bonds are issued. To ease processing, there must also be an option to issue the bonds to credit institutes or companies within the meaning of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) with the obligation that the bonds be offered to shareholders for subscription in accordance with their subscription right. However, an exclusion of the subscription right shall be possible under the conditions listed below:

If bonds with conversion or option rights and/or conversion or option obligations against a cash benefit shall be issued, the Executive Board shall be authorized, subject to the approval of the Supervisory Board, to exclude the subscription right in commensurate application of Section 186 (3) sentence 4 German Stock Corporation Act (AktG), insofar as the issuance of shares that are to be issued due to bonds issued under this authorization is limited to up to 10 % of the company's subscribed capital, both at the time the authorization becomes effective and – if this value is smaller – at the time the authorization is exercised. The recommended resolution also includes an offsetting clause: Shares that are issued or sold during the term of this authorization pursuant or corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Act

(AktG), excluding subscription rights, are to be counted in this upper limit of 10 % of the subscribed capital. Furthermore, this limit 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, provided that these bonds were issued during the term of this authorization in commensurate application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding subscription rights. This offsetting feature serves the shareholders' interest in minimizing dilution of their shareholdings. The upper limit reduced pursuant to the aforementioned offsetting clause 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 subscribed capital at the time the authorization becomes effective or – if this value is smaller – at the time the authorization is exercised. In this case or in these cases, the participants of the Annual General Meeting once again have the possibility to make a decision about a simplified exclusion of subscription rights, so the reason for the inclusion is eliminated again. When the new authorization to simplified exclusion of subscription rights takes effect, the barrier with regard to the authorization to issue bonds without shareholder subscription rights that results from the exercise of the authorization to issue new shares or from the sale of own shares ceases to exist. Due to the identical majority requirements for this type of resolution, the new authorization to simplified exclusion of subscription rights – provided that the legal requirements are fulfilled – should be considered a confirmation regarding this authorization resolution at the same time. 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).

In case of such an exclusion of subscription rights, a requirement not to set the issue price of the bonds significantly below the market value results from the corresponding application of Section 186 (3) sentence 4 German Stock Corporation Act (AktG). This accommodates shareholders' protection requirement as regards dilution of their shareholdings. The value of a subscription right would virtually decrease to zero due to not setting the issue price of the bonds significantly below the calculated market value as provided for in the authorization. In order to safeguard this requirement for the issuance of bonds, the issue price may not be significantly below the theoretical value of the convertible bonds or bonds with warrants (or profit participation rights or participating bonds with an option or conversion right, option/conversion obligation or right to offer) determined using accepted finance mathematical methods. The protection of the shareholders from dilution of their shareholdings is then ensured and there is no economic disadvantage for the shareholders due to an exclusion of the subscription right. Shareholders who would like to maintain their share of the subscribed capital or acquire bonds corresponding to their investment holdings can attain this with an additional purchase via the market.

Furthermore, the Executive Board shall be authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights to the bonds if the bonds are issued against contributions in kind or non-cash benefits, especially in the course of company mergers or for the acquisition (even indirect) of companies, plants, business units, stakes, or other assets or claims to the acquisition of assets, including receivables against the company or its affiliates. The condition is that the value of the non-cash benefit is in adequate proportion to the value of the bond. In the case of bonds, the theoretical market value determined using recognized methods applies. The issuance of bonds against non-cash benefits opens up the possibility to be able to use the bonds, in suitable individual cases, as acquisition currency in connection with the acquisition of companies, business units, or stakes in companies. As a supplement to the authorized capital, this therefore creates the scope to be able to utilize opportunities to acquire companies, business units or stakes in companies that may present themselves in a way that preserves liquidity. Depending on the circumstances of the individual case, this type of approach can be useful under the aspect of an optimal financing structure.

Furthermore, the Executive Board is authorized, subject to the approval of the Supervisory Board, to exclude fractional amounts from subscription rights. Such fractional amounts can arise from the amount of the respective issue volume and the necessity of presenting a feasible subscription ratio. An exclusion of subscription rights simplifies the handling of the issue in these cases. The free fractions excluded from shareholders' subscription rights will be utilized in the company's best interest by selling them on the stock exchange or in another way.

In addition, the Executive Board shall obtain the possibility, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights in order to grant holders or creditors of bonds, for the purpose of compensating for dilutions, a subscription right to the same extent as they would be entitled after exercising the conversion or option rights or after fulfilling the conversion obligations or option obligations. The terms and conditions of the options and conversions generally contain clauses that protect the holders or creditors of option or conversion rights from dilution. This allows these financing instruments to be better placed on the market. Subscription rights of holders of already existing option or conversion rights offer the possibility of preventing the option or conversion price from having to be reduced for the holders of already existing option or conversion rights if the authorization is exercised. This ensures a higher issue price of the no-par-value bearer shares to be issued when the option or conversion is exercised. Since this simplifies the placement of the issue, the exclusion of subscription rights serves the shareholders' interest in an optimal financial structure for their company.

The authorizations to exclude subscription rights described in the previous paragraphs may not exceed 10 % of the subscribed capital in total, both at the time the authorization goes into effect and – if this value is lower – at the time the authorization 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 were or will be issued to service bonds with conversion or option rights and/or conversion or option obligations should be counted towards the aforementioned 10 % limit, provided that these bonds are issued on the basis of another authorization pursuant to Section 221 (2) of the German Stock Corporation Act (AktG) during the period of this authorization excluding the subscription rights. This includes capital increases from authorized capital and the issue of bonds.

At the same time, the 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, both at the time the authorization becomes effective and – if this value is smaller – at the time the authorization is exercised.

Insofar as profit participation rights or participating bonds shall be issued without a conversion right, an option right or an option/conversion obligation, the Executive Board is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights overall if these profit participation rights or participating bonds have features similar to bonds, i.e. if they do not convey any membership rights in the company, if they do not grant a share in the liquidation proceeds and if the amount of interest is not calculated based on the amount of the net income, the unappropriated earnings or the dividend. Furthermore, it is required that the interest and the issue amount of the profit participation rights or participating bonds correspond to the current market conditions at the time of issue. If the conditions mentioned are fulfilled, no disadvantages result for the shareholders from the exclusion of subscription rights, as the profit participation rights or participating bonds do not convey any membership rights and do not grant a share in the liquidation proceeds or in the profit of the company. There can be a provision that the interest depends on the existence of net income, unappropriated earnings or a dividend. However, a regulation according to which a higher net income, higher unappropriated earnings or a higher dividend would lead to higher interest would not be permitted. Therefore, neither the voting right nor the investment of the shareholders in the company and its profit will be changed or diluted due to the issuance of the profit participation rights or participating bonds. Moreover, no considerable subscription right value arises due to the conditions for issuance in line with the market, which are bindingly stipulated for this case of exclusion of subscription rights.

The options for excluding subscription rights outlined above enable the company to exploit favorable situations on the capital market at short notice and to use a low interest level or a favorable demand situation for an issuance flexibly and at short notice. A decisive factor is that, in contrast to an issuance of bonds with subscription rights, the issue price can be determined directly before the placement, which prevents an increased risk of price changes for the duration of a subscription period and allows the issue proceeds to be maximized in the interest of all shareholders. Furthermore, additional benefits arise from the cancellation of the lead time connected with the subscription rights with regard to the costs of borrowing as well as with regard to the placement risk. A placement without subscription rights can reduce the safety margin otherwise required and the placement risk, and decrease the price of borrowing accordingly for the benefit of the company and its shareholders.

Considering all of these circumstances, the authorization to exclude subscription rights in the circumscribed limits is necessary, suitable, appropriate, and advisable in the interests of the company.

If the suggested authorization is exercised, the Executive Board will report on it in the next Annual General Meeting.

The planned conditional capital serves to fulfill conversion and/or option rights or conversion and/or option obligations on company shares from issued bonds or to grant creditors or holders of bonds shares in the company instead of the payment of the cash amount due. The bond terms and conditions can also include a provision that conversion or option rights and/or conversion or option obligations can instead be serviced by providing own shares or shares from authorized capital or through other payments, e.g., a cash payment or providing shares from other exchange-listed companies. Furthermore, it can also be arranged in the terms and conditions of the bonds that the number of shares to be drawn upon when exercising the conversion or option rights and/or after fulfilling the conversion or option obligations is variable and/or the conversion or option price within a range established by the Executive Board can be changed during the term depending on the share price or as a result of provisions to protect against dilution. These arrangements enable the company to facilitate financing that is in line with the capital market without actually necessitating a capital measure under company law. This accounts for the circumstance that an increase in the subscribed capital might be unwelcome at the time in the future that the conversion and/or option rights and/or the fulfillment of corresponding obligations. Apart from this, the use of the cash payment option protects the shareholders from a decline in their stake and from the dilution of their share assets, as no new shares are issued.

Hamburg, December 2021

Aurubis AG