



**Offer Document**

**Voluntary public share buyback offer**

of

**Elmos Semiconductor AG**

Heinrich-Hertz-Str. 1, 44227 Dortmund, Germany

to its shareholders

for the purchase of up to 1,540,000  
no-par value bearer shares  
**of Elmos Semiconductor AG**

ISIN DE0005677108 / WKN 567 710

against payment in cash  
in the amount of EUR 17.50 per no-par value bearer share

**Acceptance period:**

March 17, 2020 to March 23, 2020, 24:00 hrs. (CET)

The provisions of the German Securities Acquisition and Takeover Act (WpÜG) do not apply to this share buyback offer.

*This English translation is provided for convenience only.  
The German text shall be the sole legally binding version.*

## **1. General information and instructions**

### **1.1 Implementation of the share buyback offer under German law**

The share buyback offer described in this offer document (the "Offer Document") addressed to the shareholders of Elmos Semiconductor AG based in Dortmund, Heinrich-Hertz-Straße 1, 44227 Dortmund, Germany (also referred to as "Elmos" or the "Company"; the Company's shareholders also referred to individually as one "Elmos Shareholder" and collectively the "Elmos Shareholders"), is a voluntary public offer in the form of a partial offer to purchase up to 1,540,000 of the Company's no-par value bearer shares (the "Offer" or "Buyback Offer").

The Offer is implemented solely in accordance with the law of the Federal Republic of Germany. The issue or release of the Offer in accordance with the applicable law in other jurisdictions than that of the Federal Republic of Germany ("Foreign Laws") or any public advertisement for the Buyback Offer subject to the provisions of other jurisdictions than that of the Federal Republic of Germany shall not take place and are neither provided for nor intended. No announcements, registrations, approvals or permits of the Offer Document and/or the Offer outside the Federal Republic of Germany have been applied or arranged for. Elmos Shareholders therefore cannot claim or rely on the application of Foreign Laws for the protection of investors.

According to the legal opinion held by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"), offers for the repurchase of treasury shares are not governed by the provisions of the Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – "WpÜG"). Accordingly the Offer has not been submitted to BaFin for review or examination nor does it comply with the requirements of the WpÜG.

### **1.2 Publication and distribution of the Offer Document**

The Offer Document shall be published on the Company's website at [www.elmos.com](http://www.elmos.com) and in the Federal Gazette at [www.bundesanzeiger.de](http://www.bundesanzeiger.de). Apart from that, no additional publication of the Offer Document is provided for.

The publication of the Offer Document by the Company shall be solely governed by the law of the Federal Republic of Germany. Publication in accordance with any Foreign Law has not taken place, is not intended and will not be permitted by the Company. Such non-permitted publication, dispatch, distribution or broadcast of this Offer Document may be subject to the provisions (and especially restrictions) under Foreign Laws. This also applies for a summary or any other kind of description of the terms and conditions contained in the Offer Document.

In particular, the Buyback Offer will neither directly nor indirectly be submitted or distributed in the United States of America. Neither the Offer Document nor its content may therefore be published,

dispatched, distributed or broadcast in or to the United States of America, neither by employing postal services nor by any other means or instruments of interstate commercial trade or foreign trade or facilities of a national stock exchange of the United States of America. This includes fax transmission, electronic mail, telex, telephone and the Internet, among other means of communication. Accordingly, duplicates of this Offer Document or any documentation relating to it may neither be dispatched nor transmitted to or within the United States of America.

If a custodian bank or custodian financial services company based in Germany or a German branch of a custodian bank or custodian financial services company ("Custodian Bank") is subject to information or forwarding obligations toward its clients in connection with the Buyback Offer that are based on the statutory provisions applicable to the respective custodian relationship, the Custodian Bank is required to comply with the aforementioned restrictions and to examine the impact of Foreign Laws on such obligations independently. Dispatches of the Offer Document, a summary or any other description of the terms and conditions of the Offer Document or any other documents containing information about the Buyback Offer to Elmos Shareholders outside of Germany by Custodian Banks or third parties shall neither be made on behalf of nor at the instigation of the Company and shall not be the Company's responsibility.

Apart from the aforementioned restrictions, the Offer may generally be accepted by all domestic and international Elmos Shareholders according to this Offer Document. The Company points out that the acceptance of this Offer outside the Federal Republic of Germany may be subject to legal restrictions. Elmos Shareholders who wish to accept the Offer outside the Federal Republic of Germany and/or are subject to other jurisdictions than that of the Federal Republic of Germany are kindly asked to inform themselves about the applicable law and its restrictions and to abide by them. The Company does not warrant that the acceptance of the Offer outside the Federal Republic of Germany is permissible. The Company will also not assume responsibility for non-compliance with statutory provisions or the restrictions of this Offer by third parties. Furthermore, the Company points out that declarations of acceptance that would either directly or indirectly be in violation of above-mentioned restrictions, especially those tendered by Elmos Shareholders with registered offices or permanent or main residence in the United States of America, will not be accepted by the Company.

### **1.3 Information about the ad hoc notification**

The Company released its decision to issue the Buyback Offer on March 16, 2020 as an ad hoc notification in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation, MAR). This release is available on the Company's website ([www.elmos.com/english/about-elmos/investor/financial-news/adhoc](http://www.elmos.com/english/about-elmos/investor/financial-news/adhoc)) under "About Elmos/Financial News".

## 1.4 Status of the information contained in this Offer Document

All information, opinions, intentions and forward-looking statements contained in this Offer Document (collectively referred to as the "Information") are based, unless otherwise expressly stated, on the currently available Information, plans and certain assumptions of the Company at the time of preparing this Offer Document. This Information may change in the future. In the event of changes to such underlying Information, Elmos assumes no obligation to update this Offer Document; statutory disclosure obligations shall remain unaffected.

## 2. The Offer for the repurchase of treasury shares

### 2.1 Subject of the Offer

Elmos hereby offers all Elmos Shareholders, subject to the restrictions described in this Offer Document, to purchase and acquire the Company's no-par value bearer shares with a proportionate share of EUR 1.00 in the share capital allotted to each share (ISIN DE0005677108 / WKN 567710) including all dividend rights (referred to collectively as the "Elmos Shares" and individually as one "Elmos Share") held by Elmos Shareholders at a purchase price of

EUR 17.50 per Elmos Share  
("Offer Price")

in accordance with the terms and conditions of this Offer Document.

The Offer is limited to the purchase of up to 1,540,000 Elmos Shares with a theoretical share in the share capital of up to EUR 1,540,000.00. This equals up to approx. 7.7% (commercial rounding) of the Company's current share capital (partial offer). If more than 1,540,000 Elmos Shares are submitted for buyback within the scope of this Offer ("oversubscription"), the declarations of acceptance will generally be satisfied on a pro-rata basis in accordance with no. 3.5.

### 2.2 Adjustment option

Based on the authorization given by the Annual General Meeting of May 16, 2018 (cf. no. 4.1 below), the Company is authorized to adjust the Offer Price if the share price is subject to material deviation after the public announcement of the Offer. In this case the unweighted average closing price of the Elmos Share on the XETRA trading system over the last three trading days in Frankfurt/Main prior to the day of the public announcement of the adjustment is applied. If the Company decides on such an adjustment to the Offer, it shall announce this decision no later than on the final day of the acceptance period in the form described under no. 12 of this Offer Document.

If an adjustment is made within the last 3 trading days in Frankfurt/Main of the acceptance period, the acceptance period will end 5 trading days in Frankfurt/Main after the release of the adjustment or at the latest on April 21, 2020.

### **2.3 Acceptance period**

The acceptance period begins with the publication of this Offer Document in the Federal Gazette and on the Company's website ([www.elmos.com](http://www.elmos.com)) on March 17, 2020 and ends – subject to an extension of the period – on March 23, 2020, 24:00 hrs. (CET) ("Acceptance Period").

The Company expressly reserves the right to extend the Acceptance Period. The Company shall announce an extension of the Acceptance Period without delay and prior to the expiry of the Acceptance Period in the form described under no. 12 of this Offer Document. In the case of an extension of the Acceptance Period, the periods referred to in this Offer Document for the settlement of the Offer shall be rescheduled accordingly.

### **2.4 Conditions and approvals**

The implementation of this Offer and the purchase and transfer agreements coming into existence by its acceptance are not subject to any regulatory approvals or clearances. They are also not subject to the condition that a minimum number of Elmos Shares are tendered for sale.

However, the implementation of this Offer and the purchase and transfer agreements coming into existence by its acceptance are subject to the following conditions precedent (the "Offer Conditions" or individually one "Offer Condition"). The Offer Conditions are met if

- a) the index DAX 30 (ISIN DE0008469008 / WKN 846900) on the XETRA trading system has not fallen below the mark of 7,000 points, approx. -24% compared to the closing value as of March 13, 2020 in Frankfurt/Main on any of the trading days of the Acceptance Period and
- b) the Company has not been exposed to unforeseeable negative effects that jeopardize the Company's continued existence (force majeure) in the period from the beginning of the Acceptance Period to the end of the final day of the Acceptance Period. The Company will make a discretionary decision whether this condition is fulfilled and the Offer will therefore be implemented. The Company shall announce the non-fulfillment no later than on the third banking day after the expiry of the Acceptance Period in the form described under no. 12 of this Offer Document.

### **2.5 Waiver of conditions; non-fulfillment**

The Company may waive individual or all Offer Conditions by releasing a corresponding waiver

notice no later than on the third banking day after the expiry of the Acceptance Period in the form described under no. 12 of this Offer Document. A waiver is deemed the equivalent to the definite satisfaction of the respective Offer Condition.

If an Offer Condition can definitely not be satisfied anymore so that the Offer has become definitely invalid and no agreements will become effective based on the Offer, the Company shall announce this in the form described under no. 12 of this Offer Document no later than on the third banking day after the expiry of the Acceptance Period ("Non-Satisfaction Notice").

Upon the implementation of this Offer (as described under no. **Fehler! Verweisquelle konnte nicht gefunden werden.**), all Offer Conditions for which no Non-Satisfaction Notice has been released up to then shall be treated as if the Company had effectively waived such Offer Conditions.

The Company will not announce any satisfaction of Offer Conditions.

## **2.6 Cancellation in case of non-satisfaction of Offer Conditions upon which the validity of the Offer depends**

The Buyback Offer will not be implemented and the Company will not be obligated to purchase Elmos Shares tendered for sale and pay the purchase price for such Elmos Shares if any of the Offer Conditions as described under no. 2.4 is not satisfied or deemed satisfied and no waiver according to no. 2.5 of any of the Offer Conditions under no. 2.4 has been released by the Company. In this case, agreements concluded by the acceptance of the Offer will not become effective and title to the Elmos Shares tendered for sale will not transfer to the Company. Instead, the Custodian Banks shall arrange for re-booking the corresponding Elmos Shares tendered for sale into ISIN DE0005677108 (WKN 567 710) without delay. The central settlement agent (cf. no. 3) will instruct Clearstream Banking AG, Frankfurt/Main ("Clearstream"), to effect such re-booking within three banking days after the release of a Non-Satisfaction Notice according to no. 2.5. After re-booking, the Elmos Shares may again be traded under their original ISIN DE0005677108 (WKN 567 710). Any taxes arising under any laws other than German law or any costs and charges levied by foreign Custodian Banks not subject to German law that maintain no reciprocal account relationship with Clearstream shall be borne by the respective Elmos Shareholders.

## **2.7 Rescission**

In case of an amendment to the Offer – not including a mere extension of the Acceptance Period according to no. 2.3 of this Offer Document –, the Elmos Shareholders are entitled to rescind the agreement concluded by the acceptance of the Offer until the expiry of the Acceptance Period if they have accepted the Offer prior to the publication of the amendment, i.e. re-booking has been effected for the purpose of no. 3.1. A waiver of Offer Conditions does not represent an amendment to the Offer for this purpose, does not lead to an extension of the Acceptance Period and does not

result in a right of rescission.

The conditions for the effective exercise of the right of rescission are described under no. 3.6 below.

Apart from that, there is no contractual right to withdraw from the agreement concluded by accepting this Buyback Offer. The provisions of the WpÜG, including its provisions on rights of withdrawal, do not apply to this Offer.

### **3. Implementation of the Offer**

The Company has engaged Joh. Berenberg, Gossler & Co. KG, Neuer Jungfernstieg 20, 20354 Hamburg, with the technical implementation of the Buyback Offer as central settlement agent ("Central Settlement Agent").

#### **3.1 Declaration of acceptance and re-booking of Elmos Shares**

Elmos Shareholders may accept the Offer only by giving written notice to their respective Custodian Bank within the Acceptance Period (please refer to no. 2.3 above). This notice shall contain the information for how many of the Company's shares the respective Elmos Shareholder accepts this Offer. In addition to that, the Custodian Bank shall be instructed to arrange for re-booking of the Elmos Shares in the respective Elmos Shareholder's securities custody account for which the Offer is accepted into ISIN DE000A288722 / WKN A28872 ("Interim Securities Category") with Clearstream. A form for the declaration of acceptance shall be provided to the Elmos Shareholders by their Custodian Banks.

The declaration of acceptance only becomes effective if the Elmos Shares for which acceptance has been declared have been re-booked at Clearstream into the Interim Securities Category set up for the purpose of implementation of this Offer in due time. Re-booking is arranged for by the Custodian Bank after receipt of the declaration of acceptance. Re-booking the Elmos Shares into the Interim Securities Category shall be effected without delay and will be deemed to have been made in due time if re-booking has been effected at the latest by 18:00 hrs. (Central European Time) on the second banking day (included) after the expiry of the Acceptance Period, i.e. – subject to an extension of the Acceptance Period – no later than March 25, 2020, 18:00 hrs. ("Technical Reclassification Period").

Declarations of acceptance that have not been received by the respective Custodian Bank within the Acceptance Period or that have been made out incorrectly or incompletely will not be regarded as an acceptance of the Buyback Offer and will not entitle the respective Elmos Shareholder to payment of the Offer Price.

### 3.2 Further declarations by accepting Elmos Shareholders

Upon acceptance,

- a) the accepting Elmos Shareholders declare that they (i) accept the Offer of the Company to enter into a purchase agreement for the Elmos Shares specified in the declaration of acceptance, in accordance with the terms and conditions of this Offer Document, and (ii) consent to the transfer of title to the respective Elmos Shares to the Company;
- b) the accepting Elmos Shareholders declare by way of a warranty promise that their Elmos Shares tendered for repurchase are their sole property, not subject to any restrictions on disposal and free of third-party rights and claims at the time of the transfer of title;
- c) the accepting Elmos Shareholders instruct their Custodian Bank (i) to initially leave the Elmos Shares tendered for repurchase in their respective securities custody account but re-book them into the Interim Securities Category with Clearstream and (ii) to instruct and authorize Clearstream to provide the shares in the Interim Securities Category immediately after the expiry of the Acceptance Period to the Central Settlement Agent in its securities account with Clearstream for transfer of title to the Company in consideration of pro-rata allocation in case of the Offer's oversubscription (cf. no. 3.5);
- d) the accepting Elmos Shareholders instruct and authorize the Central Settlement Agent as well as their respective Custodian Bank (by releasing each from the restrictions on acting as both principal and agent set forth in Section § 181 BGB (Civil Code)) to take all actions required or appropriate for the settlement of this Buyback Offer and to make or accept any statements or declarations in accordance with this Offer Document, and particularly to effect the transfer of title to the Elmos Shares tendered for repurchase to the Company;
- e) the accepting Elmos Shareholders instruct their respective Custodian Bank to instruct and authorize Clearstream to provide to the Company, either directly through the Central Settlement Agent or through the Custodian Bank, all information relevant to the announcement of the result of this Offer, in particular the number of Elmos Shares booked in the securities custody account of the Custodian Bank into the Interim Securities Category with Clearstream, on each trading day;
- f) the accepting Elmos Shareholders instruct and authorize their respective Custodian Bank to transfer and assign the Elmos Shares for which acceptance has been declared including all rights attached to those shares to the Company concurrently against payment of the respective Offer Price to the account of the respective Custodian Bank with Clearstream in accordance with the terms and conditions of this Offer. If the declarations of acceptance are satisfied on a pro-rata basis, the transfer of title becomes effective to the extent of the allocation according to the allocation procedure described under no. 3.5; and

- g) the accepting Elmos Shareholders instruct and authorize the Central Settlement Agent as well as their respective Custodian Bank (by releasing each from the restrictions on acting as both principal and agent set forth in Section § 181 BGB (Civil Code)) to instruct and authorize Clearstream to arrange for re-booking of the Elmos Shares from the Interim Securities Category into initial ISIN DE0005677108 (WKN 567 710) in case of the release of a Non-Satisfaction Notice according to no. 2.5.

The instructions, orders, authorizations and declarations listed in the above paragraphs **Fehler! Verweisquelle konnte nicht gefunden werden.** to g) shall be granted or issued irrevocably with the declaration of acceptance in the interest of a smooth and expeditious settlement of this Offer.

### 3.3 Legal consequences of the acceptance of this Offer

With the acceptance of this Offer, an agreement is concluded between the respective accepting Elmos Shareholder and the Company for the sale and transfer of the Elmos Shares tendered for repurchase including all rights attached to these shares (including all potential dividend rights) in accordance with the provisions of this Offer Document, subject to a merely partial (pro-rata) consideration of the declarations of acceptance according to no. 3.5 and the satisfaction of the Offer Conditions of this Buyback Offer according to no. 2.4 or a waiver of the Offer Conditions according to no. 2.5.

If the declarations of acceptance are satisfied on a pro-rata basis, the Company is entitled to amend the share purchase and transfer agreements between Elmos and the Elmos Shareholders according to the allocation pursuant to the allocation procedure described under no. 3.5.

### 3.4 Settlement of the Offer and payment of the purchase price

The payment of the purchase price shall be made – in accordance with the pro-rata consideration of declarations of acceptance pursuant to no. 3.5 if applicable – concurrently against Clearstream booking the Elmos Shares tendered for repurchase out of the Interim Securities Category and transferring the Elmos Shares to the account of the Central Settlement Agent with Clearstream for transfer of title to the Company. The purchase price will be available to the respective Custodian Bank on its account with Clearstream at the earliest on the 5<sup>th</sup> banking day (the first settlement date) and probably at the latest on the 10<sup>th</sup> banking day (the second settlement date) after expiry of the Acceptance Period. In case of pro-rata consideration of declarations of acceptance, the payment of the purchase price, to be effected without delay in any case, may take a few days more due to the technical process of settlement. Insofar as Elmos Shares could not be allocated in the case of pro-rata consideration of declarations of acceptance, the Central Settlement Agent shall instruct Clearstream to re-book the remaining Elmos Shares into original ISIN DE0005677108 / WKN 567 710.

The respective Custodian Bank is instructed to credit the Offer Price to the account specified in writing in the respective Elmos Shareholder's declaration of acceptance. Upon credit entry of the purchase price owed in the account of the respective Custodian Bank with Clearstream, the Company's obligation to pay the purchase price is deemed fulfilled.

### 3.5 Allocation in the event of oversubscription of the Offer

If more than 1,540,000 Elmos Shares are tendered for repurchase within the scope of this Offer (oversubscription), declarations of acceptance shall be considered on a pro-rata basis, i.e. the maximum number of Elmos Shares to be purchased within the scope of the Offer (1,540,000 Elmos Shares) is set in proportion to the total number of Elmos Shares tendered for repurchase. The Company makes use of the option, provided for by the authorization given by the Annual General Meeting of May 16, 2018, of a privileged acceptance of smaller numbers of shares in the volume of up to 100 shares tendered. These are thus privileged and accepted entirely, yet in a maximum volume of 1,540,000 shares.

The Company will then purchase 100 Elmos Shares from each Elmos Shareholder who has tendered more than 100 Elmos Shares plus the prorated number of Elmos Shares tendered in excess of the first 100 Elmos Shares. The prorated number is determined on the basis of the ratio of A divided by B multiplied by C, as follows:

$$\text{Prorated number} = \frac{A}{B} \times C$$

- "A" equals the total number of Elmos Shares included in this Offer, thus 1,540,000 Elmos Shares, less 100 Elmos Shares each per shareholder who has tendered 100 Elmos Shares or more and all Elmos Shares tendered by Elmos Shareholders who have tendered less than 100 Elmos Shares each (collectively referred to as "Deductible Shares");
- "B" equals the total number of Elmos Shares tendered to the Company by all Elmos Shareholders in due time according to the terms and conditions of this Offer, less all Deductible Shares;
- "C" equals the number of Elmos Shares tendered by the respective Elmos Shareholder in due time (up to 1,540,000 Elmos Shares).

If the number of Deductible Shares exceeds 1,540,000, all Elmos Shares tendered within the

scope of this Offer will be considered in proportion of Elmos Shares to be accepted (1,540,000) to the total number of Elmos Shares tendered for repurchase. In this event the Company will make no use of the option provided for by the authorization given by the Annual General Meeting of May 16, 2018 for the privileged acceptance of smaller numbers in the amount of up to 100 Elmos Shares tendered.

The result of such calculations shall be rounded down to the next natural, i.e. whole positive number; fractional amounts shall not be considered.

### **3.6 Right of rescission**

The right of rescission in accordance with no. 2.7 above must be exercised by giving written notice to the respective Custodian Bank of the Elmos Shareholder who seeks to rescind. The rescission notice must be received by the Custodian Bank before expiry of the – extended, if applicable – Acceptance Period. The rescission becomes effective upon re-booking of the Elmos Shares registered for sale for which rescission is intended to be declared by the Custodian Bank into original ISIN DE0005677108 / WKN 567710 with Clearstream. If the rescission has been declared in writing to the Custodian Bank within the – extended, if applicable – Acceptance Period, re-booking of the Elmos Shares registered for sale into original ISIN DE0005677108 / WKN 567710 is deemed to have been made in due time if effected no later than 18.00 hrs. (CET) on the second banking day (included) after expiry of the – extended, if applicable – Acceptance Period.

### **3.7 Costs of acceptance**

The Custodian Banks will be paid a flat settlement fee by the Company in the amount of EUR 5.00 per securities custody account of Elmos Shareholders whose Elmos Shares are re-booked into the Interim Securities Category. All other expenses in connection with the acceptance of the Buyback Offer and the transfer of Elmos Shares, in particular costs, fees and charges levied by the Custodian Banks, shall be borne by the accepting Elmos Shareholders.

### **3.8 No stock exchange trading with tendered Elmos Shares**

In the period from booking into separate ISIN DE000A288722 / WKN A28872 with Clearstream to re-booking into ISIN DE0005677108, the Elmos Shares tendered for repurchase in accordance with this Offer Document cannot be traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange or any other regulated market. Elmos Shareholders therefore cannot sell their Elmos Shares tendered for repurchase on the stock market, irrespective of whether the Shares are sold based on this Offer or returned due to a right of rescission or in case of oversubscription. Trading of the Elmos Shares booked into ISIN DE0005677108 shall remain unaffected.

### 3.9 Queries

Elmos Shareholders who wish to accept the Offer are kindly asked to direct any questions they might have with respect to the acceptance of the Offer and its technical settlement to their respective Custodian Bank. The Custodian Banks have been separately informed about handling the acceptance and settlement of the Offer and are instructed to inform their clients who hold Elmos Shares in their securities custody account about the Offer and the necessary steps to be taken for its acceptance.

## 4. Basis of the Offer

### 4.1 Capital structure and authorization for the repurchase of treasury shares

The Company's share capital currently amounts to EUR 20,103,513.00 and is divided into 20,103,513 no-par ordinary bearer shares with a proportionate amount of EUR 1.00 of the share capital allotted to each no-par share. Elmos Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are traded there.

The Company's Annual General Meeting of May 16, 2018 authorized the Company's Management Board under item 6 of the agenda for the purchase of treasury shares as follows:

The Management Board is authorized, subject to the Supervisory Board's consent, to purchase the Company's shares of altogether up to 10% of the share capital up to and including May 15, 2023. Together with any treasury shares purchased for the same or other reasons and either held by the Company or attributed to the Company in accordance with Sections 71a et seq. AktG (Stock Corporation Act), the volume of treasury shares purchased on the basis of this authorization shall not exceed 10% of the Company's share capital at any time.

The authorization to purchase and use treasury shares may be exercised entirely or in several parts, once or several times, and for one or several purposes within the scope of the aforementioned limitation.

The purchase shall be made on the stock exchange or by way of a public purchase offer addressed to all of the Company's shareholders or by purchasing from individual shareholders based on individual agreements; however, shares shall not be purchased from Weyer Beteiligungsgesellschaft mbH, ZOE-VVG GmbH, Jumakos Beteiligungsgesellschaft mbH or other entities subject to reporting in accordance with Art. 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) (or any successor legislation) with no consideration of the exemption pursuant to Art. 19 (8) Market Abuse Regulation

(or any successor legislation).

If the shares are purchased on the stock exchange, consideration paid by the Company per share (net of additional purchase costs) shall neither exceed the opening price on the XETRA trading system (or a comparable successor system) in Frankfurt/Main as of the acquisition date by more than 10% nor fall below that price by more than 20%.

If the shares are purchased by means of a public purchase offer addressed to all of the Company's shareholders, the purchase price offered or the limits of the offered purchase price margin per share (net of additional purchase costs) – adjustments during the offer period notwithstanding – may neither exceed nor fall below the unweighted average closing price of the stock of Elmos Semiconductor Aktiengesellschaft on the XETRA trading system (or a comparable successor system) over the last three trading days in Frankfurt/Main prior to the day of the public announcement of the purchase offer by more than 20%. If material changes to the relevant stock price occur after the public announcement, the purchase price may be adjusted. In this case the unweighted average closing price of the stock of Elmos Semiconductor Aktiengesellschaft on the XETRA trading system (or a comparable successor system) over the last three trading days in Frankfurt/Main prior to the day of the public announcement of a possible adjustment shall be applied. The purchase offer may provide for further conditions. The volume of the offer may be limited. If total subscription to the offer exceeds its volume, acceptance must occur in proportion to the respective numbers of shares offered. The privileged acceptance of smaller numbers of up to 100 of the Company's shares tendered for purchase per shareholder of the Company may be provided for.

If the shares are purchased from individual shareholders based on individual agreements, the purchase price per share may neither exceed nor fall below the unweighted average closing price of the stock of Elmos Semiconductor Aktiengesellschaft on the XETRA trading system (or a comparable successor system) over the last three trading days in Frankfurt/Main prior to the completion of the respective purchase transaction by more than 5%. The other shareholders' rights to tender are excluded in analogous application of Section 186 (3) sentence 4 AktG.

The complete text of the authorization given by the Annual General Meeting of May 16, 2018 is included in the convening notice published in the Federal Gazette on March 27, 2018 and available on the Company's website ([www.elmos.com/english/about-elmos/investor/annual-general-meeting](http://www.elmos.com/english/about-elmos/investor/annual-general-meeting)) under "About Elmos/Annual General Meeting".

#### **4.2 Resolution of the Management Board on the issue of the Offer, consent of the Supervisory Board, and intended use of the Elmos Shares purchased**

Based on the authorization given by the Company's Annual General Meeting of May 16, 2018, reproduced under no. 4.1 in part, the Management Board of Elmos resolved on March 16, 2020 to repurchase up to 1,540,000 Elmos Shares by way of a public Buyback Offer. The Management Board's resolution to issue this Offer has been published in the way described under no. 1.3.

The Supervisory Board of Elmos has consented to the Management Board's resolution on March 16, 2020.

Elmos Shares purchased through the public Offer may be sold to third parties against cash payment if the sale is transacted at a price that does not materially fall below the stock market price. They may also be sold against contributions in kind, particularly in order to offer them to third parties within the scope of business combinations or the acquisition of companies, operations, investments, or other assets. Furthermore, they may be used for servicing convertible bonds or bonds with warrants or participating bonds (or a combination of such instruments) linked respectively to conversion or option rights or conversion obligations to be issued by Elmos or a consolidated company within the meaning of Section 18 AktG in the future. They may also be used in connection with, or without connection with, share-based payment or employee share programs of the Company or affiliated companies and issued to persons in an active or former employment relationship with the Company or one of its affiliates or to members of corporate bodies of the Company or one of its affiliates. Treasury shares may also be promised and assigned to members of the Management Board of Elmos as share-based remuneration component and assigned to members of the Supervisory Board as part of their compensation in accordance with the Articles of Association. Finally, treasury shares may be retired without requiring any further shareholders' resolution on the retirement or its implementation. Management Board and Supervisory Board have so far not made a decision on how the Elmos Shares purchased under this Offer shall be used. It is also possible that the purchased Elmos Shares will not be used at all initially but merely be held by the Company.

#### **5. Previous share buyback transactions of the Company**

Under the authorization given by the Annual General Meeting of May 16, 2018 for the repurchase and use of treasury shares, the Company has acquired altogether 172,798 shares on the stock exchange as of March 10, 2020. On March 10, 2020 the Company holds 468,999 treasury shares altogether, resulting in part from earlier share buybacks. In compliance with statutory provisions, up to 1,541,352 Elmos Shares may therefore be acquired by the Company within the scope of this Offer.

## 6. Development of the portfolio of treasury stock

Upon complete acceptance and implementation of this Buyback Offer, the portfolio of all treasury shares held by Elmos would increase from currently 468,999 no-par shares to the maximum amount of 2,008,999 no-par shares. This number would equal approx. 9.99% of the Company's share capital and thus be close to the ceiling provided for by law or rather by the authorization of May 16, 2018.

## 7. Financing the purchase

The Company has the means at its disposal required for the complete satisfaction of the Offer as of the time the claim for payment of the Offer Price is due.

## 8. Information on the Offer Price

The Offer Price of EUR 17.50 for each of the Company's no-par value bearer shares takes into account the requirements for the determination of the purchase price included in the authorization given by the Annual General Meeting of May 16, 2018. Accordingly the purchase price offered per Elmos Share (net of additional purchase costs) may neither exceed nor fall below the unweighted average closing price of the Elmos Share on the XETRA trading system (or a comparable successor system) over the last three trading days in Frankfurt/Main prior to the day of the public announcement of the Offer by more than 20%.

The time period of relevance to the determination of the consideration therefore comprises the trading days from March 11, 2020 to March 13, 2020 (both days included) (the "Reference Period"). On these days, the following closing prices of the share of Elmos were established on the XETRA trading system of the Frankfurt Stock Exchange:

<b>Date</b>	<b>Xetra closing price</b>
March 11, 2020:	EUR 19.60
March 12, 2020:	EUR 18.88
March 13, 2020:	EUR 18.62

The unweighted average closing price for the Reference Period amounted to EUR 19.03.

The Offer Price in the amount of EUR 17.50 is thus below this unweighted average stock market price by roughly 8.1%.

If the Offer is accepted completely, the total purchase price to be paid by the Company for the Elmos Shares tendered will amount to EUR 26,950,000.00.

## **9. Effects of the Offer**

The Elmos Shares admitted to trading at the Frankfurt Stock Exchange will remain tradable on the stock exchange under ISIN DE0005677108 during the entire Acceptance Period and after completion of the Offer.

The Offer will probably be implemented prior to the cutoff dates of relevance to participation in this year's Annual General Meeting of the Company and to entitlement to dividend payment so that Elmos Shareholders will be excluded from participation in the Annual General Meeting and receiving the payment of a dividend for fiscal year 2019 with respect to those Elmos Shares for which they accept the Offer.

Elmos cannot derive any rights from shares acquired within the scope of this Offer; in particular the Company will not be entitled to any voting rights or dividend rights. The collective influence of those Elmos Shareholders who do not accept this Offer will therefore potentially increase. As the voting rights attached to treasury shares cannot be exercised, the interest of each Elmos Shareholder becomes more relevant in relative terms. Within the framework of the appropriation of retained earnings for the payment of a dividend, treasury shares held by the Company are also left unconsidered.

It cannot be ruled out that demand for and supply of Elmos Shares will be lower after the implementation of the Offer than before and thus the trading liquidity of the Elmos Share will decrease, depending on the acceptance ratio. A potentially diminished trading liquidity might also result in heavier share price fluctuation than in the past.

## **10. Intentions of the members of the company boards with respect to acceptance of the Offer**

Insofar as the members of Management Board and Supervisory Board hold Elmos Shares, they will not accept the Offer and will not tender their Elmos Shares for sale.

## **11. Tax law notice**

Acceptance of this Offer in accordance with this Offer Document results in a sale of Elmos Shares by the Elmos Shareholders accepting the Offer. Elmos recommends that the Elmos Shareholders obtain individual tax advice on the tax effects of the acceptance of this Offer considering their personal circumstances before accepting the Offer.

## **12. Publications**

Unless otherwise provided for in this Offer Document and subject to any amendments to and extensions of the Offer, the Company will only release the final result of the Buyback Offer, probably

on the third banking day after the expiry of the Acceptance Period. In case of pro-rata consideration of declarations of acceptance (cf. no. 3.5), the Company will also publish the allocation ratio to be applied in considering the declarations of acceptance.

All announcements made in connection with the Offer will be released on the Company's website ([www.elmos.com/english/about-elmos/investor/share](http://www.elmos.com/english/about-elmos/investor/share)) under "About Elmos/ Share/Stock repurchase program" and subsequently published in the Federal Gazette unless further disclosure obligations apply. If the time of publication is relevant or decisive according to the provisions of this Offer Document, the time of release on the Company's website will be deemed the time of publication if publication in the Federal Gazette will follow shortly.

### **13. Applicable law and jurisdiction**

This Offer and the share purchase and transfer agreements coming into existence by the acceptance of this Offer are solely subject to the law of the Federal Republic of Germany.

If an Elmos Shareholder is a merchant, a legal entity under public law, or a public-law special fund, exclusive jurisdiction of Dortmund, Germany, as the place of the Company's registered office shall be agreed for all claims arising out of or due to this Offer and the share purchase and transfer agreements coming into existence by the acceptance of this Offer. To the extent permissible by law, the same applies for persons who have no place of general jurisdiction in the Federal Republic of Germany or persons who have moved their permanent or main residence outside the Federal Republic of Germany after conclusion of the share purchase and transfer agreements coming into existence by the acceptance of this Offer or whose permanent or main residence is unknown at the time a claim is filed.

### **14. Miscellaneous**

References to time in this Offer Document relate to Central European Time. References to a "banking day" relate to a day on which banks in Frankfurt/Main, Germany, are open for general business and the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) or a comparable system is ready for operation.

Dortmund, March 16, 2020

**Elmos Semiconductor AG**

– The Management Board –