

The logo for xfab, featuring the lowercase letters 'xfab' in a white, sans-serif font. The 'x' is stylized with a diagonal slash through it. The logo is positioned in the upper right corner of the page, set against a dark teal background that transitions into a lighter teal diagonal shape.

20 INTERIM
24 REPORT



X-FAB SILICON FOUNDRIES

**YOUR SPECIALTY FOUNDRY
FOR THE ANALOG WORLD**

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List of abbreviations/definitions

CMOS	Complementary metal-oxide-semiconductor
IC	Integrated circuit
M-MOS	M-MOS Semiconductor Sdn. Bhd.
MEMS	Micro-electro-mechanical systems
MFI	X-FAB MEMS Foundry Itzehoe GmbH
NRE	Non-recurring engineering
PCM	Process control monitor
SiC	Silicon carbide
X-FAB SE or the Company	X-FAB Silicon Foundries SE
X-FAB SE Group or the Group	X-FAB Silicon Foundries SE together with its subsidiaries
X-FAB GmbH	X-FAB Semiconductor Foundries GmbH
X-FAB GmbH Group	X-FAB Semiconductor Foundries GmbH together with its subsidiaries
X-FAB Dresden	X-FAB Dresden GmbH & Co. KG and X-FAB Dresden Verwaltungs-GmbH
X-FAB France	X-FAB France SAS
X-FAB Texas	X-FAB Texas Inc.
X-FAB Sarawak	X-FAB Sarawak Sdn. Bhd.

1. Comments on the condensed consolidated interim financial statements

1.1 Summary of most important developments

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2023.

Highlights

In the first half of 2024, total revenue amounted to USD 421,254 thousand (first half of 2023: USD 435,240 thousand), a decrease of 3.2% compared to the same period in the previous year. The decrease in revenue is primarily attributable to the adjustments to revenues recognized to reflect the recognition of the sale of PCM wafers over time.

The first half of 2024 was marked by a combination of developments. Demand for X-FAB's 200mm CMOS technologies remained on the high side and the allocation of available capacities continued. In particular, the continued ramp up of X-FAB's 180nm automotive technology at X-FAB France contributed to automotive growth year-on-year. X-FAB's CMOS business totaled USD 334.5 million, down 5% compared to the same period last year. The decline reflects the demand weakness for X-FAB's 150mm CMOS technologies following expected inventory corrections in the industrial end markets. SiC revenue for the second quarter declined by 33% year-on-year to USD 11.6 million following a good revenue result (USD 26.3 million) but a fall in bookings in the first quarter. The current weakness is projected to bottom out in the third quarter. Based on customer feedback, a recovery is anticipated to begin in the fourth quarter, with a return to robust growth expected in 2025.

Revenue in X-FAB's core business, namely automotive, industrial, and medical, came in at USD 392,675 thousand (first half of 2023: USD 384,040 thousand), an increase of 2.2% compared to the same period in the previous year.

X-FAB's core business generated 93.1% of total revenue (first half of 2023: 89.9%).

The Consumer, Communications & Computer business ("CCC business") came in at USD 28,618 thousand (first half of 2023: USD 42,472 thousand). This is a year-on-year decrease of 32.6%. The further drop of CCC reflects X-FAB's focus on the key end markets, the lower share of legacy technologies at the French site and a lower temporary demand for specific CCC-products.

On January 1, 2024, the Group acquired the entire share capital of M-MOS Semiconductor Hong Kong Limited (M-MOS), a limited liability company incorporated under the laws of Hong Kong, and its subsidiaries for a consideration of EUR 22,500 thousand (USD 24,863 thousand) payable in cash. M-MOS was acquired from XTRION, a related party. M-MOS generated revenues of USD 8,796 thousand in the first half of 2024.

Revenue analysis

in millions of USD	Half-year ended Dec. 31, 2022	Half-year ended Jun. 30, 2023	Half-year ended 31 Dec 2023	Half-year ended 30 Jun 2024	Half-year y-o-y growth
Automotive	201.3	252.0	287.1	277.9	10%
Industrial	89.0	98.2	108.0	87.0	-11%
Medical	28.1	33.8	33.4	27.7	-18%
Subtotal core business	318.4 85.6%	384.0 89.9%	428.5 92.5%	392.7 93.1%	2.2% 4%
CCC	52.3	42.5	34.4	28.6	-32.6%
Others	1.3	0.5	0.3	0.2	-43%
Total*	372.0	427.0	463.2	421.5	-1%

*excluding revenues from wafer sales recognized over time

Business fundamentals are intact and X-FAB remains well positioned for long-term business success. X-FAB's comprehensive and highly specialized technology portfolio enables innovative solutions to address the major megatrends of our time. The electrification of everything is inevitable to move away from fossil fuels and mitigate climate change, driving long-term growth in X-FAB's automotive and industrial businesses. Aging and growing populations require technological innovation to make prevention, diagnosis and treatment of disease more efficient, reliable and accessible to an ever-growing number of people. X-FAB's microsystems expertise with the combination of CMOS and MEMS supports the development of world-leading medical applications and fuels the long-term growth of X-FAB's medical business.

Cost of sales

Cost of sales includes material expenses such as raw materials, the costs of maintaining fixed assets, depreciation, staff costs, and costs for external services. In 2024 cost of sales increased by USD 15,618 thousand or 5.0% compared to the first half of 2023, as a consequence of the increase in depreciation resulting from the capacity expansion program and increased material and staff costs. On the other hand facility costs decreased due to a lower level of utility costs such as electricity and gas.

Research and development expenses

Research and development expenses amounted to USD 22,494 thousand in the first half of 2024, representing 5.3% of revenue (first half of 2023: USD 23,828 thousand, 5.5% of revenue). The decrease of 5.6% (USD 1,334 thousand) compared to the previous year's comparable six-month period is broadly in line with the change in revenue in 2024. Research and development expenses are presented net of grants in the amount of USD 2,503 thousand, compared to USD 3,568 thousand in the first half of 2023. The Group's research and development activities focus on the development of new fabrication processes, the optimization of existing processes using the Group's key process technologies, and the development of new integrated circuit features in order to meet customers' analog/mixed signal needs.

General, administrative, and selling expenses

General and administrative expenses and selling expenses increased by USD 2,380 thousand (8.9%) compared to the first half of 2023. The increase was primarily driven by business process optimization activities as well as the planned introduction of a new ERP system and higher staff costs. The amounts reported include software customizing costs of USD 676 thousand (previous year: none) which are allocated over the duration of the software service contract.

Net finance costs

Net finance costs increased by USD 768 thousand in the first half of 2024 compared to the first half of previous year, primarily due to increased interest income and on cash.

Net income

The Group recorded a profit for the period for the first half of 2024 of USD 42,880 thousand, compared to a profit of USD 81,418 thousand in the first half of 2023.

The announcement of third quarter results will take place on October 24, 2024.

1.2 Risk factors

The following risk factors may affect X-FAB's business, financial condition, and results of operations; the list is not exhaustive:

- Structural trends in the markets for the end-user products produced by X-FAB's customers, or material volatility in demand for these products, may limit X-FAB's ability to maintain or increase sales and profit levels.
- A global systemic economic or financial crisis, increased political uncertainty, or increased economic protectionism could negatively affect X-FAB.
- A significant portion of X-FAB's revenue comes from a relatively limited number of customers
- Due to X-FAB's relatively fixed-cost structure, its ability to grow profitability is dependent on its ability to maintain appropriate utilization levels.
- X-FAB faces difficulties in forecasting demand and may therefore be unable to match its production capacity to demand.
- X-FAB may be unsuccessful in its attempts to increase its production capacity and capabilities.
- X-FAB may not realize all the anticipated benefits from its acquisition of Altis' core business.
- X-FAB's expectations of an increase in market share by foundries might not occur.
- X-FAB may face increasing competition.
- X-FAB may face competitive pricing pressures.
- X-FAB may face price increases from its suppliers.
- X-FAB may be subject to penalties if it fails to meet the terms of long-term contracts with customers and suppliers.
- X-FAB's operations could be disrupted by an unreliable or insufficient power supply.
- X-FAB is subject to risks associated with currency fluctuations.
- X-FAB is subject to risks associated with any form of cyber criminality.
- X-FAB may be subject to penalties if it fails to meet the terms of long-term contracts with customers and suppliers.

1.3 Events after the reporting period

On August 1, 2024, X-FAB signed a second five-year revolving credit facility (the "Facility") for an amount of EUR 200 million maturing in July 2029, with an option for X-FAB to request an extension of the Facility's maturity date until July 2030. The Facility comes in addition to the EUR 200 million credit facility signed in December 2021.

The liquidation of X-FAB's subsidiary MikroDesign in Voronezh, Russia was completed by July 10, 2024.

1.4 Board of Directors

X-FAB SE's Board of Directors manages the Company in accordance with the principles laid down in the Articles of Association and makes decisions on general policy, including the assessment and approval of strategic plans and budgets, supervision of reports and internal audits, and other tasks assigned by law to the Board of Directors. In accordance with the Belgian Companies and Associations Code, the Board of Directors

has appointed Sensinnovat BV, represented by Rudi De Winter, as managing director (CEO), to whom it has delegated its managerial powers with the exception of general policy and all actions that are reserved to the Board of Directors by statutory provisions.

The CEO is appointed by the Board of Directors for an indefinite period, unless the Board of Directors decides otherwise.

The directors of the Company at June 30, 2024 were as follows:

Name	Position
Tan Sri Datuk Amar Dr. Hamid Bin Bugo	Chairman of the Board
Sensinnovat BV (represented by Rudi De Winter)	Managing Director, CEO
Roland Duchâtelet	Non-executive director
Hans-Jürgen Straub	Non-executive director
Dato Sri Dr. Wan Lizozman Haji Wan Omar	Non-executive director
Aurore NV (represented by Christine Juliam)	Non-executive and independent director
Christel Verschaeren	Non-executive and independent director
Estelle lacona	Non-executive and independent director
VlinVlin BV (represented by Ling Qi)	Non-executive director

2. Condensed consolidated interim financial statements

2.1 Condensed consolidated statement of profit and loss and other comprehensive income

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2024	2023
Revenue	2.5.6.1/2.5.6.17/ 2.5.6.19	421,254	435,240
Cost of sales		(326,022)	(310,404)
Gross profit		95,232	124,836
Research and development expenses		(22,494)	(23,828)
Selling expenses		(4,679)	(4,308)
General and administrative expenses		(24,471)	(22,462)
Rental income and expenses from investment properties		1,828	2,462
Impairment loss on trade receivables		(60)	(358)
Other income and other expenses	2.5.6.2	4,663	1,870
Operating profit		50,019	78,212
Finance income	2.5.6.3	12,552	15,196
Finance costs	2.5.6.4	(15,072)	(18,484)
Net finance income/(costs)		(2,520)	(3,288)
Profit before tax		47,499	74,924
Income tax income/(expense)	2.5.6.5	(4,619)	6,494
Profit/(loss) for the period		42,880	81,418
Attributable to:			
Equity holders of the Company		42,880	81,418
Non-controlling interest			

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of profit and loss and other comprehensive income (continued)

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2024	2023
Profit for the period		42,880	81,418
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation (asset)		565	16
Items that are or may be transferred to profit or loss as follows:			
Foreign currency translation differences for foreign operations		(334)	(17)
Other		-	2,287
Income tax on other comprehensive income		-	-
Other comprehensive income/(loss) for the period, net of income tax		231	2,286
Total comprehensive income for the period		43,111	83,704
Total comprehensive income attributable to:			
Equity holders of the Company		43,111	83,704
Non-controlling interest		-	-
Total comprehensive income for the period		43,111	83,704
Weighted average number of shares outstanding, basic and diluted		130,631,921	130,631,921
Earnings per share			
Basic and diluted (in U.S. dollars)	2.5.6.6	0.33	0.62

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

2.2 Condensed consolidated statement of financial position

in thousands of U.S. dollars	Note	June 30, 2024	December 31, 2023 *restated
ASSETS			
Non-current assets			
Property, plant, and equipment	2.5.6.7	879,363	734,488
Investment properties		7,608	7,171
Intangible assets		5,986	5,627
Other assets		50	58
Deferred tax assets	2.5.6.5	83,173	83,772
Total non-current assets		976,180	831,116
Current assets			
Inventories	2.5.6.8	277,587	269,227
Contract assets	2.5.6.9	23,706	24,010
Trade and other receivables	2.5.6.19	108,980	123,101
Income tax receivables		723	594
Other current assets	2.5.6.10	46,195	50,065
Cash and cash equivalents	2.5.6.11	290,054	405,701
Total current assets		747,245	872,698
Total assets		1,723,425	1,703,814
EQUITY AND LIABILITIES			
Equity			
Share capital	2.5.6.12	432,745	432,745
Share premium	2.5.6.12	348,709	348,709
Retained earnings		223,604	180,159
Cumulative translation adjustment		(635)	(301)
Treasury shares		(770)	(770)
Total equity		1,003,653	960,542
Non-current liabilities			
Loans and borrowings	2.5.6.13	244,604	235,318
Other liabilities and provisions	2.5.6.14	4,652	4,024
Total non-current liabilities		249,256	239,342
Current liabilities			
Trade payables	2.5.6.19	55,103	90,681
Loans and borrowings	2.5.6.13	26,272	25,659
Income tax payable		10,156	10,233
Provisions	2.5.6.14	10,750	9,775
Other liabilities	2.5.6.15	368,235	367,582
Total current liabilities		470,516	503,930
Total equity and liabilities		1,723,425	1,703,814

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

2.3 Condensed consolidated statement of changes in equity

in thousands of U.S. dollars	Shares issued and fully paid	Share capital	Share premium	Retained earnings	Cumulative translation adjustment	Treasury shares	Total attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2022	130,781,669	432,745	348,710	16,509	(226)	(770)	796,967	-	796,967
Profit for the period				81,418			81,418		81,418
Remeasurement of defined benefit plans				16			16		16
Currency translation effect					(17)		(17)		(17)
Other				2,287			2,287		2,287
Total comprehensive income	-	-	-	83,721	(17)	-	83,704	-	83,704
Total transactions with owners of the parent	-	-	-	-	-	-	-	-	-
At June 30, 2023	130,781,669	432,745	348,710	100,230	(243)	(770)	880,671	-	880,671
Profit for the period				80,477			80,477		80,477
Remeasurement of defined benefit plans				(548)			(548)		(548)
Currency translation effect					(58)		(58)		(58)
Other				-			-		-
Total comprehensive income	-	-	-	79,929	(58)	-	79,871	-	79,871
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At December 31, 2023	130,781,669	432,745	348,710	180,159	(301)	(770)	960,542	-	960,542
Profit for the period				42,880			42,880		42,880
Remeasurement of defined benefit plans				565			565		565
Currency translation effect					(334)		(334)		(334)
Total comprehensive income	-	-	-	43,445	(334)	-	43,111	-	43,111
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At June 30, 2024	130,781,669	432,745	348,710	223,604	(635)	(770)	1,003,653	-	1,003,653

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

2.4 Condensed consolidated statement of cash flows

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2024	2023
Cash flow from operating activities:			
Profit for the period		42,880	81,418
Income tax		4,619	(6,494)
Income before taxes		47,499	74,924
Reconciliation of net income to cash flow arising from operating activities:			
Depreciation and amortization, before effect of grants and subsidies	2.5.6.7	48,792	42,083
Amortization of investment grants and subsidies		(1,296)	(1,488)
Interest income and expenses (net)	2.5.6.3/ 2.5.6.4	653	2,097
Loss/(gain) on the sale of plant, property and equipment (net)		(3,771)	(1,620)
Other non-cash transactions (net)	2.5.6.16	8,327	4,804
Changes in working capital		6,689	140,569
Decrease/(increase) of trade and other receivables		18,463	(42,483)
Decrease/(increase) of other assets		18,830	(3,933)
Decrease/(increase) of inventories		(5,554)	(31,189)
Decrease/(increase) of contract assets		305	(15,667)
(Decrease)/increase of trade payables		(14,575)	19,065
(Decrease)/increase of other liabilities and provisions	2.5.6.15	(10,780)	214,776
Income taxes (paid)/received		(2,668)	(509)
Net cash from operating activities		104,225	260,860
Cash flow from investing activities:			
Payments for property, plant, equipment, and intangible assets		(226,789)	(153,393)
Payments for investments in investment properties		(84)	-
Acquisition of subsidiary, net of cash acquired		(1,634)	-
Payments for loan investments to related parties		-	(176)
Proceeds from loan investments related parties		-	162
Proceeds from the sale of property, plant, and equipment		3,811	1,694
Interest received		6,417	3,571
Net cash used in investing activities		(218,279)	(148,142)

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2024	2023
Cash flow from financing activities:			
Proceeds from loans and borrowings	2.5.6.13	92,901	14,240
Repayment of loans and borrowings	2.5.6.13	(99,757)	(49,800)
Receipts from sale and leaseback arrangements		26,469	-
Payment of lease liabilities		(4,230)	(2,785)
Interest paid		(8,632)	(2,568)
Net cash from financing activities		6,751	(40,913)
Effects of changes in foreign currency exchange rates on cash balances		(8,343)	556
Net increase/(decrease) of cash and cash equivalents		(107,304)	71,805
Cash and cash equivalents at the beginning of the period		405,701	369,425
Cash and cash equivalents at the end of the period		290,054	441,786

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

2.5 Notes to the condensed consolidated interim financial statements

2.5.1 Company information

X-FAB Silicon Foundries SE (hereafter referred to as "X-FAB SE," "the Company," or "the parent Company" and, together with its subsidiaries, as "X-FAB SE Group" or "the Group") is a European limited company (Societas Europaea/SE) registered under the number BE0882.390.885 in Hasselt, Belgium. The Company's registered address is Transportstraat 1, 3980 Tessenderlo, Belgium.

The X-FAB SE Group is one of the world's leading pure-play foundry providers specializing in analog/mixed-signal technologies. Analog/mixed-signal products are circuits capable of processing digital as well as analog signals. As a pure-play foundry, the Group develops its own technologies, offering its customers a comprehensive range of product development (design support) and production services. The X-FAB SE Group manufactures integrated circuits to customers' designs, supplying these in the form of silicon wafers. For this purpose, X-FAB SE offers special technology modules, cell libraries, and design kits, which allow the Group's customers to develop specific circuits with broad function spectrums and to accelerate their development processes.

X-FAB SE Group's customers include companies that concentrate on the development of integrated circuits (ICs) and leave their manufacture to others (fabless companies). The Group's customers are primarily in the communication, automotive, consumer, and industrial product sectors, and are located in Europe, the United States, and Asia.

2.5.2 Acquisition of a subsidiary

On January 1, 2024, the Group acquired the entire share capital of M-MOS Semiconductor Hong Kong Limited (M-MOS), a limited liability company incorporated under the laws of Hong Kong, and its subsidiaries for a consideration of EUR 22,500 thousand (USD 24,863 thousand) payable in cash. M-MOS was acquired from XTRION, a related party.

M-MOS is a developer of metal-oxide-semiconductor field-effect transistor (MOSFET) process technologies and designs standard and custom devices using MOSFET technologies focusing on selling wafers to its customers. The acquisition was made to generate business synergies in particular in respect of the MOSFET wafer business.

No acquisition costs have been recorded as expenses in the financial year 2024 or in the previous year in respect of the acquisition.

The fair values of the assets and liabilities determined as at January 1, 2024 exceed the carrying values recorded by the acquiree by USD 73 thousand and were as follows:

in thousands of U.S. dollars	
Property, plant, and equipment	238
Deferred tax assets	66
Inventories	2,878
Accounts receivable	4,483
Other assets	4,532
Cash and cash equivalents	23,229
Total current assets	35,426
Non-current loans and borrowings	26
Trade payables	2,691
Other current liabilities	7,712
Deferred tax liabilities	134
Total liabilities	10,563
Total identifiable assets and liabilities acquired	24,863

The above amounts represent the Group's assessment of the fair values of the assets and liabilities assumed. The accounting for the acquisition will be revised if new information is obtained within one year of the acquisition about facts and circumstances that existed at the date of acquisition which identifies adjustments to the above amounts, or which identifies the necessity to record any additional provisions for obligations that existed at the date of acquisition. No additional contingent consideration was agreed upon during the acquisition.

M-MOS contributed revenues of USD 8,796 thousand and a profit of USD 1,152 to the Group results in the first half of the financial year 2024.

2.5.3 Basis of preparation

2.5.3.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as endorsed by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2023.

The condensed consolidated interim financial statements of X-FAB SE Group were authorized for issue in accordance with a resolution of the directors on August 29, 2024.

2.5.3.2 Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgments, assumptions, and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2023.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

If third-party information is used to measure fair values, the evidence obtained from third parties is assessed to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are classified into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group measures transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5.4 Summary of material accounting policies

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended December 31, 2023.

2.5.5 New accounting pronouncements

Amendments to standards effective for the period beginning on January 1, 2024

The following amendments to IFRS standards, which are effective for annual periods beginning on or before January 1, 2024, have been applied by the Group for the first time in preparing these condensed consolidated interim financial statements.

Standard/interpretation	Effective date: effective for annual periods beginning on or after
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	January 1, 2024
Amendments to IAS 1 Presentation of Financial Statements: <ul style="list-style-type: none"> • Classification of Liabilities as Current or Non-current; • Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and • Non-current Liabilities with Covenants 	January 1, 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	January 1, 2024

As a consequence of the amendments to IAS 1 Classification of Liabilities as Current or Non-current the Group has amended the presentation of borrowings under the Group's multicurrency revolving credit facility. Until December 31, 2023 borrowings under the facility were presented as current liabilities when the Group planned to repay those borrowings within twelve months of the reporting date. From January 1, 2024 these obligations are reported, retrospectively, as non-current liabilities until the borrowing facility as a whole has a remaining period to maturity of one year or less, triggering a reclassification of USD 192,657 thousand from current to non-current at December 31, 2023 irrespective of whether management chooses to repay them within one year within the process of managing its overall capital requirements. Accordingly, the balance sheet at December 31, 2023 has been restated to reflect this change. The changes have had no effect on the condensed consolidated statement of cash flows, the condensed consolidated statement of profit and loss and other comprehensive income or the condensed consolidated statement of changes in equity for the current or previous period.

The remaining amendments to standards did not have any effect on the condensed consolidated interim financial statements of the X-FAB SE Group.

New standards and interpretations not yet effective

A number of new standards, amendments to standards, and interpretations are not yet effective for the year ending December 31, 2024, and have not been applied in preparing these condensed consolidated interim financial statements:

Standard/interpretation	Effective date: effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025

Earlier application of these standards is permitted; however, the Group has not early-adopted the new or amended standards which are applicable to future periods in preparing these condensed consolidated interim financial statements.

None of the above new or amended standards and interpretations is expected to have a significant effect on the consolidated financial statements of the X-FAB SE Group. The Group does not plan to adopt these standards early.

2.5.6 Notes

2.5.6.1 Revenue

Revenue comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Gross revenue PCM wafer	378,274	375,947
Gross revenue NRE and technology services	46,532	54,397
Impact from PCM wafer revenue recognized over time	(305)	8,261
Other revenue	6	8
Discounts and warranty credits	(3,253)	(3,373)
Total	421,254	435,240

The decrease in revenue is primarily attributable to the adjustments to revenues recognized to reflect the recognition of the sale of PCM wafers over time. In the first half of 2024 there was a downward adjustment of USD 305 thousand to report recognized for sales made in 2024 based on the recognition over time basis in accordance with IFRS 15 compared to the amounts recognized based on the date the wafers were delivered. In contrast, in the same period of the previous year the adjustment of revenue recognition to reflect the sale of PCM wafers over time resulted in an increase in revenues recognized of USD 8.3 million. The Group reports revenues from wafer sales which are recognized over time in compliance with IFRS 15 Revenue from Contracts with Customers. For transparency purposes, the Group also reports revenue from PCM wafer sales based on recognizing the associated revenues at the specific point in time when the wafers are delivered to the customer as well as the amount of the reconciling item between the revenue recognized on the over time basis and the revenue recognized on the basis of the delivery of the wafers. Revenue for wafer sales recognized over time represents the Group's rights to consideration for work completed but not invoiced at the reporting date on wafer sales under long-term contracts which meet the criteria for revenue recognition over time.

The Group has recognized no revenues of variable consideration from customers in respect of shortfalls of orders from customers in the first half of the financial year 2024 (2023: none) as, at the current time, it is anticipated that all customer orders will be supplied to customers in full without any shortfalls.

Revenue from NRE and technology services is recognized over time, based on milestones that are a reasonable approximation of the progress to complete the performance obligation.

2.5.6.2 Other income and other expenses

Other income comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Gains on disposals of property, plant, and equipment	3,772	1,625
Income from recharges	1,696	1,583
Income from sales of materials	33	11
Income from other admin services/cost sharing	230	223
Income other periods	212	295
Other	304	497
Total	6,247	4,234

Gains on disposal of fixed assets relate to sales of tools which are not needed any longer due to changes in technology and production portfolios.

Other expenses comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Expenses from recharges	(1,696)	(1,583)
Expenses relating to prior periods	(98)	(707)
Losses on disposal of property, plant, and equipment	(1)	-
Other	211	(74)
Total	(1,584)	(2,364)

2.5.6.3 Finance income

Finance income comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Interest on financial assets measured at amortized cost:		
Interest on cash and cash equivalents	6,473	3,571
Other:		
Income from exchange rate differences	6,080	11,625
Total	12,553	15,196

Income from exchange rate differences includes unrealized exchange rate gains (net of expenses) of USD 4,272 thousand (2023: loss of USD 1,535 thousand) on euro-denominated loans and borrowings.

2.5.6.4 Finance costs

Finance costs comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Interest on financial liabilities measured at amortized cost:		
Loans and borrowings	(6,494)	(5,287)
Other interest	(632)	(381)
Other :		
Expenses from exchange rate differences	(7,946)	(12,816)
Total	(15,072)	(18,484)

Exchange rate expenses include amounts (net) of USD 4,922 thousand (2023: USD 1,205 thousand) resulting from the translation of cash balances denominated in Malaysian ringgit and of USD 3,421 thousand (2023: gains of USD 1,761 thousand) from cash balances denominated in euros.

2.5.6.5 Income taxes

Income tax expense is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by the expected effective tax rate of the year.

The income tax expense comprised the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Current taxes:		
Actual income tax charge for the period	(3,658)	(4,611)
Adjustment of prior years' tax charges	(304)	-
	(3,962)	(4,611)
Deferred taxes	(657)	11,105
Total	(4,619)	6,494

Changes in recognized deferred tax assets resulted in a decrease of deferred tax assets of USD 599 thousand (2023: an increase of USD 11,105 thousand). The decrease in deferred tax assets is primarily due to derecognition of previously recognized deferred tax assets arising on property, plant, and equipment in Malaysia amounting to USD 594 thousand (2023: recognition of USD 4,031 thousand).

The assumptions made and the method applied to calculate deferred taxes were consistent with the methods used at December 31, 2023. The actual income tax expense for the period primarily consists of accruals made for income taxes for the year to be paid in Malaysia, France, and Germany.

Belgium, the jurisdiction where the "ultimate parent entity" (i.e. X-FAB Silicon Foundries SE) of the X-FAB group is located, formally adopted the Pillar Two (Global Minimum Tax) legislation in December 2023, effective from 2024 onwards (i.e. for financial years starting on or after December 31, 2023). However, as a result of the demerger that took place November 14, 2023 and applying the relevant scoping rules under the Pillar Two legislation, the X-FAB Group is not expected to fall in the scope of the Global Minimum Tax rules until the financial year beginning January 1, 2025.

2.5.6.6 Earnings per share

The earnings per share is calculated by dividing the profit for the period attributable to the ordinary shareholders (as reported in the condensed interim statement of profit and loss and other comprehensive income) by the weighted average number of shares in issue during the period.

There were 130,781,669 shares in issue at January 1 and June 30 in both periods, and the weighted average number of ordinary shares outstanding was 130,631,921 in both periods.

There are no diluting effects on the earnings per share in the current or previous period.

2.5.6.7 Property, plant, and equipment

in thousands of U.S. dollars	Land	Buildings	Technical machinery and equipment	Factory and office equipment	Assets under construction	Total
Net book value January 1, 2024	14,065	48,781	317,448	7,271	346,923	734,488
Accumulated historical cost January 1, 2024	14,307	129,605	1,325,987	35,934	346,923	1,852,756
Additions	36	(776)	6,886	415	184,719	191,280
Disposals	-	-	(11,281)	(113)	-	(11,394)
Reclassifications	117	85	62,028	1,281	(64,230)	(719)
Effect of changes in exchange rates	-	-	-	7	2	9
Changes in consolidation	-	-	198	40	-	238
Accumulated historical cost June 30, 2024	14,460	128,914	1,383,818	37,564	467,414	2,032,170
Accumulated depreciation January 1, 2024	(242)	(80,824)	(1,008,539)	(28,663)	-	(1,118,268)
Additions	(25)	(2,012)	(42,086)	(1,771)	-	(45,894)
Disposals	-	-	11,244	111	-	11,355
Accumulated depreciation June 30, 2024	(267)	(82,836)	(1,039,381)	(30,323)	-	(1,152,807)
Net book value June 30, 2024	14,193	46,078	344,437	7,241	467,414	879,363

Assets under construction contain purchases of technical machinery and equipment in all X-FAB sites as a result of its group-wide capacity expansion program.

In the first half of 2024, the Group received USD 10,195 thousand investment tax credit within the U.S. related to the acquisition of qualifying assets (2023: none). The acquisition costs of technical equipment have been reduced accordingly.

The carrying values of right-of-use assets presented as property, plant and equipment were as follows:

in thousands of U.S. dollars	2024	2023
Net book value January 1	17,588	21,438
Additions	1,027	588
Depreciation	(3,690)	(4,438)
Reclassifications	18,210	-
Effect of changes in exchange rates	26	-
Net book value June 30	33,161	17,588

In 2024, the Group entered into a sale and leaseback transaction under which machinery was sold at book value and leased back. The contractual arrangements include a purchase option at a price that is lower than the fair value and the lease term is for the major part of the economic life. The Group continues to be able to direct the use of the assets and obtain substantially all of the remaining benefits from their use. Accordingly, the transaction is wholly recognized as a financing arrangement and no sale or gain or loss is recognized on the transaction. The assets were not derecognized. The lease period runs from 2024 until 2029 and carries an interest rate of 3M EURIBOR + 1.00%.

2.5.6.8 Inventories

The increase in raw materials and supplies and work in progress resulted from the build-up of inventories to secure the material supplies required to meet anticipated higher output levels resulting from the overall increase in business activity. Inventories for the manufacture of wafers under contracts for which sales are recognized over time are not recognized in work in process; instead they are recorded as an expense within cost of sales with the associated rights to consideration for work completed but not invoiced at the reporting date recognized within contract assets (note 2.5.6.9 below).

Allowances of USD 55 thousand (2023: USD 395 thousand) have been recorded against inventories and recognized as an expense in the period.

2.5.6.9 Contract assets

The contract assets relate to the Group's rights to consideration for work completed but not invoiced at the reporting date on wafer sales recognized over time. No impairment charges have been recognized on contract assets. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

2.5.6.10 Other current assets

Other current assets comprise the following:

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
R&D grants receivable	28,138	25,188
Prepaid expenses	14,941	13,072
Receivables from energy surcharges	2,095	5,116
Taxes (other)	146	5,658
Deposits	768	543
Other	107	487
Total	46,195	50,064

Prepaid expenses primarily relate to prepayments made for raw materials such as raw wafers.

Research and development grants receivable at June 30, 2024 include research and development tax credits and competitiveness and employment tax credits totaling USD 13,440 thousand attributable to X-FAB France (December 31, 2023: USD 10,343 thousand).

Other taxes mainly relate to VAT receivables.

2.5.6.11 Cash and cash equivalents

Cash and cash equivalents comprise the following:

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
Cash and bank balances	139,519	157,545
Restricted cash	3,935	4,018
Term deposits	146,600	244,138
Total	290,054	405,701

An analysis of the movements of cash and cash equivalents is reported in the statement of cash flows.

2.5.6.12 Equity

Share capital

X-FAB Silicon Foundries SE had 130,781,669 fully paid-in shares in issue throughout the reporting period for the first six months of 2024 and the comparative period in 2023.

Share premium

The share premium of X-FAB Silicon Foundries SE amounts to EUR 348,709 thousand (December 31, 2023: USD 348,709 thousand).

Retained earnings

Retained earnings represent the accumulated profits and losses of the Group together with the accumulated balance of the remeasurement of the Group's post-employment defined benefit plans.

Cumulative translation adjustment

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations that have functional currencies other than USD.

Treasury shares

At June 30, 2024 and December 31, 2023 the Group held 149,748 treasury shares (after the 2017 share split) of X FAB Silicon Foundries SE held by its fully-owned subsidiary X-FAB GmbH. Based on the purchase price of EUR 11.25 per share (before the 2017 share split), the treasury shares reduced the equity capital of the parent company by USD 770 thousand (December 31, 2023: USD 770 thousand).

2.5.6.13 Loans and borrowings

The carrying amounts of the Group's loans and borrowings are shown in the following table:

in thousands of U.S. dollars	June 30, 2024	December 31, 2023 *restated
Bank loans and overdrafts		
Fixed interest bank loans denominated in EUR	36,283	47,373
Maturity: 2024-2029		
Interest rates: 0.85%–2.3%		
Repayments in monthly or quarterly installments		
Fixed interest bank loans denominated in USD	526	405
Maturity: 2028		
Interest rates: 8.25% - 8.5%		
Repayments in monthly installments/at the maturity date		
Variable interest Revolving Credit Facility denominated in USD	129,511	99,876
Maturity: 2024-2026		
Interest rates: SOFR + 1.67%		
Repayment on maturity		
Variable interest Revolving Credit Facility denominated in EUR	61,018	91,715
Maturity: 2024-2026		
Interest rates: EURIBOR + 1.0%		
Repayment on maturity		
Leasing arrangements		
Leasing liabilities denominated in EUR	34,511	11,230
Maturity: 2024-2034		
Interest rates: 0.15–3.57%; 3M EURIBOR + 1.0%		
Repayment in monthly installments		
Leasing liabilities denominated in USD	6,299	6,526
Maturity: 2024-2034		
Interest rates: 3.32%		
Repayment in monthly installments		

in thousands of U.S. dollars	June 30, 2024	December 31, 2023 *restated
Leasing liabilities denominated in MYR	2,728	3,852
Maturity: 2024-2025		
Interest rates: 4.66%		
Repayment in monthly installments		
Total	270,876	260,977
Current loans and borrowings	26,272	25,659
Non-current loans and borrowings	244,604	235,318

*Reference is made to note 2.5.5.

Variable interest bank loans include loans with repayment terms of more than twelve months amounting to USD 129,000 thousand and EUR 57,000 thousand under the EUR 200,000,000 multicurrency revolving facility agreement (“the facility”) entered into between the parent company and its principal subsidiaries and a syndicate of eight international banks on December 1, 2021. The facility is for a five-year period until December 2026, with an option for X-FAB to request an extension of the facility’s maturity date until December 2027. The option is exercisable not earlier than 90 days prior to and not later than 45 days prior to the initial termination date of November 30, 2026.

The movement in loans and borrowings includes income for realized and unrealized exchange rate gains of USD 4,272 thousand (2023: losses of USD 1,535 thousand) resulting from the effect of changes on exchange rates of euro-denominated loans. Loans and lease obligations totaling USD 103,987 thousand (2023: USD 52,585 thousand) have been repaid in the first six months of 2024.

Regarding new sale and leaseback transactions reference is made to note 2.5.6.7.

2.5.6.14 Provisions

The movements on provisions during the period were as follows:

in thousands of U.S. dollars	Warranty provisions	Employee provisions	Other	Total
January 1, 2024	8,523	593	716	9,832
Provided for	4,039	-	-	4,039
Utilized	(2,004)	(210)	(691)	(2,905)
Released	(125)	-	-	(125)
Effect of changes in exchange rates	(19)	9	(25)	(35)
June 30, 2024	10,414	392	-	10,806

Provisions primarily relate to warranties. Warranty provisions are estimated based on the Group’s experience of past claim rates and knowledge of current claims together with an assessment of rectification costs.

2.5.6.15 Other liabilities

Other current liabilities comprise the following:

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
Accrued liabilities	26,983	39,606
For invoices not yet received	25,297	37,385
Royalties	741	682
Sales commission	444	415
Staff association	229	632
Other	272	492
Advances received	316,498	301,287
Deferred income	961	(29)
Employee-related liabilities	23,792	26,722
Wages	3,294	3,165
Earned holiday entitlement, incentives	13,181	17,419
Payroll taxes	2,917	1,358
Social security costs	4,400	4,780
Other	1	(4)
Total	368,235	367,582

Advances received relate to prepayments from customers for future wafer sales of USD 40,565 thousand (December 31, 2023: USD 36,238 thousand) and capacity reservation deposits received under long-term agreements concluded with customers of USD 275,933 thousand (December 31, 2023: USD 272,101 thousand). These amounts represent contract liabilities as defined in IFRS 15 and, depending on the respective agreements with the customer, will be settled by offsetting advances received against deliveries of wafers made or by repayment of the respective capacity reservation deposit periods.

All prepayments from customers for future wafer sales and capacity reservation deposits are recorded as current or non-current based on the usual classification principles, i.e., items that are settled within the normal operating cycle are classified as current, even if they are expected to be settled after twelve months. However, the Group expects prepayments from customers for future wafer sales and capacity reservation deposits totaling USD 260,042 thousand to be settled after more than twelve months.

2.5.6.16 Notes to the statement of cash flows

Cash flows from operating activities in the first half of the financial year 2024 and 2023 include significant amounts of receipts of prepayments from customers for the future supply of wafers and receipts and repayments of capacity reservation deposits received under long-term agreements concluded with customers. The amounts of prepayments from customers and capacity reservation deposits carried forward for offsetting against trade accounts receivable or for repayment to customers are disclosed within other current liabilities as reported in note 2.5.6.15.

Non-cash transactions mainly include currency effects from exchange rate differences and increases in provisions.

2.5.6.17 Segment reporting

The following table shows an analysis of revenue based on the customer's billing location for the reporting period:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Europe	284,115	287,007
Belgium	187,453	190,214
Germany	44,882	48,864
United Kingdom	30,905	27,378
Austria	8,057	2,858
Switzerland	3,210	4,071
France	2,981	3,289
Ireland	1,609	1,395
Sweden	1,086	2,563
Netherland	1,232	1,935
Denmark	1,118	1,478
Other	1,197	1,326
Finland	385	1,636
Asia	92,469	100,667
China	54,449	45,762
Japan	15,245	19,159
Thailand	10,003	8,769
Singapore	5,767	6,370
Korea	3,811	5,383
Taiwan	2,617	3,215
Other	344	2,688
New Zealand	233	707
Malaysia	-	8,614
United States of America	44,267	46,749
Rest of the world	403	817
Total	421,254	435,240

2.5.6.18 Financial instruments – fair values and risk management

Financial instruments measured at amortized cost

The carrying amount of cash and cash equivalents, bank overdrafts, trade and other receivables, and trade payables approximates their fair value due to the short-term maturity of these financial instruments.

The fair value of the Group's non-current liabilities is based on their present values calculated by discounting future cash flows at current rates of interest available for debt with the same maturity profile.

The Group's principal financial instruments not carried at fair value are cash and cash equivalents, trade receivables, other current assets, other non-current assets, trade and other payables, bank overdrafts, and long-term borrowings.

Financial instruments measured at fair value

Financial assets and liabilities accounted for at fair value through profit or loss

The Group held no financial instruments measured at fair value in the financial year and did not make use of forward foreign exchange contracts or interest rate swaps in the reporting period.

There have been no transfers of assets or liabilities between levels of the fair value hierarchy in the current or previous year.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

in thousands of U.S. dollars	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	Total
June 30, 2024					
Financial assets measured at amortized cost					
Trade and other receivables	108,980				
Cash and cash equivalents	290,054				
Financial liabilities measured at amortized cost					
Trade payables	(55,103)				
Bank loans, overdrafts, and lease liabilities	(270,876)	-	(270,528)	-	(270,528)
December 31, 2023					
Financial assets measured at amortized cost					
Trade and other receivables	123,101				
Cash and cash equivalents	405,701				
Financial liabilities measured at amortized cost					
Trade payables	(90,681)				
Bank loans, overdrafts, and lease liabilities	(260,977)	-	(261,273)	-	(261,273)

Management of risks arising from financial instruments

There have been no significant changes to the Group's financial risk management objectives or in the nature and extent of risks arising from financial instruments described in the consolidated financial statements for the year ended December 31, 2023.

There has been no significant effect on the carrying value or fair values of financial instruments arising from the Russia-Ukraine war.

2.5.6.19 Transactions with related parties

Transactions with shareholders and their subsidiaries

As part of its normal business activities, the Group undertakes transactions with entities in the XTRION Group, a group of companies controlled by XTRION NV, which holds equity stakes in a range of portfolio companies in the semiconductor industry which include X-Display and X-Celeprint and their subsidiaries. XTRION NV and the companies controlled by it are related parties of X-FAB SE due to the fact that XTRION NV is controlled by Sensinovat BV.

Amounts reported for the previous year also include transactions with Melexis NV and its subsidiaries in the first half of the financial year 2023 as Melexis NV was a related party of the Group until November 14, 2023, when XTRION NV ceased to be a controlling shareholder of Melexis NV.

Acquisition of a subsidiary

On January 1, 2024, the Group acquired the entire share capital of M-MOS Semiconductor Hong Kong Limited (M MOS), a limited liability company incorporated under the laws of Hong Kong, and its subsidiaries for a consideration of EUR 22,500 thousand (USD 24,863 thousand) payable in cash from XTRION, a related party. Details of this transaction are provided in note 2.5.2.

The tables below show the balances with shareholders and their subsidiaries included in the condensed consolidated statement of financial position.

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
Trade accounts receivable due from M-MOS group companies	-	2,408
Trade accounts receivable due from X-Celeprint	32	32
Trade accounts receivable due from X Display Company Technology	241	334
Total	273	2,774

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
Trade accounts payable due to XTRION	-	33
Trade accounts payable due to M-MOS	-	23
Advances received from M-MOS	-	3,827
Total	-	3,883

Sales and other income comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Sales to Melexis group companies	-	189,021
Sales to M-MOS group companies	-	6,938
Sales to X-Display Company Technology	205	51
Property rental and other income from Melexis Group companies	-	1,724
Other income from M-MOS	-	21
Other income X-Display Company Technology	11	-
Total	216	197,755

Purchases, expenses, and other transactions recorded with shareholders and their subsidiaries were as follows:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Services provided by Melexis group companies	-	212
Services/purchases provided by M-MOS group companies	-	26
Services provided by X-Celeprint	19	-
Services provided from Elex	17	-
Services provided from XTRION	-	16
Warranty cost Melexis group	-	732
Total	36	986

Transactions with management

No significant transactions with the Board of Directors or management occurred in the reporting period.

Remuneration of directors and other persons with key management positions:

in thousands of U.S. dollars	For the six months ended June 30	
	2024	2023
Short-term employee benefits	755	657
Short-term employee benefits for members of management that are not on the payroll of the Company (CEO, CFO and COO)	496	336
Directors' compensation	70	70
Total	1,321	1,063

2.5.6.20 Commitments

Purchase commitments comprise the following:

in thousands of U.S. dollars	June 30, 2024	December 31, 2023
Purchase commitments for:		
Property, plant, and equipment	454,856	600,040
Intangible assets	774	1,465
Material and services	9,964	10,869
Total	465,594	612,374

Purchase commitments primarily refer to purchase orders placed for investments in technical machinery to expand the Group's production capacity.

2.5.6.21 Events after the reporting period

On August 1, 2024, X-FAB signed a second five-year revolving credit facility (the "Facility") for an amount of EUR 200 million maturing in July 2029, with an option for X-FAB to request an extension of the Facility's maturity date until July 2030. The Facility comes in addition to the EUR 200 million credit facility signed in December 2021.

The liquidation of X-FAB's subsidiary MikroDesign in Voronezh, Russia was completed by July 10, 2024.

Tessenderlo, August 29, 2024

Managing Director, CEO



Sensinnovat BV
Represented by Rudi De Winter
CEO

3. Shareholder information

The following table describes the structure of shareholdings in X-FAB Silicon Foundries SE at June 30, 2024:

Company	Number of shares	% of total
Elex NV	32,672,778	25.0%
Sensinnovat BV	31,936,781	24.4%
Sarawak Technology Holdings Sdn. Bhd.	14,948,655	11.4%
Public	51,223,455	39.2%
Total	130,781,669	100%

4. Statement of the Board of Directors

The Board of Directors certifies, on behalf and for the account of the Company, that to their knowledge,

- the condensed consolidated interim financial statements which have been prepared in accordance with IFRS as adopted by the EU give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the entities included in the consolidation as a whole; and
- the interim management's discussion and analysis provides a fair overview of the important events and major transactions of the issuer which occurred during the first six months of the financial year, their impact on the set of condensed consolidated interim financial statements, and a description of the main risks and uncertainties which the issuer is exposed to.

5. Statutory auditor's review conclusion on the condensed consolidated interim financial statements



Statutory auditor's report to the board of directors of X-FAB Silicon Foundries SE on the review of the condensed consolidated interim financial information as at June 30, 2024 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of X-FAB Silicon Foundries SE as at June 30, 2024, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2024 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Hasselt, August 29, 2024

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

A handwritten signature in black ink, appearing to read 'Herwig Carmans', written over a horizontal line.

Herwig Carmans
Bedrijfsrevisor / Réviseur d'Entreprises

xfab

INTERIM 20
REPORT 24

X-FAB Silicon Foundries SE

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