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Independent auditor's report on the audit of the remuneration report in accordance with Section 162 (3) AktG

To SLM Solutions Group AG, Lübeck

Audit opinion

We have formally reviewed the remuneration report of SLM Solutions Group AG, Lübeck, for the fiscal year from January 1 to December 31, 2022 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG were made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

According to our assessment, the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the attached remuneration report in all material respects. Our audit opinion does not cover the content of the remuneration report.

Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG, taking into account the IDW auditing standard: The audit of the remuneration report in accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibilities under this rule and this Standard are further described in the "Auditor's Responsibilities" section of our report. As an auditing practice, we have applied the requirements of the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1). We have complied with the professional obligations in accordance with the Auditors' Regulations and the Professional Statutes for Auditors/Certified Accountants, including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for preparing the remuneration report, including the related disclosures, which meets the requirements of Section 162 AktG. They are also responsible for those internal controls that they consider necessary to enable the preparation of a

remuneration report, including the related disclosures, that is free from material misstatement due to fraud (i.e. manipulation of accounting and financial loss) or errors.

Auditor's Responsibility

Our objective is to obtain reasonable assurance as to whether the disclosures in accordance with Section 162 (1) and (2) AktG have been made in the remuneration report in all material respects, and to express an audit opinion in a report.

We have planned and conducted our audit in such a way that we can determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not audited the accuracy of the information, the completeness of the individual disclosures, or the appropriate presentation of the remuneration report.

Hamburg, March 16, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Stefanie Hagenmüller
03/16/2023

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Auditor

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03/16/2023

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Auditor

SLM Solutions Group AG, Lübeck

Remuneration Report for the 2022 fiscal year

The remuneration report outlines the remuneration of members of the Management Board and Supervisory Board of SLM Solutions Group AG in accordance with Section 162 AktG. The underlying remuneration system complies with the requirements of the German Stock Corporation Act (Section 87a AktG), and fundamentally conforms to the valid recommendations of the German Corporate Governance Code (DCGK).

The remuneration system for the Management Board and Supervisory Board of SLM Solutions Group AG is aligned with the responsibility and tasks of each person and takes the economic situation of the Company into account in the variable components pertaining to the Management Board. The Supervisory Board consults about and approves the Management Board's remuneration. The 2021 Remuneration Report was approved at the 2022 Annual General Meeting with 52.78%.

Remuneration for individual members of the Management Board comprises both fixed and variable components, in compliance with the German Corporate Governance Code. The existing employment contracts contain, in variable portion, a short-term incentive program (STI) and a multi-year long-term incentive program (LTIP). The original LTIP was replaced by a new program in 2022 due to a change of control. The following statements provide an overview of the individual components of the applicable remuneration system approved by the Annual General Meeting on June 16, 2021 (Remuneration System 2021). Mr. Ackermann's and Mr. Grace's contracts are governed by this Agreement. Deviating from this remuneration system, individual agreements were made with Mr. O'Leary, Mr. Ackermann, and Mr. Grace in 2022, which will come into effect in the event of a change of control (CoC).

Management Board structure

In the 2022 fiscal year, the Management Board was made up of two to three members. Mr. Charles Grace was appointed as a third member of the Management Board on July 15, 2022.

- Sam O'Leary, CEO
- Dirk Ackermann: CFO
- Charles Grace: COO, Member of the Management Board since July 15, 2022

Overview of the Management Board's remuneration in the 2022 fiscal year

In the 2022 fiscal year, remuneration of the members of the Management Board consisted of:

Fixed remuneration

The fixed remuneration consists of twelve, monthly installments, which are paid at the end of the month. It forms the basic income for the highly-qualified Members of the Management Board. The appropriateness of the fixed remuneration is checked regularly.

Short-term incentive program annual bonus (STI)

With the achievement of goals pursuant to the remuneration system, the short-term incentive is oriented towards a single-year assessment period. The conditions for the STI are determined by the Supervisory Board in detail for each fiscal year with reasonable discretion. In doing so, the performance and operative criteria are above all oriented towards strategic targets and also ESG targets (Environment/Social/Governance). The STI serves as motivation for the Management Board members to achieve financial, operative and strategic targets. The Supervisory Board has the opportunity to take into account extraordinary developments within reason. Due to the ongoing special situation caused by the Covid pandemic and takeover negotiations with the Japanese company Nikon, the Supervisory Board has not set any targets for 2022, as the effects on SLM Solutions were not foreseeable.

In principle, the STI is limited to 130% of the target amount if the target is exceeded. Unless the Supervisory Board makes new stipulations, the stipulated conditions shall also apply to the respective next financial year.

Long-term incentive program (LTIP)

For this long-term, variable remuneration, SLM has determined the Long Term Incentive Program (LTIP) 2021. This program foresees a performance-related payment as such that so-called Stock Appreciation Rights (SARs) are allocated to the Management Board. The value of the respective annually assigned SARs should be oriented to both the assignment at the time and to the development of the share price of the Company regarding its further development.

Pursuant to the LTIP 2021, there is a pure cash compensation of the SARs.

This long-term remuneration was oriented towards sustainability. The four-year performance period was aimed at ensuring that the Management Board's actions in the current financial year are also oriented towards long-term development.

If a Management Board member resigns from the Management Board as a so-called "bad leaver," all vested and non-vested SARs of the Management Board member concerned, including all related rights and entitlements, are forfeited without entitlement to compensation. Such a situation occurs, for example, in the event of an extraordinary termination (except for an effective termination without notice by the board member for good cause pursuant to Section 626 BGB) or in the event of an application for early termination of the service contract by the Management Board member. However, the takeover by the Japanese company Nikon resulted in a change of control. The change of control, which had already been planned for 2022, finally took place on January 23, 2023. For this reason, the LTI program was replaced by a change-of-control compensation (CoC compensation) payment. The change of control clause protects the members of the Management Board in the event of a change of control. This is beneficial for the Company, as it puts the members of the Management Board in a position to make their decisions solely in the interests of the Company, even in the case of upcoming takeovers, without having to keep an eye on their own position.

It is agreed that all rights and entitlements arising from or in connection with the LTIP, any LTI amount granted, and all SARs (vested and non-vested) granted prior to the Change of Control taking effect (including any rights or entitlements arising from the LTIP 2021 and the LTIP 2022) are hereby fully settled and that the Management Board members are therefore not entitled to any further payment in connection with such LTI.

These CoC LTI Agreements are also oriented towards sustainability. The performance period of two to four years was aimed at orienting the Management Board's actions during the course of the current fiscal year towards long-term development. If a Management Board member leaves the Management Board as a so-called "bad leaver," all rights of the Management Board member concerned are forfeited, including all associated rights and claims without entitlement to compensation for the LTI remuneration that is not yet due and paid.

Change of Control Compensation (CoC Compensation)

"Change-of-Control" means a public takeover bid in relation to the Company or a takeover bid in connection with the delisting of the Company where a third party acquires more than 50% of the shares of the Company.

The "change-of-control remuneration" is based on the offer price for the shares in the Company for the takeover offer (including any increases and additional payments owed) in accordance with Section 31 of the Securities Acquisition and Takeover Act (WpÜG) and the WpÜG Offer Ordinance. It is EUR 20.00 per share.

The CoC remuneration is to be paid in several tranches over a longer period of time in order to create an incentive for the members of the Management Board to continue their work after the takeover. This ensures the loyalty of the Management Board members to the Company.

The breakdown of the tranches is explained under the individual promised benefits.

To prevent any doubt, neither the CoC payment amounts nor any tranches thereof bear interest and the Management Board member is not obliged to reinvest any part of the CoC remuneration in shares of the Company.

Additional benefits

A company car is made available to Management Board members Mr. Ackermann and Mr. O'Leary. Furthermore, some school fees for school-aged children and tax advice costs are reimbursed. As a result, a more attractive working environment is created.

Individually confirmed benefits

The following regulations applied to Mr. O'Leary and Mr. Ackermann:

In the event of early termination of the executive body without good cause pursuant to Section 626 BGB, payments to the member of the Management Board, including fringe benefits, must not exceed the value of two years' remuneration ("severance cap") and may not remunerate more than the remaining term on the contract. A severance payment is offset against the waiting allowance for the subsequent non-competition clause. This relates to a period of 12 months after termination of the contract. The waiting allowance amounts to 50% of the average remuneration received by the member of the Management Board over the last twelve months.

In addition to serving as a director of the Company, Mr. Grace serves as General Manager and Global Chief Commercial Officer for SLM Solutions NA, Inc., a subsidiary of the Company. The basis for this activity at SLM Solutions NA, Inc. is the "Employment Agreement" between Mr. Grace and SLM Solutions NA, Inc. dated February 8, 2021 (USA employment contract).

The remuneration according to the US employment contract is offset in full against the remuneration for his work on the Management Board. This contract relates to an annual salary of USD 250,000 and a maximum STI of USD 150,000, which is limited to a maximum of 130% of the amount if the targets are exceeded. In addition, he receives USD 25,000 for his work as a member of the Management Board, so the total annual salary is USD 275,000 excluding the STI.

As previously mentioned, all Management Board members receive change-of-control (CoC) compensation. The payment due dates differ for the members of the Management Board and are linked to remaining in the Company.

For Mr. O'Leary and Mr. Grace:

The first tranche of the CoC remuneration corresponds to 50% of the total CoC remuneration and is due when the change of control takes effect.

The second tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2024.

The third tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2025.

The fourth tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2026.

The fifth and final tranche of the CoC fee amounts to 12.5% of the total CoC fee and will be paid on April 30, 2027.

For Mr. Ackermann,

the first tranche of the CoC remuneration corresponds to 40% of the total CoC remuneration and is due when the change of control takes effect.

The second and last tranche of the chain of custody remuneration corresponds to 60% of the total chain of custody remuneration and will be paid out on July 31, 2024.

The CoC took place on January 23, 2023.

Target total remuneration for the 2022 fiscal year

The target total remuneration presents the remuneration amount that would take effect if all of the targets were achieved and the share price remained the same, and as a result sets incentives for a strong company performance, as well as both collective and individual performances. If the set targets are not achieved, this could lead to a significant reduction in remuneration.

		Fixed remuneration	Additional benefits	STI	Total
Sam O'Leary	Target amount	550	33	200	783
	Share (%)	70	4	26	100
Dirk Ackermann	Target amount	275	8	75	358
	Share (%)	77	2	21	100

Charles Grace	Target amount therein target amount USA	126	6	69	201
	Share (%)	63	3	34	100

Target amounts for fringe benefits correspond to the value of the guaranteed amounts in the fiscal year.

Upper limits on individual remuneration elements

The fixed remuneration and ancillary benefits are defined as fixed amounts and as a result cannot be set higher. The short-term, variable remuneration (STI) is limited to 130% of the target value. The maximum payment amount for long-term, variable remuneration (CoC) varies depending on the Management Board member. The total CoC remuneration for Mr. Sam O'Leary is kEUR 7,000 gross, for Mr. Dirk Ackermann it is kEUR 2,000 and for Mr. Grace it is kEUR 2,000. The maximum annual remuneration for all Management Board members is kEUR 10,000 and is not exceeded. The allocation of payment due dates for the individual members of the Management Board has already been explained.

Benefits for resigned Management Board members in the year

No payments were made to former Management Board members in 2022.

Granted and owed remuneration

Management Board

According to Section 62(1) AktG, all fixed and variable remuneration components that were "granted and owed" to the individual current and former members of the Management Board in the 2022 fiscal year must be disclosed. Remuneration is deemed "granted" if it is received and "owed" when it becomes due but is not yet fulfilled. Since remuneration according to this understanding of the term cannot be granted and owed at the same time, the remuneration is stated at the earlier point in time. The figures given in the following table include all benefits actually received in the 2022 financial year, regardless of the financial year to which the inflow relates. In this way, the STI that is a result of achieving a target in 2021 is exhibited in the 2022 table, the year of actual payment.

Sam O'Leary				
Management Board member since December 1, 2019				
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	535	67	550	65
Additional benefits	32	4	33	4
Total	567	71	583	69
Short Term Incentive (STI)	130	16	260	31
Long-Term Incentive (LTI) / CoC in 2022	100	13	0	0
Total	230	29	260	31
Total remuneration	797	100	843	100

Dirk Ackermann				
Management Board member since August 1, 2021				
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	115	97	275	87
Fringe benefits	3	3	8	3
Total	118	100	283	90
Short Term Incentive (STI)	0	0	31	10
Long-Term Incentive (LTI) / CoC in 2022	0	0	0	0
Total	0	0	31	10
Total remuneration	118	100	314	100

Charles Grace				
Management Board member since July 15, 2022				
	2021		2022	
	in kEUR	in %	in kEUR	in %
Total Fixed Fee including fixed remuneration	0	0	126	63
USA	0	0	115	57
Additional benefits	0	0	6	3
Total	0	0	132	66
Short Term Incentive (STI)	0	0	69	34
Long-Term Incentive (LTI) / CoC in 2022	0	0	0	0
Total	0	0	69	34

Total remuneration	0	0	201	100
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	André Witt ¹			
	Management Board member from January 21, 2021 to July 31, 2021			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	84	72	0	0
Additional benefits	32	28	0	0
Total	116	100	0	0
Short Term Incentive (STI)	0	0	0	0
Long-term incentive (LTI)	0	0	0	0
Total	0	0	0	0
Total remuneration	116	100	0	0

¹Mr. André Witt was employed in the interim as a Management Board member.

	Meddah Hadjar ²			
	Management Board member since May 1, 2019 to January 20, 2021			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	31	97	0	0
Additional benefits	1	3	0	0
Total	32	100	0	0
Short Term Incentive (STI)	0	0	0	0
Long-term incentive (LTI)	0	0	0	0
Total	0	0	0	0
Total remuneration	32	100	0	0

²Mr. Meddah Hadjar was dismissed from the Management Board on January 20, 2021.

The Supervisory Board makes decisions with reasonable discretion regarding the target setting and target achievement of the Management Board for the STI and CoC. Due to the special situation caused by the Covid 19 pandemic and the unforeseeable development of the global economy and the consequences for SLM Solutions, no targets were set for 2021. For this reason, the Supervisory Board, at its own discretion, has set an STI target achievement of 130% for Mr. O'Leary and 100% for Mr. Ackermann. For the former Management Board members, Mr. Witt and Mr. Hadjar, no STI was agreed for 2021 and accordingly not paid out. The limits of the maximum remuneration were observed. Compensation components from LTI are not taken into account, as all rights and claims based on the CoC have been settled. The ratios of the individual ratios of the remuneration components provided for

in the remuneration system were not adhered to in 2022. This is a result of the special agreements due to the CoC situation. The option to reclaim variable remuneration components was not utilized.

Supervisory Board

The remuneration regulations for the Supervisory Board are laid down in Section 13 of the Articles of Association of the Company and were confirmed at the Annual General Meeting of June 2, 2017. Supervisory Board remuneration is provided as purely fixed remuneration. It takes into account the responsibilities and scope of activities of the Supervisory Board members. Chair, Vice Chair on the Supervisory Board, Chair and membership on the Presidential Committee, as well as the Audit Committee are also remunerated. Members of the Supervisory Board or the Committees that are in office for less than a whole year receive a pro rata remuneration.

Fixed remuneration subsequently amounts to:

Supervisory Board:

- Member EUR 25,000
- Chair EUR 50,000
- Vice Chair EUR 37,500

Presidential Committee:

- Member EUR 5,000
- Chair EUR 10,000

Audit Committee

- Member 7,500
- Chair EUR 15,000

Dr. Busch left the Supervisory Board on April 20, 2022. All members of the Supervisory Board and the Committees were employed in these positions within the Company for the whole year in 2022.

In the following table, the granted and owed remuneration components according to Section 162 (1) AktG are shown. Remuneration is deemed "granted" if it is received and "owed" when it becomes due but is not yet fulfilled.

Supervisory Board member	2022	Supervisory Board kEUR	Presidential Committee kEUR	Audit Committee kEUR
	Total kEUR			
Hans-Joachim Ihde	30.0	25.0	5.0	
Thomas Schweppe	67.5	50.0	10.0	7.5
Dr. Roland Busch	12.2	7.6		4.6
Kevin Czinger	25.0	25.0		
Magnus René	50.0	37.5	5.0	7.5
Dr. Nicole Englisch	25.0	25.0		
	209.7	170.1	20.0	19.6

Supervisory Board member	2021	Supervisory Board kEUR	Presidential Committee kEUR	Audit Committee kEUR
	Total kEUR			
Hans-Joachim Ihde	30.0	25.0	5.0	
Thomas Schweppe	67.5	50.0	10.0	7.5
Dr. Roland Busch	40.0	25.0		15.0
Kevin Czinger	25.0	25.0		
Magnus René	50.0	37.5	5.0	7.5
Dr. Nicole Englisch	25.0	25.0		
	237.5	187.5	20.0	30.0

There were no other remuneration agreements for the members of the Supervisory Board. Former members of the Supervisory Board did not receive any remuneration in the year under review.

Comparative presentation

In the following table, the granted and owed remuneration components according to Section 162(1) sentence 2 AktG, the annual change in the remuneration of the members of the Management Board and the Supervisory Board is shown in comparison to the Company's earnings development and to the average remuneration of the employees on a full-time equivalent basis. In the comparison group, all employees, including the AG's senior employees, have been considered. The remuneration of employees also includes the employer's contribution to social security. Furthermore, the earning trend is reported using the EBIT of the listed corporation.

Annual change	2022 to 2021	2021 to 2020 in %
Management Board members active in 2022		
Sam O'Leary (since 12/01/2019)	5.59	127.87
Dirk Ackermann (since 08/01/2021)	186.25	-
		-
Former members of the Management Board		
Dr. W. Gereon Heinemann (from 08/01/2018 to 02/29/2020)	-100	-72.32
André Witt (from 01/21/2021 to 07/31/2021)	-100	-
Meddah Hadjar (from 05/01/2019 to 01/20/2021)	-100	-95.19
Supervisory Board Member		
Hans-Joachim Ihde	0	0
Thomas Schweppe	0	0
Dr. Roland Busch	-69.5	0
Kevin Czinger	0	0
Magnus René	0	0
Dr. Nicole Englisch	0	84.62
Company earnings trend		
Annual result (HGB)	19.3	27.37
EBIT (HGB)	52.4	25.74
Average employee remuneration		
	5.14	3.89

The option according to Section 26j (2) sentence 2 EGAktG was exercised, to show the development of average employee remuneration for only two years instead of five years.