

# **voxeljet AG**

## **Augsburg**

### **Report of the Management Board to the Annual General Meeting regarding Item 6 pursuant to Sections 221 para. 4 sentence 2, 186 para. 4 sentence 2 AktG: Authorization for the issue of warrant and/or convertible bonds and to exclude the subscription right for these warrant and/or convertible bonds as well as creation of a new Conditional Capital; amendment of the Articles of Association**

The proposed authorization to issue warrant and/or convertible bonds ("Bonds") with a total nominal amount of up to EUR 30,950,400 and to create the corresponding Conditional Capital of up to EUR 1,934,400 is aimed at expanding the Company's financing options, which are described in more detail below, and at enabling the Management Board, with the approval of the Supervisory Board, to secure flexible and timely financing in the interests of the Company, particularly if favorable capital market conditions arise. Adequate capital resources are an indispensable foundation for the Company's development. By issuing warrant and/or convertible bonds, capital can be raised at favorable interest rates. The possibility of effecting a conversion through conversion obligations can give the Company certainty with regard to the transformation of Bonds into equity.

The issue price for the new shares must be at least 80% of the stock exchange price of the no-par value share of the company determined close to the issue date of the Bonds carrying warrant or conversion rights or obligations, with the exception of cases in which a right to substitute or a conversion obligation is stipulated. For the purposes of the foregoing provision, the relevant exchange price shall be the arithmetic mean of the closing prices of the ADSs on the NYSE during the period specified in the Bond terms and conditions with the provision that for the purpose of calculating the stock exchange price per share, the stock exchange price of one ADS is to be multiplied by the number of ADSs representing one share. The possibility of a premium (which may increase after the term of the warrant or convertible bonds) ensures that the Bond terms and conditions can be adjusted to reflect the current capital market conditions at the time of issue.

In case of a right to substitute or a conversion obligation, the issue price of the new shares must, in accordance with the more detailed provisions of the Bond terms and conditions, be at least either the above-mentioned minimum price or must be equal to the stock exchange price of the no-par value share of the Company during the last ten trading days prior to the final maturity date or the other stipulated point in time, even if this average price is below the above-mentioned minimum price. For the purposes of the foregoing provision, the relevant stock exchange price shall be the arithmetic mean of the closing prices of the ADSs on the NYSE during the last ten trading days prior to the date of final maturity or the other stipulated point in time. Sections 9 para. 1 AktG and 199 AktG apply without prejudice.

In general, the shareholders have a statutory subscription right for the Bonds (Section 221 para. 4 in connection with Section 186 para. 1 AktG). In order to facilitate the process, use should be made of the option to issue the Bonds to a credit institution or a consortium of credit institutions with the obligation to offer the Bonds to the shareholders in accordance

with their subscription right (indirect subscription right within the meaning of Section 186 para. 5 AktG).

The exclusion of the subscription right for fractional amounts makes it possible to utilize the requested authorization using round amounts. This will simplify the handling of the shareholders' subscription right. The value of such fractional amounts is usually low for the individual shareholder so that the potential dilution effect is generally minor. In contrast, the complexity of the issue without such exclusion would be significantly higher. Therefore, the exclusion serves the practicability and the easier implementation of an issue. For these reasons, the Management Board and the Supervisory Board consider the possible exclusion of the subscription right to be objectively justified and, taking into account the interests of the shareholders, also appropriate.

Furthermore, the Management Board shall be authorized, with the approval of the Supervisory Board, to exclude the shareholders' subscription right in order to grant subscription rights to the holders of warrant and/or conversion rights already issued to the extent to which they would be entitled as shareholders after exercising the warrant or conversion right. The exclusion of the subscription right in favor of the holders of already issued warrant or conversion rights has the advantage that the warrant or conversion price does not need to be reduced, thus permitting a higher cash inflow on the whole. It corresponds to the market standard to provide bonds with such protection against dilution.

The Management Board shall also be authorized, with the approval of the Supervisory Board, to fully exclude the shareholders' subscription rights if the Bonds are issued against cash payment and the issue price is not significantly below the market value of these Bonds. This will provide the Company with the opportunity to take advantage of favorable market situations on short notice and to gain – through a more timely assessment of the conditions – better terms and conditions in setting the interest rate, the warrant or conversion price or the issue price for the Bonds. It would not be possible to set conditions close to the market and place the bonds smoothly if the subscription rights were maintained. Section 186 para. 2 AktG permits the subscription price (and thus, the terms and conditions of such bonds) to be published up to the third-last day of the subscription period. Nevertheless, in view of the frequently observed volatility on the stock markets, a market risk will persist for several days, which leads to uncertainty discounts when determining the conditions of the Bonds and therefore to non-market conditions. Furthermore, when subscription rights exist, the successful placement with third parties is jeopardized or causes additional expenses due to the uncertainty about their exercise. Finally, if subscription rights are granted, the Company cannot react on a short-term basis to favorable or unfavorable market situations due to the length of the subscription period, but is instead exposed to declining share prices during the subscription period which may result in unfavorable equity procurement for the Company.

Pursuant to Section 221 para. 4 sentence 2 AktG the provisions of Section 186 para. 3 sentence 4 AktG apply mutatis mutandis in the event that subscription rights are fully excluded. The resolution must observe the parameters set forth in the aforementioned statutory provision, which limits the exclusion of subscription rights to 10% of the share capital. The volume of the Conditional Capital, which may be provided in this case at the most to secure the warrant or conversion rights or obligations, may not exceed 10% of the

share capital existing at the time the authorization to exclude subscription rights in accordance with Section 186 para. 3 sentence 4 AktG comes into effect. A corresponding provision in the authorization resolution also ensures that even in case of a capital reduction, the 10% limit is not exceeded, since the authorization to exclude subscription rights explicitly prescribes that 10% of the share capital may not be exceeded, neither at the time the authorization takes effect nor – if this value is lower – at the time the authorization is exercised. The sale of treasury shares or ADSs of the Company shall count towards this limit if it takes place during the term of this authorization while excluding subscription rights pursuant to Section 186 para. 3 sentence 4 AktG. Furthermore, any shares or ADSs of the Company which are issued during the term of this authorization from authorized capital under exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG shall count towards this limit. This is to ensure that the dilution of the shareholders' interest is kept to a minimum.

The shareholders' interests are protected by the fact that the Bonds are not issued at a price significantly below their market value. Section 186 para. 3 sentence 4 AktG stipulates that the issue price may not be significantly below the stock exchange price of the shares. This provision is intended to ensure that there is no significant economic dilution of the share value. Whether or not such a dilution effect occurs when issuing warrant or convertible bonds under exclusion of subscription rights, can be determined by calculating the hypothetical stock exchange price of the warrant or convertible bonds using recognized, in particular financial mathematical methods and comparing it with the issue price of the bonds. If this issue price is not significantly below the hypothetical stock exchange price at the time of the issue of the warrant or convertible bonds, an exclusion of subscription rights is permissible in accordance with the purpose of Section 186 para. 3 sentence 4 AktG since the discount is immaterial. The resolution therefore provides that the Management Board, prior to the issue of the warrant or convertible bonds, must come to the conclusion, that the intended issue price will not lead to a significant dilution of the share value. This would reduce the calculated market value of a subscription right to almost zero so that the exclusion of subscription rights cannot result in any significant economic disadvantage for the shareholders. All this ensures that no significant dilution of the value of the shares occurs as a result of the exclusion of subscription rights. A market-based determination of the conditions and thus the avoidance of a significant dilution of value can also be achieved by the Management Board carrying out a so-called bookbuilding procedure. In this procedure, investors are asked to submit purchase requests on the basis of preliminary bond conditions, specifying, for example, the interest rate deemed to reflect market conditions and/or other economic components. After completion of the bookbuilding period, on the basis of the purchase requests submitted by the investors, the terms and conditions (e.g. the interest rate) still open at that time are determined according to market supply and demand. In this way, the total value of the Bonds will be determined close to the market. By means of such bookbuilding procedure, the Board of Directors can ensure that no significant dilution of the share value occurs as a result of the exclusion of subscription rights. In addition, shareholders always have the possibility to maintain their proportionate shareholding by acquiring ADSs on the stock exchange, which can also be exchanged for shares.

In contrast, the authorization to exclude subscription rights enables the Company to set conditions close to the market, provides the greatest possible security with regard to placement with third parties and facilitates the use of favorable market situations at short notice.

Currently, there are no concrete plans to make use of the authorization to issue Bonds.

The purpose of the proposed Conditional Capital is to fulfill warrant or conversion rights or conversion obligations for shares in the Company arising from Bonds or to grant the creditors or holders of Bonds shares in the Company instead of the respective amount of money due. It is also intended that the warrant or conversion rights or conversion obligations may alternatively be fulfilled by delivering existing shares or shares of other listed companies.

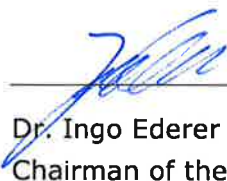
If the Management Board makes use of one of the above authorizations to exclude subscription rights in connection with the issue of Bonds during a fiscal year, it will report on the use of the authorization at the following Annual General Meeting.

Friedberg, 18.05.2020

Place, Date

Friedberg, 18.05.2020

Place, Date

  
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Dr. Ingo Ederer  
Chairman of the Management Board

  
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Rudolf Franz  
Member of the Management Board