

<b>40</b>				<b>1</b>	<b>EUR</b>	
NAT.	Filing date	N°. 0882.390.885	P.	U.	D.	C-cap 1

**ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE FILED IN  
ACCORDANCE WITH THE BELGIAN COMPANIES AND ASSOCIATIONS  
CODE**

**IDENTIFICATION DETAILS (at the filing date)**

NAME: **X-FAB SILICON FOUNDRIES**

Legal form: **European company (Societas Europaea)**

Address: **TRANSPORTSTRAAT**

N°. **1**

Postal code: **3980**

Town: **Tessenderlo**

Country: **Belgium**

Register of legal persons - commercial court: **Antwerpen, Division Hasselt**

Website <sup>1</sup>:

Company registration number **0882.390.885**

DATE **07/04/2017** of filing the most recent document mentioning the date of publication of the deed of incorporation and of the deed of amendment of the articles of association.

ANNUAL ACCOUNTS **IN EURO** <sup>2</sup>

approved by the general meeting of **28/04/2022**

regarding the period from **01/01/2021** to **31/12/2021**

Preceding period from **01/01/2020** to **31/12/2020**

The amounts for the preceding period are / ~~are not~~ <sup>3</sup> identical to the ones previously published.

Total number of pages filed: **70**

Numbers of the sections of the standard model form not filed

because they serve no useful purpose: 6.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.3.1, 6.3.4, 6.3.5, 6.3.6, 6.4.2, 6.4.3, 6.5.2, 6.6, 6.8, 6.17, 6.18.2, 6.20, 9, 11, 12, 13, 14, 15

Signature  
(name and position)  
**Rudi De Winter**

Signature  
(name and position)

<sup>1</sup> Optional mention.

<sup>2</sup> If necessary, change to currency in which the amounts are expressed.

<sup>3</sup> Strike out what does not apply.

**LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND  
DECLARATION REGARDING A COMPLIMENTARY REVIEW OR  
CORRECTION ASSIGNMENT**

**LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS**

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and town) and position within the company

**Sensinnovat BV 0884.338.607**

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Delegated director

Mandate : 29/04/2021- 24/04/2025

Represented by :

1. De Winter Rudi

Transportstraat 1 , 3980 Tessenderlo, Belgium

**STRAUB HANS-JÜRGEN**

WEISSDORNWEG 6, 99334 ELLEBEN RIECHHEIM, Germany

Title : Director

Mandate : 29/04/2021- 24/04/2025

**lacona Estelle**

Avenue du General Leclerc 129, 91120 Palaiseau, France

Title : Director

Mandate : 29/04/2021- 24/04/2025

**DUCHATELET ROLAND**

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 29/04/2021- 24/04/2025

**BIN BUGO HAMID**

JALAN SIOL KANDIS PETRA JAYA 325, 93050 KUCHING, Malaysia

Title : Director

Mandate : 29/04/2021- 24/04/2025

**Aurore NV 0445.038.572**

Beigemsesteenweg 55, 1850 Grimbergen, Belgium

Title : Director

Mandate : 26/04/2018- 28/04/2022

Represented by :

1. Juliame Christine

Beigemsesteenweg 55 , 1850 Grimbergen, Belgium

**Verschaeren Christel Constancia C.**

Vinkeniersweg 10, 2150 Borsbeek (Antw.), Belgium

Title : Director

Mandate : 29/04/2021- 24/04/2025

## LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS (continued from previous page)

**VLINVLIN BV 0723.452.427**

Lege Veldkantlaan 18, 2540 Hove, Belgium

Title : Director

Mandate : 25/04/2019- 27/04/2023

Represented by :

1. Qi Ling

Lege Veldkantlaan 18 , 2540 Hove, Belgium

**Wan Omar Dr Haji Wan Lizozman**

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 27/07/2021- 28/04/2022

**KPMG Bedrijfsrevisoren BV 0419.122.548**

Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium

Title : Auditor, Membership number : B00001

Mandate : 29/04/2021- 27/04/2023

Represented by :

1. Briers Jos

Luchthaven Brussel Nationaal 1K , 1930 Zaventem, Belgium

, Membership number : A01814

**DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT**

The managing board declares that not a single audit or correction assignment has been given to a person not authorized to do so by law, pursuant to articles 34 and 37 of the law of 22 April 1999 concerning accounting and tax professions.

The annual accounts ~~were~~ / were not \* or corrected by an external accountant or by a company auditor who is not the statutory auditor.

If affirmative, should be mentioned hereafter: surname, first names, profession and address of each external accountant or company auditor and their membership number at their Institute, as well as the nature of their assignment:

- A. Bookkeeping of the company \*\*,
- B. Preparing the annual accounts \*\*,
- C. Auditing the annual accounts and/or
- D. Correcting the annual accounts.

If the tasks mentioned under A or B are executed by certified accountants or certified bookkeepers - tax experts, the following information can be mentioned hereafter: surname, first names, profession and address of each certified accountant or certified bookkeeper-tax expert and their membership number at the Institute of Accounting professionals and Tax Experts, as well as the nature of their assignment.

Surname, first names, profession and address	Membership number	Nature of the assignment (A, B, C and/or D)

\* Strike out what does not apply.

\*\* Optional mention.

<b>ANNUAL ACCOUNTS</b>
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**BALANCE SHEET AFTER APPROPRIATION**

	Notes	Codes	Period	Preceding period
<b>ASSETS</b>				
<b>FORMATION EXPENSES</b>	6.1	20		
<b>FIXED ASSETS</b>		21/28	<u>927.498.117</u>	<u>873.292.810</u>
<b>Intangible fixed assets</b>	6.2	21		
<b>Tangible fixed assets</b>	6.3	22/27	8.684	23.616
Land and buildings		22		
Plant, machinery and equipment		23	21	103
Furniture and vehicles		24	8.663	23.513
Leasing and other similar rights		25		
Other tangible fixed assets		26		
Assets under construction and advance payments		27		
<b>Financial fixed assets</b>	6.4 / 6.5.1	28	927.489.433	873.269.194
Affiliated Companies	6.15	280/1	927.489.433	873.269.194
Participating interests		280	927.250.021	847.250.021
Amounts receivable		281	239.412	26.019.173
Other companies linked by participating interests	6.15	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial fixed assets		284/8		
Shares		284		
Amounts receivable and cash guarantees		285/8		

	Notes	Codes	Period	Preceding period
<b>CURRENT ASSETS</b>		29/58	<u>76.550.006</u>	<u>72.793.563</u>
<b>Amounts receivable after more than one year</b>		29		
Trade debtors		290		
Other amounts receivable		291		
<b>Stocks and contracts in progress</b>		3		
Stocks		30/36		
Raw materials and consumables		30/31		
Work in progress		32		
Finished goods		33		
Goods purchased for resale		34		
Immovable property intended for sale		35		
Advance payments		36		
Contracts in progress		37		
<b>Amounts receivable within one year</b>		40/41	60.409.310	36.795.166
Trade debtors		40	12.886	
Other amounts receivable		41	60.396.424	36.795.166
<b>Current investments</b>	6.5.1 / 6.6	50/53		
Own shares		50		
Other investments		51/53		
<b>Cash at bank and in hand</b>		54/58	16.132.787	35.991.009
<b>Accruals and deferred income</b>	6.6	490/1	7.909	7.388
<b>TOTAL ASSETS</b>		20/58	1.004.048.123	946.086.373

	Notes	Codes	Period	Preceding period
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
		10/15	998.223.694	941.160.943
<b>Contributions</b>	6.7.1	10/11	750.358.943	750.358.943
Capital		10	657.456.851	657.456.851
Issued capital		100	657.456.851	657.456.851
Uncalled capital <sup>4</sup>		101		
Beyond capital		11	92.902.092	92.902.092
Share premium account		1100/10	92.902.092	92.902.092
Other		1109/19		
<b>Revaluation surpluses</b>		12		
<b>Reserves</b>		13	12.963.754	10.110.617
Reserves not available		130/1	12.963.754	10.110.617
Legal reserve		130	12.402.199	9.549.062
Reserves not available statutorily		1311		
Purchase of own shares		1312	561.555	561.555
Financial support		1313		
Other		1319		
Untaxed reserves		132		
Available reserves		133		
<b>Accumulated profits (losses)</b>	(+)/( -)	14	234.900.997	180.691.383
<b>Capital subsidies</b>		15		
<b>Advance to shareholders on the distribution of net assets <sup>5</sup></b>		19		
<b>PROVISIONS AND DEFERRED TAXES</b>				
<b>Provisions for liabilities and charges</b>		160/5		
Pensions and similar obligations		160		
Taxes		161		
Major repairs and maintenance		162		
Environmental obligations		163		
Other liabilities and charges	6.8	164/5		
<b>Deferred taxes</b>		168		

<sup>4</sup> Amount to be deducted from the issued capital.

<sup>5</sup> Amount to be deducted from the other components of equity.

	Notes	Codes	Period	Preceding period
<b>AMOUNTS PAYABLE</b>		17/49	5.824.429	4.925.430
<b>Amounts payable after more than one year</b>	6.9	17		
Financial debts		170/4		
Subordinated loans		170		
Unsubordinated debentures		171		
Leasing and other similar obligations		172		
Credit institutions		173		
Other loans		174		
Trade debts		175		
Suppliers		1750		
Bills of exchange payable		1751		
Advance payments on contracts in progress		176		
Other amounts payable		178/9		
<b>Amounts payable within one year</b>	6.9	42/48	5.765.299	4.897.323
Current portion of amounts payable after more than one year falling due within one year		42		
Financial debts		43		
Credit institutions		430/8		
Other loans		439		
Trade debts		44	589.096	14.300
Suppliers		440/4	589.096	14.300
Bills of exchange payable		441		
Advance payments on contracts in progress		46		
Taxes, remuneration and social security	6.9	45	43.592	149.303
Taxes		450/3		116.067
Remuneration and social security		454/9	43.592	33.236
Other amounts payable		47/48	5.132.611	4.733.720
<b>Accruals and deferred income</b>	6.9	492/3	59.130	28.107
<b>TOTAL LIABILITIES</b>		10/49	1.004.048.123	946.086.373



**PROFIT AND LOSS ACCOUNT**

	Notes	Codes	Period	Preceding period
<b>Operating income</b>		70/76A	11.774.739	9.932.876
Turnover	6.10	70	11.765.394	9.920.344
Stocks of finished goods and work and contracts in progress: increase (decrease)	(+)/(-)	71		
Produced fixed assets		72		
Other operating income	6.10	74	6.120	12.532
Non-recurring operating income	6.12	76A	3.225	
<b>Operating charges</b>		60/66A	11.762.860	9.853.506
Goods for resale, raw materials and consumables		60		
Purchases		600/8		
Stocks: decrease (increase)	(+)/(-)	609		
Services and other goods		61	11.647.547	9.682.875
Remuneration, social security and pensions	(+)/(-) 6.10	62	105.491	162.728
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		630	7.508	7.508
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-) 6.10	631/4		
Provisions for liabilities and charges: appropriations (uses and write-backs)	(+)/(-) 6.10	635/8		
Other operating charges	6.10	640/8	2.314	395
Operating charges reported as assets under restructuring costs	(-)	649		
Non-recurring operating charges	6.12	66A		
<b>Operating profit (loss)</b>	(+)/(-)	9901	11.879	79.370

	Notes	Codes	Period	Preceding period
<b>Financial income</b>		75/76B	57.385.522	50.229.751
Recurring financial income		75	57.385.522	50.229.751
Income from financial fixed assets		750	56.370.653	50.212.199
Income from current assets		751		337
Other financial income	6.11	752/9	1.014.869	17.215
Non-recurring financial income	6.12	76B		
<b>Financial charges</b>	6.11	65/66B	18.832	488.756
Recurring financial charges		65	18.832	488.756
Debt charges		650	18.832	1.284
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-)	651		
Other financial charges		652/9		487.472
Non-recurring financial charges	6.12	66B		
<b>Profit (Loss) for the period before taxes</b>	(+)/(-)	9903	57.378.569	49.820.365
<b>Transfer from deferred taxes</b>		780		
<b>Transfer to deferred taxes</b>		680		
<b>Income taxes on the result</b>	(+)/(-)	6.13 67/77	315.818	
Taxes		670/3	315.818	
Adjustment of income taxes and write-back of tax provisions		77		
<b>Profit (Loss) of the period</b>	(+)/(-)	9904	57.062.751	49.820.365
<b>Transfer from untaxed reserves</b>		789		
<b>Transfer to untaxed reserves</b>		689		
<b>Profit (Loss) of the period available for appropriation</b>	(+)/(-)	9905	57.062.751	49.820.365

**APPROPRIATION ACCOUNT**

		Codes	Period	Preceding period
<b>Profit (Loss) to be appropriated</b>	(+)/(-)	9906	237.754.134	183.743.956
Profit (Loss) of the period available for appropriation	(+)/(-)	(9905)	57.062.751	49.820.365
Profit (Loss) of the preceding period brought forward	(+)/(-)	14P	180.691.383	133.923.591
<b>Transfers from equity</b>		791/2		
from contributions		791		
from reserves		792		
<b>Appropriations to equity</b>		691/2	2.853.137	3.052.573
to contributions		691		
to legal reserve		6920	2.853.137	2.491.018
to other reserves		6921		561.555
<b>Profit (loss) to be carried forward</b>	(+)/(-)	(14)	234.900.997	180.691.383
<b>Shareholders' contribution in respect of losses</b>		794		
<b>Profit to be distributed</b>		694/7		
Compensation for contributions		694		
Directors or managers		695		
Employees		696		
Other beneficiaries		697		

**PLANT, MACHINERY AND EQUIPMENT**

**Acquisition value at the end of the period**

**Movements during the period**

Acquisitions, including produced fixed assets

Sales and disposals

Transfers from one heading to another

(+)/(-)

**Acquisition value at the end of the period**

**Revaluation surpluses at the end of the period**

**Movements during the period**

Recorded

Acquisitions from third parties

Cancelled

Transferred from one heading to another

(+)/(-)

**Revaluation surpluses at the end of the period**

**Amortisations and amounts written down at the end of the period**

**Movements during the period**

Recorded

Written back

Acquisitions from third parties

Cancelled owing to sales and disposals

Transferred from one heading to another

(+)/(-)

**Amortisations and amounts written down at the end of the period**

**NET BOOK VALUE AT THE END OF THE PERIOD**

Codes	Period	Preceding period
8192P	xxxxxxxxxxxxxxxx	248
8162		
8172		
8182		
8192	248	
8252P	xxxxxxxxxxxxxxxx	
8212		
8222		
8232		
8242		
8252		
8322P	xxxxxxxxxxxxxxxx	144
8272	83	
8282		
8292		
8302		
8312		
8322	227	
(23)	21	

	Codes	Period	Preceding period
<b>FURNITURE AND VEHICLES</b>			
<b>Acquisition value at the end of the period</b>	8193P	xxxxxxxxxxxxxxxx	37.125
<b>Movements during the period</b>			
Acquisitions, including produced fixed assets	8163		
Sales and disposals	8173	18.561	
Transfers from one heading to another (+)/(-)	8183		
<b>Acquisition value at the end of the period</b>	8193	18.564	
<b>Revaluation surpluses at the end of the period</b>	8253P	xxxxxxxxxxxxxxxx	
<b>Movements during the period</b>			
Recorded	8213		
Acquisitions from third parties	8223		
Cancelled	8233		
Transfers from one heading to another (+)/(-)	8243		
<b>Revaluation surpluses at the end of the period</b>	8253		
<b>Amortisations and amounts written down at the end of the period</b>	8323P	xxxxxxxxxxxxxxxx	13.613
<b>Movements during the period</b>			
Recorded	8273	7.425	
Written back	8283		
Acquisitions from third parties	8293		
Cancelled owing to sales and disposals	8303	11.137	
Transfers from one heading to another (+)/(-)	8313		
<b>Amortisations and amounts written down at the end of the period</b>	8323	9.901	
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	(24)	<u>8.663</u>	

## STATEMENT OF FINANCIAL FIXED ASSETS

	Codes	Period	Preceding period
<b>AFFILIATED COMPANIES - PARTICIPATING INTERESTS AND SHARES</b>			
<b>Acquisition value at the end of the period</b>	8391P	xxxxxxxxxxxxxxx	847.250.021
<b>Movements during the period</b>			
Acquisitions	8361	80.000.000	
Sales and disposals	8371		
Transfers from one heading to another	(+)/(-) 8381		
<b>Acquisition value at the end of the period</b>	8391	927.250.021	
<b>Revaluation surpluses at the end of the period</b>	8451P	xxxxxxxxxxxxxxx	
<b>Movements during the period</b>			
Recorded	8411		
Acquisitions from third parties	8421		
Cancelled	8431		
Transferred from one heading to another	(+)/(-) 8441		
<b>Revaluation surpluses at the end of the period</b>	8451		
<b>Amounts written down at the end of the period</b>	8521P	xxxxxxxxxxxxxxx	
<b>Movements during the period</b>			
Recorded	8471		
Written back	8481		
Acquisitions from third parties	8491		
Cancelled owing to sales and disposals	8501		
Transferred from one heading to another	(+)/(-) 8511		
<b>Amounts written down at the end of the period</b>	8521		
<b>Uncalled amounts at the end of the period</b>	8551P	xxxxxxxxxxxxxxx	
<b>Movements during the period</b>	(+)/(-) 8541		
<b>Uncalled amounts at the end of the period</b>	8551		
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	(280)	<u>927.250.021</u>	
<b>AFFILIATED COMPANIES - AMOUNTS RECEIVABLE</b>			
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	281P	<u>xxxxxxxxxxxxxxx</u>	<u>26.019.173</u>
<b>Movements during the period</b>			
Appropriations	8581	54.220.239	
Repayments	8591		
Amounts written down	8601		
Amounts written back	8611		
Exchange differences	(+)/(-) 8621		
Other movements	(+)/(-) 8631	-80.000.000	
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	(281)	<u>239.412</u>	
<b>ACCUMULATED AMOUNTS WRITTEN DOWN ON AMOUNTS RECEIVABLE AT END OF THE PERIOD</b>	8651		

**PARTICIPATING INTERESTS INFORMATION****PARTICIPATING INTERESTS AND OTHER RIGHTS IN OTHER COMPANIES**

The following list mentions the companies in which the company holds a participating interest (recorded in headings 280 and 282 of assets), as well as the companies in which the company holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10% of the capital, the equity or a class of shares of the company.

NAME, full address of the REGISTERED OFFICE and, for an entity governed by Belgian law, the COMPANY REGISTRATION NUMBER	Rights held			Data extracted from the most recent annual accounts				
	Nature	Directly		Subsidiaries	Annual accounts as per	Cur-rency code	Equity	Net result
		Number	%				%	(+) or (-) (in units)
<b>X-FAB SEMICONDUCTOR FOUNDRIES AG</b>  HAARBERGSTRASSE 67 99097 ERFURT Germany	REGISTERED SHARES	21.564.560	97,20	2,80	31/12/2020	EUR	330.422.974	-696.199
<b>X-FAB SARAWAK SDH. BDH.</b>  SILICON DRIVE 1 93350 KUCHING Malaysia	REGISTERED SHARES	2.184.594.835	100,00	0,00	31/12/2020	USD	338.116.114	81.125.703
<b>X-FAB JAPAN KK</b>  SHIN YOKOHAMA DAINI CENTER BUILDING 10F 3-19-5 SHIN YOKOHAMA Japan	REGISTERED SHARES	160	100,00	0,00	31/12/2020	USD	-1.287.435	68.971
<b>X-FAB MEMS FOUNDRY GMBH</b>  Haarbergstrasse 67 99097 ERFURT Germany	REGISTERED SHARES	0	100,00	0,00	31/12/2020	EUR	22.068.239	-2.449.655
<b>X-Fab France SAS</b> Public limited liability company Rue du Faubourg Saint Honore 72 75008 Parijs France	REGISTERED SHARES	60.574.261	100,00	0,00	31/12/2019	EUR	49.622.269	-48.177.171

**STATEMENT OF CAPITAL AND SHAREHOLDERS' STURCTURE**

**STATEMENT OF CAPITAL**

**Capital**

Issued capital at the end of the period  
 Issued capital at the end of the period

Codes	Period	Preceding period
100P	XXXXXXXXXXXXXXXX	657.456.851
(100)	657.456.851	

Modifications during the period

Composition of the capital  
 Share types

Shares without nominal value.

Registered shares

Shares dematerialized

Codes	Period	Number of shares
	657.456.851	130.781.669
8702	XXXXXXXXXXXXXXXX	
8703	XXXXXXXXXXXXXXXX	

**Unpaid capital**

Uncalled capital  
 Called up capital, unpaid  
 Shareholders that still need to pay up in full

Codes	Uncalled amount	Called up amount, unpaid
(101)		XXXXXXXXXXXXXXXX
8712	XXXXXXXXXXXXXXXX	

**Own shares**

Held by the company itself

Amount of capital held

Number of shares

Held by a subsidiary

Amount of capital held

Number of shares

**Commitments to issuing shares**

Owing to the exercise of conversion rights

Amount of outstanding convertible loans

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

Owing to the exercise of subscription rights

Number of outstanding subscription rights

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

**Authorised capital not issued**

Codes	Period
8721	
8722	
8731	
8732	
8740	
8741	
8742	
8745	
8746	
8747	
8751	



**Shares issued, non-representing capital**

Distribution

Number of shares

Number of voting rights attached thereto

Allocation by shareholder

Number of shares held by the company itself

Number of shares held by its subsidiaries

Codes	Period
8761	
8762	
8771	
8781	

**ADDITIONAL NOTES REGARDING CONTRIBUTIONS (INCLUDING CONTRIBUTIONS IN THE FORM OF SERVICES OR KNOW-HOW)**

Period

**SHAREHOLDERS' STRUCTURE OF THE COMPANY AT YEAR-END CLOSING DATE**

As reflected in the notifications received by the company pursuant to article 7:225 of the Belgian Companies and Associations Code, article 14 fourth paragraph of the law of 2 May 2007 on the publication of major holdings and article 5 of the Royal Decree of 21 August 2008 on further rules for certain multilateral trading facilities.

NAME AND ADDRESS	Kind of shares	Total voting rights	%
XTRION NV TRANSPORTSTRAAT 1 3980 TESSENDERLO 0878.389.438	Registered shares	61.141.179	48,4
	Dematerialized shares	2.192.384	
SARAWAK TECHNOLOGY HOLDINGS Sdn. Bhd., MALAYSIA	Registered shares	14.948.655	11,4
OTHERS (Private & Public)	Registered shares / Dematerialized shares	52.499.451	40,2

**STATEMENT OF AMOUNTS PAYABLE AND ACCRUALS AND DEFERRED INCOME (LIABILITIES)**

	Codes	Period
<b>BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY</b>		
<b>Current portion of amounts payable after more than one year falling due within one year</b>		
Financial debts	8801	
Subordinated loans	8811	
Unsubordinated debentures	8821	
Leasing and other similar obligations	8831	
Credit institutions	8841	
Other loans	8851	
Trade debts	8861	
Suppliers	8871	
Bills of exchange payable	8881	
Advance payments on contracts in progress	8891	
Other amounts payable	8901	
<b>Total current portion of amounts payable after more than one year falling due within one year</b>	(42)	
<b>Amounts payable with a remaining term of more than one year, yet less than 5 years</b>		
Financial debts	8802	
Subordinated loans	8812	
Unsubordinated debentures	8822	
Leasing and other similar obligations	8832	
Credit institutions	8842	
Other loans	8852	
Trade debts	8862	
Suppliers	8872	
Bills of exchange payable	8882	
Advance payments on contracts in progress	8892	
Other amounts payable	8902	
<b>Total amounts payable with a remaining term of more than one year, yet less than 5 years</b>	8912	
<b>Amounts payable with a remaining term of more than 5 years</b>		
Financial debts	8803	
Subordinated loans	8813	
Unsubordinated debentures	8823	
Leasing and other similar obligations	8833	
Credit institutions	8843	
Other loans	8853	
Trade debts	8863	
Suppliers	8873	
Bills of exchange payable	8883	
Advance payments on contracts in progress	8893	
Other amounts payable	8903	
<b>Amounts payable with a remaining term of more than 5 years</b>	8913	

**AMOUNTS PAYABLE GUARANTEED** (included in accounts 17 and 42/48 of liabilities)**Amounts payable guaranteed by the Belgian government agencies**

	Codes	Period
Financial debts	8921	
Subordinated loans	8931	
Unsubordinated debentures	8941	
Leasing and other similar obligations	8951	
Credit institutions	8961	
Other loans	8971	
Trade debts	8981	
Suppliers	8991	
Bills of exchange payable	9001	
Advance payments on contracts in progress	9011	
Remuneration and social security	9021	
Other amounts payable	9051	
<b>Total of the amounts payable guaranteed by the Belgian government agencies</b>	9061	

**Amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets**

Financial debts	8922	
Subordinated loans	8932	
Unsubordinated debentures	8942	
Leasing and other similar obligations	8952	
Credit institutions	8962	
Other loans	8972	
Trade debts	8982	
Suppliers	8992	
Bills of exchange payable	9002	
Advance payments on contracts in progress	9012	
Taxes, remuneration and social security	9022	
Taxes	9032	
Remuneration and social security	9042	
Other amounts payable	9052	
<b>Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets</b>	9062	

**TAXES, REMUNERATION AND SOCIAL SECURITY****Taxes** (headings 450/3 and 178/9 of liabilities)

Outstanding tax debts	9072	
Accruing taxes payable	9073	
Estimated taxes payable	450	

**Remuneration and social security** (headings 454/9 and 178/9 of liabilities)

Amounts due to the National Social Security Office	9076	
Other amounts payable in respect of remuneration and social security	9077	43.592

N°.	0882.390.885
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**ACCRUALS AND DEFERRED INCOME**

Allocation of heading 492/3 of liabilities if the amount is significant

Period

**OPERATING RESULTS****OPERATING INCOME****Net turnover**

Allocation by categories of activity

Allocation by geographical market

**Other operating income**

Operating subsidies and compensatory amounts received from public authorities

**OPERATING CHARGES****Employees for whom the company submitted a DIMONA declaration or who are recorded in the general personnel register**

Total number at the closing date

Average number of employees calculated in full-time equivalents

Number of actual hours worked

**Personnel costs**

Remuneration and direct social benefits

Employers' contribution for social security

Employers' premiums for extra statutory insurance

Other personnel costs

Retirement and survivors' pensions

Codes	Period	Preceding period
740		
9086	1	1
9087	1,0	1,5
9088	1.702	2.614
620	86.024	137.719
621	19.467	25.009
622		
623		
624		

		Codes	Period	Preceding period
<b>Provisions for pensions and similar obligations</b>				
Appropriations (uses and write-backs)	(+)/(-)	635		
<b>Depreciations</b>				
On stock and contracts in progress				
Recorded		9110		
Written back		9111		
On trade debtors				
Recorded		9112		
Written back		9113		
<b>Provisions for liabilities and charges</b>				
Appropriations		9115		
Uses and write-backs		9116		
<b>Other operating charges</b>				
Taxes related to operation		640	2.314	395
Other		641/8		
<b>Hired temporary staff and personnel placed at the company's disposal</b>				
Total number at the closing date		9096		
Average number calculated in full-time equivalents		9097		
Number of actual hours worked		9098		
Costs to the company		617		





**INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY**

	Codes	Period	Preceding period
<b>NON-RECURRING INCOME</b>	76	3.225	
<b>Non-recurring operating income</b>	(76A)	3.225	
Write-back of depreciation and of amounts written off intangible and tangible fixed assets	760		
Write-back of provisions for extraordinary operating liabilities and charges	7620		
Capital profits on disposal of intangible and tangible fixed assets	7630	3.225	
Other non-recurring operating income	764/8		
<b>Non-recurring financial income</b>	(76B)		
Write-back of amounts written down financial fixed assets	761		
Write-back of provisions for extraordinary financial liabilities and charges	7621		
Capital profits on disposal of financial fixed assets	7631		
Other non-recurring financial income	769		
<b>NON-RECURRING CHARGES</b>	66		
<b>Non-recurring operating charges</b>	(66A)		
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	660		
Provisions for extraordinary operating liabilities and charges: appropriations (uses) (+)/(-)	6620		
Capital losses on disposal of intangible and tangible fixed assets	6630		
Other non-recurring operating charges	664/7		
Non-recurring operating charges carried to assets as restructuring costs (-)	6690		
<b>Non-recurring financial charges</b>	(66B)		
Amounts written off financial fixed assets	661		
Provisions for extraordinary financial liabilities and charges - appropriations (uses) (+)/(-)	6621		
Capital losses on disposal of financial fixed assets	6631		
Other non-recurring financial charges	668		
Non-recurring financial charges carried to assets as restructuring costs (-)	6691		

**TAXES**

**INCOME TAXES**

**Income taxes on the result of the period**

Income taxes paid and withholding taxes due or paid  
 Excess of income tax prepayments and withholding taxes paid recorded under assets  
 Estimated additional taxes

**Income taxes on the result of prior periods**

Additional income taxes due or paid  
 Additional income taxes estimated or provided for

**Major reasons for the differences between pre-tax profit, as it results from the annual accounts, and estimated taxable profit**

DRD

Codes	Period
9134	315.291
9135	300.000
9136	
9137	15.291
9138	528
9139	528
9140	
	56.370.653

**Influence of non-recurring results on income taxes on the result of the period**

Period

**Sources of deferred taxes**

Deferred taxes representing assets  
 Accumulated tax losses deductible from future taxable profits  
 Deferred taxes representing liabilities  
 Allocation of deferred taxes representing liabilities

Codes	Period
9141	
9142	
9144	

**VALUE-ADDED TAXES AND TAXES BORNE BY THIRD PARTIES**

**Value-added taxes charged**

To the company (deductible)  
 By the company

**Amounts withheld on behalf of third party by way of**

Payroll withholding taxes  
 Withholding taxes on investment income

Codes	Period	Preceding period
9145	2.200.171	1.959.845
9146	2.001.338	1.816.141
9147	42.486	54.400
9148		

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

	Codes	Period
<b>PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES</b>	9149	258.000.000
<b>Of which</b>		
Bills of exchange in circulation endorsed by the company	9150	
Bills of exchange in circulation drawn or guaranteed by the company	9151	
Maximum amount for which other debts or commitments of third parties are guaranteed by the company	9153	258.000.000
<b>REAL GUARANTEES</b>		
<b>Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company</b>		
Mortgages		
Book value of the immovable properties mortgaged	91611	
Amount of registration	91621	
For irrevocable mortgage mandates, the amount for which the agent can take registration	91631	
Pledging of goodwill		
Maximum amount up to which the debt is secured and which is the subject of registration	91711	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	91721	
Pledging of other assets or irrevocable mandates to pledge other assets		
Book value of the immovable properties mortgaged	91811	
Maximum amount up to which the debt is secured	91821	
Guarantees provided or irrevocably promised on future assets		
Amount of assets in question	91911	
Maximum amount up to which the debt is secured	91921	
Vendor's privilege		
Book value of sold goods	92011	
Amount of the unpaid price	92021	



**AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS**

Period

**SETTLEMENT REGARDING THE COMPLEMENTARY RETIREMENT OR SURVIVORS' PENSION FOR PERSONNEL AND BOARD MEMBERS**

**Brief description**

**Measures taken to cover the related charges**

**PENSIONS FUNDED BY THE COMPANY ITSELF**

**Estimated amount of the commitments resulting from past services**

Methods of estimation

Code	Period
9220	

**NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE not reflected in the balance sheet or income statement**

Period

**COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE**

Period

**NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET**

If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the company

Period

**OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those that cannot be calculated)**

X-FAB SE has signed a comfort letter for X-FAB France SAS and X-FAB MEMS Foundry GmbH for financial support and to guarantee the continuity.

Period

**RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS**

	Codes	Period	Preceding period
<b>AFFILIATED COMPANIES</b>			
<b>Financial fixed assets</b>	(280/1)	927.489.433	873.269.194
Participating interests	(280)	927.250.021	847.250.021
Subordinated amounts receivable	9271		
Other amounts receivable	9281	239.412	26.019.173
<b>Amounts receivable</b>	9291	60.151.456	36.278.748
Over one year	9301		
Within one year	9311	60.151.456	36.278.748
<b>Current investments</b>	9321		
Shares	9331		
Amounts receivable	9341		
<b>Amounts payable</b>	9351	5.132.611	4.733.720
Over one year	9361		
Within one year	9371	5.132.611	4.733.720
<b>Personal and real guarantees</b>			
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies	9381		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company	9391		
<b>Other significant financial commitments</b>	9401		
<b>Financial results</b>			
Income from financial fixed assets	9421	56.370.653	50.212.199
Income from current assets	9431		
Other financial income	9441		17.215
Debt charges	9461		1.284
Other financial charges	9471		487.472
<b>Disposal of fixed assets</b>			
Capital profits realised	9481		
Capital losses realised	9491		

**RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS**

	Codes	Period	Preceding period
<b>ASSOCIATED COMPANIES</b>			
<b>Financial fixed assets</b>	9253		
Participating interests	9263		
Subordinated amounts receivable	9273		
Other amounts receivable	9283		
<b>Amounts receivable</b>	9293		
Over one year	9303		
Within one year	9313		
<b>Amounts payable</b>	9353		
Over one year	9363		
Within one year	9373		
<b>Personal and real guarantees</b>			
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies	9383		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company	9393		
<b>Other significant financial commitments</b>	9403		
<b>COMPANIES LINKED BY PARTICIPATING INTERESTS</b>			
<b>Financial fixed assets</b>	9252		
Participating interests	9262		
Subordinated amounts receivable	9272		
Other amounts receivable	9282		
<b>Amounts receivable</b>	9292		
Over one year	9302		
Within one year	9312		
<b>Amounts payable</b>	9352		
Over one year	9362		
Within one year	9372		

**RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS**

**TRANSACTIONS WITH AFFILIATED PARTIES BEYOND NORMAL MARKET CONDITIONS**

**Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions that should be necessary to get a better understanding of the financial situation of the company**

Due to the absence of legal criteria to assess the related party transactions at market conditions, no information can be given.

Period



**FINANCIAL RELATIONSHIPS WITH**

**DIRECTORS AND MANAGERS, INDIVIDUALS OR LEGAL PERSONS WHO CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING ASSOCIATED THEREWITH, OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS**

**Amounts receivable from these persons**

Principal conditions regarding amounts receivable, rate of interest, duration, any amounts repaid, cancelled or written off

**Guarantees provided in their favour**

**Other significant commitments undertaken in their favour**

**Amount of direct and indirect remunerations and pensions, reflected in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person**

To directors and managers

To former directors and former managers

Codes	Period
9500	
9501	
9502	
9503	
9504	

**THE AUDITOR(S) AND THE PERSONS WHOM HE (THEY) IS (ARE) COLLABORATING WITH**

**Auditors' fees**

**Fees for exceptional services or special assignments executed within the company by the auditor**

Other audit assignments

Tax consultancy assignments

Other assignments beyondthe audit

**Fees for exceptional services or special assignments executed within the company by people the auditor(s) is (are collaborating with**

Other audit assignments

Tax consultancy assignments

Other assignments beyondthe audit

Codes	Period
9505	131.400
95061	
95062	
95063	
95081	
95082	
95083	

**Mentions related to article 3:64, § 2 and § 4 of the Belgian Companies and Associations Code**

**DECLARATION WITH REGARD TO THE CONSOLIDATED ANNUAL ACCOUNTS****INFORMATION TO DISCLOSE BY EACH COMPANY GOVERNED BY THE BELGIAN COMPANIES AND ASSOCIATIONS CODE ON THE CONSOLIDATED ANNUAL ACCOUNTS**

The company has prepared and published consolidated annual accounts and a consolidated annual report\*

~~The company has not prepared consolidated annual accounts and a consolidated annual report, because of an exemption for the following reason(s)\*~~

~~The company and its subsidiaries exceed, on a consolidated basis, not more than one of the criteria mentioned in article 1:26 of the Belgian Companies and Associations Code\*~~

~~The company only has subsidiaries that, considering the evaluation of the consolidated capital, the consolidated financial position or the consolidated result, individually or together, are of negligible interestError! Bookmark not defined. (article 3:23 of the Belgian Companies and Associations Code)~~

~~The company itself is a subsidiary of a parent company that prepares and publishes consolidated annual accounts, in which the annual accounts are integrated by consolidation\*~~

**INFORMATION TO BE PROVIDED BY THE COMPANY IN CASE IT IS A SUBSIDIARY OR A JOINT SUBSIDIARY**

Name, full address of the registered office and, if it concerns companies under Belgian law, the company registration number of the parent company(ies) and the indication if this (these) parent company(ies) prepares (prepare) and publishes (publish) consolidated annual accounts, in which the annual accounts are included by means of consolidation\*\*:

**XTRION NV**

**Transportstraat 1**

**3980 Tessenderlo, Belgium**

**0878.389.438**

**The enterprise draws up consolidated annual accounts data for the major part of the enterprise**

If the parent company(ies) is (are) (a) company(ies) governed by foreign law, the location where the abovementioned annual accounts are available\*\*:

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\* Strike out what does not apply.

\*\* Where the annual accounts of the company are consolidated at different levels, the information should be given, on the one hand at the highest and on the other at the lowest level of companies of which the company is a subsidiary and for which consolidated accounts are prepared and published.

## VALUATION RULES

### 1. Principle

The valuation rules are determined according to the provisions of the Royal Decree of 29 april 2019 in implementation of the Belgian Companies and Associations Code.

In respect of the requirement of a true and fair view the valuation rules of this Decree shall be deviated from in the following exceptional cases:

Reasons for the deviation:

The effects of the deviation on assets and liabilities, financial position and the result before taxation of the enterprise are as follows:

The valuation rules are ~~(changed)~~ (not changed) in wording and application as compared to the preceding financial period; if so, the change related to:

and has a (positive) (negative) effect on the result for the financial period before taxation to the amount of EUR.

The income statement ~~(is)~~ (is not) significantly effected by income or charges relating to a previous financial period; if so, the material effect results from:

The figures of the financial period are not comparable with those of the preceding financial period for the following reason:

(In order to maintain comparability the figures of the preceding financial period are adjusted regarding to following reasons)

(To compare the annual accounts of both financial periods involved following information should be taken into account):

In absence of objective standards of appraisal following valuation of foreseeable liabilities, contingent losses and diminutions in value is inevitably uncertain:

Other information necessary to give a true and fair view of the enterprise's liabilities, financial position and result:

### 2. Fixed assets

#### Formation expenses:

Formation expenses are charged against income except for following costs capitalised:

#### Reorganization costs:

The reorganization costs are ~~(capitalised)~~ (not capitalised) during the financial period; if so, this is justified as follows:

#### Intangible fixed assets:

The amount of intangible assets includes EUR research and development costs. Depreciation of these costs and the depreciations for goodwill are charged over a period of (more than) (not more than) 5 years; if more than 5 years the period involved is justified as follows :

#### Tangible fixed assets:

During the financial period the tangible assets ~~(are)~~ (are not) revalued; if so, the revaluation if justified are as follows:

**VALUATION RULES**

Depreciation recorded during the financial period:

Assets	Method S (straightline) R (reducing balance) O (other)	Basis NR (non-revalued) R (revalued)	Depreciation rate	
			Principal costs Min. - Max.	Ancillary costs Min. - Max.
<b>1. Formation expenses</b> <b>2. Intangible fixed assets</b> <b>3. Buildings*</b> <b>4. Plant, machinery and equipments *</b> <b>5. Vehicles*</b> <b>6. Office furniture *</b> <b>7. Other tangible fixed assets</b>				

\* Including leased assets which should be disclosed on a separate line.

Tax deductible accelerated depreciation in excess of depreciation based on economic circumstances:

- amount for the financial period: EUR.
- cumulative amount regarding tangible assets acquired as of the financial period beginning after December 31, 1983: EUR.

**Financial fixed assets:**

During the financial period investments ~~(are)~~ (are not) revalued; if so, the revaluation is justified as follows:

**3. Current assets**

**Inventories:**

Inventories are valued at **acquisition cost** determined according to the method *(to be disclosed)* of the weighted average price method, Fifo, Lifo, by identifying individually the price of each element or by the **lower market value**

1. Raw materials and consumables:
2. Work in progress - finished goods:
3. Goods purchased for resale:
4. Immovable property intended for sale:

**Products:**

- Production costs (include) (do not include) costs that are only indirectly attributable to the product.
- Production costs of stock and work in progress the production of which exceeds more than one year (includes) (does not include) on capital borrowed to finance the production.

Stocks total valued at market value amount to % of its book value at the end of the financial period.  
*(This information is only required in the event of a substantial difference).*

**Contracts in progress:**

Contracts in progress are valued (at production cost)  
 (at production cost increased by a portion of the profit according to the state of completion of the contract)

**4. Liabilities**

**Debts:**

Liabilities ~~(include)~~ (do not include) long-term debts, bearing no interests or at an unusual low interest; if so, a discount (has) (has not) been recognised and capitalised.

**VALUATION RULES****Foreign currencies:**

Debts, liabilities and commitments denominated in foreign currencies are translated in EUR using following criteria:

Exchange differences have been disclosed in the annual accounts as follows:

**Leasing agreements:**

Concerning the rights to use property not capitalised (*relating to immovable property and concluded before 1 January 1980*), consideration and rental relating to the financial period of the leased immovable property, amount to: EUR.

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE  
BELGIAN COMPANIES AND ASSOCIATIONS CODE****ANNUAL REPORT**

**X-Fab Silicon Foundries**  
**Societas Europaea**  
**Public European limited company**  
**Transportstraat 1**  
**3980 Tessenderlo**  
**Register Legal Persons Hasselt 0882.390.885**

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**ANNUAL REPORT CONCERNING THE FINANCIAL YEAR ENDED AT  
DECEMBER 31, 2021**

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In accordance with legal and statutory requirements, we have the honour of presenting to you our annual report on the activities of the said company for the financial year covering the period from January 1st, 2021 till December 31st, 2021.

This Annual Report as well as the Annual Accounts are made available to you.

**1. Comments on the Annual Accounts**

X-FAB Silicon Foundries SE was founded on July 5<sup>th</sup>, 2006 as X-FAB Silicon Foundries NV. On November 4<sup>th</sup>, 2011 it changed its form to a European Company (Societas Europaea/SE). The company currently still takes the form of a European Company and acts as a holding company, mainly investing in *'pure-play semiconductor wafer'* companies. The registered office of the company is located at Transportstraat 1, 3980 Tessenderlo, Belgium.

These comments are based on the balance sheet after appropriation and are consequently valid under reservation of approval of the proposed appropriation by the ordinary general meeting.

The draft of the annual accounts has been drawn up in accordance with the provisions of the Royal Decree of 29 April 2019 concerning the implementation of the Companies and Associations Code and in accordance with the special legal and regulatory provisions applying to the Company.

The company realized a turnover of 12 mio EUR. The total turnover increased by 18,5% compared to 2020.

The operating gain in 2021 amounted to 12 thousand EUR, while the operating gain last year was 80 thousand EUR.

The profit to be appropriated for this financial year amounts to 57,1 mio EUR since the financial result is positive by 57,4 mio EUR. This positive result is mainly attributable to the dividend payment by X-FAB Sarawak Sdn. Bhd. Together with the Profit to be carried forward from the previous financial year (180,7 mio EUR), the total Profit to be appropriated amounts to 237,8 mio EUR.

The total balance sheet increased with 58 mio EUR.

The Financial fixed assets increased with 54,2 mio EUR. The Current assets increased with 3,8 mio EUR as a result of the increase in Other amounts receivable with 23,7 mio EUR on the one hand and a decrease in Cash at bank and in hand of 19,9 mio EUR on the other hand.

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE  
BELGIAN COMPANIES AND ASSOCIATIONS CODE****ANNUAL REPORT**

At the Equity and liabilities side, the total increase of 58 mio EUR can mainly be attributed to an increase in Issued capital as a result of a profit to be appropriated of the financial year for an amount of 57,1 mio EUR. Furthermore, the Amounts payable within one year increased with 0,9 mio EUR.

**2. Appropriation of the results**

The Board of Directors proposes to present the profit to be appropriated of 237.754.134 EUR as follows:

- Dividends	0 EUR
- Transfer to legal reserves	2.853.138 EUR
- Transfer to other reserves	0 EUR
- Profit to be carried forward	234.900.996 EUR

**3. Important events after the closing of the financial year**

At this point in time, X-FAB is not significantly impacted by the conflict in Ukraine and the measures taken against Russia as a consequence thereof. X-FAB has only very limited revenues from Russia. So far, XFAB's subsidiary in Russia has not been impacted and continues to operate its normal activities of providing design services internally. We do, however, closely monitor economic sanctions that are being issued and take appropriate actions to comply. While X-FAB does not source any raw materials from Russia directly, its suppliers may be affected by a crisis-driven shortage of commodities coming from Russia, which may cause disruptions in supply.

**4. Research and Development**

The research and development expenses made during the financial year by the X-FAB group are described in section 6.3 of chapter 5 of the consolidated report.

**5. Branch Offices**

The company has no branch offices.

**6. Information about the circumstances that could have a considerable impact on the development of the company**

We do not expect any circumstances that could have a considerable impact on the evolution of our company.

**7. Risks and uncertainties related to the company and its subsidiaries**

An investment in shares involves risks and uncertainties. Prior to making a decision to invest in shares of X-FAB, the information provided in this annual report and, in particular, the risks and uncertainties described below should be read and considered carefully. The occurrence of any of these risks could adversely affect the Company's business, results of operations, and/or financial condition.

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE  
BELGIAN COMPANIES AND ASSOCIATIONS CODE**

**ANNUAL REPORT**

**Risks relating to X-FAB's business and the semiconductor industry**

***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 significant portion of X-FAB's revenues is derived from customers who use ICs manufactured by the Group as components for the production of a wide range of products including automotive, industrial, medical, and communications devices. If consumer demand for these products is volatile, or past and expected structural growth trends in these industries do not continue, it may lead to reduced demand for X-FAB's analog/mixed-signal ICs.

***A global systemic economic or financial crisis, increased political uncertainty, or increased economic protectionism could negatively affect X-FAB.***

X-FAB's business is subject to inherent and indirect risks arising from general and sector-specific economic conditions in the markets in which it operates. In recent years, several major systemic economic and financial crises and events leading to political uncertainty have negatively affected global business conditions, the semiconductor industry, and a variety of consumer and industrial markets. X-FAB's protection against downturns is limited, since a substantial majority of customer contracts do not contain minimum order requirements, and as a result any decline or slow GDP growth, whether caused by political uncertainty, changes in trade regulation, or broader economic conditions, which leads to reduced consumer and industrial spending, may adversely impact X-FAB's customers and result in lower demand for its analog/mixed-signal ICs.

***A significant portion of X-FAB's revenue comes from a relatively limited number of customers, with its largest customer being a related party.***

X-FAB's largest customer, Melexis, accounted for 39% of the Group's revenue in 2021, while the Group's top three customers accounted for 49% of revenue and its top five customers accounted for 55% of revenue during the year. None of X-FAB's customers are prohibited by contract from purchasing from other semiconductor suppliers. In the past, customers have switched to other semiconductor suppliers with little or no notice, or have notified the Group that they would source semiconductors for new end-user products from other semiconductor manufacturers. Changes in X-FAB's relationships with its top customers, the loss of one or more of these customers, or a change in the competitive position of any of these customers could have a material adverse impact on X-FAB. Further, Melexis is a related party, as it is controlled by X-FAB's largest shareholder, XTRION (which is beneficially owned by Roland Duchâtelet, Rudi De Winter, and Françoise Chombar, and the permanent representative of X-FAB's CEO, Rudi De Winter, is married to Françoise Chombar who served as the CEO of Melexis until the end July 2021 and is currently chair of the board of directors of Melexis. Conditions of the commercial relations between X-FAB and Melexis are in line with those that would have been agreed upon between independent parties in comparable circumstances. The arm's length character of these conditions are analyzed, determined, and tested in accordance with the principles and best practices in this respect as detailed in the OECD's 2017 Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Notwithstanding due care taken in the Group's transfer pricing analyses, there can be no assurance that the tax authorities or courts will not take a position contrary to the Group's position.

***Due to X-FAB's relatively fixed-cost structure, its ability to grow profitability is dependent on its ability to maintain appropriate utilization levels.***

The profitability of X-FAB's operations is closely tied to its level of utilization. X-FAB's ability to improve or maintain utilization levels depends, among other things, on the general economic environment, the success of its major customers, and its ability to offer the technologies and processes required for it to stay competitive. Failure to maintain or improve utilization levels could have a material adverse impact on X-FAB.

***X-FAB faces difficulties in forecasting demand and may therefore be unable to match its production capacity to demand.***



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Difficulties in projecting future business levels make it more difficult to reach and to maintain optimal utilization levels and adequately predict capacity needs across X-FAB's operations. Because customers usually place orders on a short-term basis, X-FAB may face difficulties to predict demand accurately. Significant capacity problems or inability or delay in shifting production to another fab could harm X-FAB's relationships with its customers and lead to lost sales. Furthermore, small changes in sales at the OEMs may trigger inventory corrections throughout the supply chain. As it can take about ten months from placing an order at X-FAB to assembling the final product at the OEM, a small variation in sales combined with a negative or positive market segment growth could cause overreactions in the supply chain that amplify the effects on X-FAB's operations, since X-FAB is at the end of the supply chain.

***X-FAB may be unsuccessful in its attempts to increase its production capacity and capabilities.***

As part of its strategy to expand capacity, X-FAB intends to expand capabilities and capacity at the Group's existing sites. This depends on the timely availability of equipment as well as the ability to install and qualify such new equipment on a timely basis. Although X-FAB does not have any current targets for future acquisitions, the Group may acquire additional companies or production sites over the medium term. X-FAB may also seek to grow its production capacity through the development of new manufacturing sites. Failure to integrate any acquired company, fab, or technology successfully, or to achieve desired synergies, may inhibit X-FAB's future expansion.

***X-FAB may not realize all the anticipated benefits from its acquisition of Altis' core business.***

X-FAB acquired the Altis assets in 2016, including a fab located in Corbeil-Essonnes, France. The integration process includes a series of technology introductions, capacity enhancements, adoptions of Group-wide systems, and implementation of cost-efficiency measures. X-FAB may encounter delays or interruptions in this integration process, among others due to delays in customer qualifications in the fab or a need to make additional capital expenditures. There can be no assurance that this integration will be successful, that X-FAB will meet targeted synergies or financial returns at the new facility, or that X-FAB will be able to keep all existing customers to secure satisfactory fab utilization during the business transition.

***X-FAB's expectations of an increase in market share by foundries might not occur.***

A key component of X-FAB's strategy is its belief that the market for foundries will grow, due to increased outsourcing of analog/mixed-signal ICs by IDMs and increasing prevalence of fabless companies. Although this trend has been prevalent in the digital IC market, it may not develop to the same extent in the market for analog/mixed-signal ICs. If increasing market growth for foundries were to slow or reverse, it could have a material adverse impact on X-FAB.

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE  
BELGIAN COMPANIES AND ASSOCIATIONS CODE****ANNUAL REPORT*****X-FAB may face increasing competition.***

Although X-FAB operates in a narrow market segment within the broader semiconductor manufacturing industry, the Group faces competition from other semiconductor producers, some of which have greater manufacturing, financial, research and development, and marketing resources than X-FAB does. In the long term, these competitors may win a higher portion of new customers than X-FAB, or win existing customers from X-FAB. If X-FAB cannot provide the same level of design and engineering support, capacity, or advanced capabilities as competitors, it may have a material adverse effect on X-FAB.

***X-FAB may face competitive pricing pressures.***

Competitors may have an impact on X-FAB's selling prices and demand for its services. Although X-FAB has not experienced significant pricing pressure in the past, there can be no assurance this will be the case in the future. Significant declines in average selling prices (ASPs) could have a material adverse effect on X-FAB.

***X-FAB may face price increases from its suppliers.***

X-FAB manufactures analog/mixed-signal ICs, utilizing proprietary process technologies and third-party silicon wafers and other raw materials. Changes in the availability or prices of such wafers, raw materials, electricity, spare parts, etc. can have an effect on the operating margin if the additional costs cannot be included in the prices for X-FAB's own customers.

In 2021, raw wafer costs accounted for 14% of total cost of sales. For most raw wafer types, X-FAB uses more than one supplier to secure availability of required volumes but also to remain flexible. However, having several suppliers per wafer type also means a greater effort to acquire the necessary qualifications for these suppliers.

***X-FAB is subject to risks associated with currency fluctuations.***

X-FAB records its financial results in US dollars but receives revenues and incurs costs in a variety of currencies, including euros and Malaysian ringgit. Changes in the exchange rate of the US dollar to the euro or Malaysian ringgit could result in translational losses in a given year, as compared to prior operating periods, or in a mismatch between local currency expenses and US dollar revenues. X-FAB strives for a natural hedging of the business, which would make X-FAB's profitability development largely independent from exchange rate fluctuations; however, this may not be effective in preventing exchange rate losses.

Price, credit, liquidity, and cash flow risks and risks associated with the use of financial instruments are described in note 10 to the X-FAB consolidated financial statements in chapter 5.

***X-FAB is subject to risks associated with any form of cyber criminality.***

X-FAB's operations may be disrupted due to the unauthorized use or theft of critical data as well as sabotage, viruses, or any other malicious activity targeted at the Company's IT infrastructure. This could have an impact on the confidentiality, integrity, and availability of data and/or IT systems of the Company. X-FAB has taken measures to make the Company's IT infrastructure robust and secure and has implemented state-of-the-art security and control frameworks and technology. Any significant interruption or failure of X-FAB's IT systems or any significant breach of security could have an adverse effect on the Company's business, operational results, financial condition, and cash flows.

***X-FAB is also subject to the following risks:***

- X-FAB depends on successful technological advances.
- X-FAB depends on successful materials, machinery, and component procurement for its manufacturing processes.
- X-FAB's business may temporarily be negatively impacted due to disruptions in the supply chain or market demand caused by a pandemic or epidemic.
- X-FAB may be unable to recruit or retain the personnel required for its growth strategy.
- X-FAB may be affected by reductions in government subsidies and grants and could fail to comply with the conditions and obligations under such subsidy programs.

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- Industry studies, forecasts, and growth rates relating to the semiconductor market as a whole may not be indicative of X-FAB's operations within the analog/ mixed-signal semiconductor market.
- X-FAB's ability to compete successfully and achieve future growth will depend, in part, on its ability to protect its proprietary technology.
- X-FAB may be subject to claims for alleged infringement of third parties' intellectual property rights.
- X-FAB depends on intellectual property rights of third parties, and failure to maintain or acquire licenses could harm the Group's business.
- X-FAB could be adversely affected by manufacturing interruptions.
- X-FAB's business could be adversely affected by changes in export control regulations, trade restrictions, and economic sanctions.
- If X-FAB experiences difficulty in achieving acceptable device yields or process performance as a result of manufacturing problems, it could result in delayed deliveries.
- X-FAB's insurance coverage may not be adequate to compensate for any interruptions or loss of business.
- X-FAB's operations may be impacted by disruptions both at its own or its suppliers' operations caused by severe weather conditions whose occurrence is increasing due to climate change.
- X-FAB could incur material costs to comply with regulation, including environmental and health and safety laws, especially as a result of climate change. Changes in such regulations could require significant changes in the production process or could even require purchasing additional equipment.
- X-FAB may be subject to litigation, disputes, or other legal proceedings.
- X-FAB carries a significant amount of deferred tax assets on its balance sheet.
- Low or negligible employee motivation as well as the occurrence of accidents due to human failure may negatively impact X-FAB's business.
- Cultural differences may lead to misalignment among X-FAB sites, negatively impacting X-FAB's business.
- X-FAB may be subject to penalty payments if labor rights or environmental provisions are being violated.
- X-FAB's public image may be adversely affected based on the impact of its business on the environment.

***Risks related to the shares***

- The interests of X-FAB's principal shareholder may not necessarily be aligned with X-FAB's interests or the interests of the holders of the shares.
- Future sales of substantial amounts of X-FAB's ordinary shares, or the perception that such sales could occur, could adversely affect the market value of the shares.
- X-FAB may not be able to pay dividends.
- Investors with a reference currency other than euros will become subject to foreign exchange rate risk when investing in shares.
- Any sale, purchase, or exchange of shares may become subject to financial transaction tax.
- Certain provisions of the Belgian Companies and Associations Code and the Articles of Association may affect potential takeover attempts and may affect the market price of the shares.

***Forward-looking information***

This annual report may include forward-looking statements. Forward-looking statements are statements regarding or based upon management's current intentions, beliefs, or expectations relating to, among other things, X-FAB's future results of operations, financial condition, liquidity, prospects, growth, strategies, or developments in the industry in which it operates. By their nature, forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties, and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

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Forward-looking statements contained in this annual report regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless legally required. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this annual report.

The information contained in this annual report is subject to change without notice. No report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness, or completeness of the information contained herein, and no reliance should be placed on it.

**8. Financial instruments**

The X-FAB group uses derivative financial instruments as described in section 10 of chapter 5 of the consolidated report.

**9. Independence and expertise regarding accounting and audit of at least one member of the Audit Committee**

According to Article 7:99 of the Belgian Code on Companies and Associations (BCCA) the members of the Audit Committee dispose of a collective expertise in the field of the Company's activities. At least one of them shall have accounting and audit expertise. Given his education in Economics and Political Science as well as extensive experience as a board member for a number of different companies, Tan Sri Hamid Bin Bugo complies with this latest requirement

**10. Corporate Governance Statement**

The Royal Decree of May 12, 2019 (published in the Belgian Official Gazette on May 17, 2019) designated the Belgian Corporate Governance Code 2020 as the reference code for Belgian listed companies. This Code is available for download on the website of the Belgian Corporate Governance Committee ([www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be)).

In view of the "comply-or-explain" principle of the Code, section 7.12 gives an overview of the provisions of the Belgian Corporate Governance Code 2020 that X-FAB does not comply with, along with an explanation of the reasons for non-compliance.

X-FAB aligned its Corporate Governance Charter with the 2020 Code on Corporate Governance in the first quarter of 2020. The Corporate Governance Charter can be consulted on the "Investors" page of the Company's website.

**10.1 Shareholders**

X-FAB seeks to guarantee transparent and clear communication with its shareholders. Active participation of the shareholders is encouraged by X-FAB.

In order to achieve this goal, shareholders can find important and relevant information on X-FAB's website. X-FAB publishes its annual reports, half-year reports, statutory reports, quarterly results, and financial calendar on its website in the "Investors" section. X-FAB realizes that the publication of these reports and information benefits its trust-based relationship with its shareholders and other stakeholders.

Furthermore, X-FAB is committed to guaranteeing shareholder rights.

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- At the Shareholders' Meeting, the Chairman will lead the meeting in such a manner that there will be sufficient time to answer questions that shareholders may have relating to the annual report, special reports, and/or the items on the agenda.
- At the latest 30 days prior to the general meeting, the agenda and other relevant documents are published in different locations including X-FAB's website and the Belgian Official Gazette.
- Shareholders representing at least 10% of the share capital have the right to add items and/or resolution proposals to the agenda.
- During the general meeting, shareholders have the right to vote on each item on the agenda. If they cannot attend the general meeting, they have the right to appoint a proxy.
- The minutes of the general meeting with the voting results will be kept in a special register after the general meeting.

Chapter 8 shows the shareholder structure of X-FAB based on the transparency notifications received.

**10.2 Management structure**

X-FAB has opted for a "one-tier" governance structure whereby the Board of Directors is the ultimate decision-making body, with overall responsibility for the management and control of the Company. The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the shareholders' meeting or other management bodies. As such, the Board, among others, defines the general policy orientations, decides on major strategic, financial, and operational matters, and oversees the management.

The Board has established committees (an Audit Committee and a Remuneration and Nomination Committee) to analyze specific issues and advise the Board on those issues. The decision-making power remains within the responsibility of the Board of Directors itself.

The daily management of X-FAB has been delegated by the Board of Directors to the Chief Executive Officer, Sensinnovat BV, permanently represented by Rudi De Winter, who can represent the Company with his sole signature within and outside the framework of the daily management. For actions that fall outside the scope of the daily management, X-FAB is also validly represented by two directors acting jointly.

The Chief Executive Officer is the chairman of the Executive Management. The Executive Management is responsible for leading X-FAB in accordance with the global strategy, values, planning, and budgets as set out and approved by the Board of Directors. The Executive Management is also responsible for screening the various risks and opportunities that the Company might encounter in the short, medium, or longer term, as well as for ensuring that systems are in place to identify and address these risks and opportunities.

**10.3 Board of Directors**Composition

In accordance with Article 15 of X-FAB's Articles of Association, the Board of Directors consists of at least five members and may be comprised of a maximum of nine members. At least three members should be independent in accordance with Article 7:87 BCCA. As of the date of this

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annual report, the Board of Directors comprises nine members, three of which are indeed independent. At least half of the Board of Directors consists of non-executive members and there is at least one executive member. Independent directors qualify as non-executive directors.

The term of office of directors under Belgian law is limited to six years (renewable) but the Corporate Governance Code recommends that it be limited to four years. Directors of X-FAB are appointed for a period of four years by the majority of the votes cast at the general meeting, after having received a recommendation of the Remuneration and Nomination Committee. In the same way the general meeting may revoke a director at any time. There is no age limit for directors, and directors with an expiring mandate can be reappointed within the limits stipulated in the BCCA.

The Chief Executive Officer is the only member of the Board of Directors that has an executive mandate. The Chairman of the Board is Tan Sri Datuk Amar Dr. Hamid Bin Bugo.

The composition of the Board of Directors already takes into account Article 7:86 BCCA which requires that one third of its members have to be of a different gender.

The directors of X-FAB are:

Name	Age	Mandate expires	Position
Datuk Amar Ahmad Tarmizi Bin Haji Sulaiman (until April 29, 2021)	59	/	Non-executive director
Hasmawati Binti Sapawi (from April 29, 2021 until July 27, 2021)	52	/	Non-executive director
Dato Sri Wan Lizozman Bin Wan Omar (from July 27, 2021)	57	2025	Non-executive director
Sensinnovat BV (Represented by Rudi De Winter)	61	2025	Managing Director, CEO
Roland Duchâtelet	75	2025	Non-executive director
Thomas Hans-Jürgen Straub	67	2025	Non-executive director
Tan Sri Datuk Amar Dr. Hamid Bin Bugo	76	2025	Non-executive director (Chairman from 27 July 2021)
Aurore NV (Represented by Christine Juliam)	61	2022	Non-executive and independent director
Christel Verschaeren	57	2025	Non-executive and independent director
Estelle Iacona	49	2025	Non-executive and independent director
Vlinvlin BV (Represented by Ling Qi)	51	2023	Non-executive director

Sensinnovat BV is represented by Rudi De Winter. Mr. De Winter joined X-FAB in 2011 as Co-CEO and became CEO in 2014. Between 1996 and 2011 he served as the Chief Executive Officer and Managing Director of Melexis NV. Prior to that date, Mr. De Winter served as a development engineer at Mietec Alcatel (Belgium) from 1984 to 1985 and as a development manager at Elmos GmbH (Germany) from 1985 to 1989. In 1990, Mr. De Winter became director together with Mr. Duchâtelet of XTRION NV, the parent company of X-FAB. Mr. De Winter holds a degree in electronic engineering from the University of Ghent.

Roland Duchâtelet started his career serving in various positions in production, product development, and marketing functions for several large and small companies. He contributed to the start-up of two other semiconductor manufacturers: Mietec Alcatel (Belgium) from 1983 to 1985 as business development/sales manager and Elmos GmbH (Germany) from 1985 to 1989 as marketing manager. Mr. Duchâtelet is the co-founder of the parent company of X-FAB.

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He holds a degree in electronic engineering and applied economics and an MBA from the University of Leuven.

Thomas Hans-Jürgen Straub has more than 30 years of experience in the management of semiconductor companies. From 1982 to 1990, Mr. Straub served as Head of Central Planning at the Kombinat Mikroelektronik in Erfurt. Thereafter, Mr. Straub was a member of the managing board of PTC Electronic AG, a holding company that managed 18 subsidiaries. From 1991 to 1999, Mr. Straub served as president of several companies, including Mikroelektronik und Technologie-Gesellschaft mbH, Dresden and Thesys Gesellschaft für Mikroelektronik mbH, Erfurt. From 1999 to 2014, Mr. Straub served as Chief Executive Officer of X-FAB. Mr. Straub holds a diploma in economics from the Hochschule für Ökonomie Berlin (Berlin Business School).

Tan Sri Datuk Amar Dr. Hamid bin Bugo has worked as personnel manager for Malaysia LNG Sdn Bhd, a joint venture between Petronas, Shell, and Mitsubishi. He was the first general manager of the Land Custody and Development Authority, Sarawak, and was permanent secretary to the Ministry of Resource Planning, and state secretary of Sarawak. Tan Sri Datuk Amar Dr. Hamid bin Bugo has also served as a board member of several corporate and governmental agencies and charitable organizations. After graduating with a degree in economics and political science from the University of Canterbury, New Zealand, he gained a postgraduate diploma in teaching from Christchurch Teachers' College, New Zealand, and a certificate in business studies from the Harvard Institute of Development Studies, USA. Tan Sri Datuk Amar Dr. Hamid bin Bugo was awarded an honorary PhD in commerce by Lincoln University, New Zealand. Currently, he is Chairman of Petroleum Sarawak Berhad and Sapura Resources Berhad.

Dato Sri Dr. Wan Lizozman Haji Wan Omar is the State Financial Secretary of Sarawak. Before that he served as Deputy State Financial Officer and formerly as Permanent Secretary in the Ministry of Urban Development and Natural Resources as well as the Ministry of Housing Sarawak. Besides his role as State Financial Secretary, Dato Sri Dr. Wan Lizozman Haji Wan Omar is chairman of two Malaysian state government-linked companies as well as a director of various state-owned companies. Moreover, he is a board member of the Sarawak Economic Development Corporation (SEDC) and the Sarawak Timber Industry Development Corporation (STIDC). His academic qualifications include a certificate in Southeast Asian studies from Columbia University, New York City, USA, a bachelor of science degree in economic and political science from the University of Northern Illinois, USA, followed by a master's degree in international affairs (economic development) from the School of International & Public Affairs, Columbia University, New York City, USA. In 2014, he was awarded a PhD in business studies from UNIMAS (University Malaysia Sarawak).

Aurore NV is represented by Christine Juliam. She started her career in clinical research at MSD in Belgium before moving into product management, and subsequently into sales, marketing, and business planning responsibilities. In July 1996, she started to work for Abbott Belgium as director of its pharmaceutical product division and joined Nycomed as Managing Director Belgium/Luxembourg in 2006. From 2011 onwards she was Region Head for France, the Netherlands, Belgium, and Luxembourg for Nycomed, which was acquired by Takeda in the same year. Subsequently, Ms. Juliam managed Takeda Italy and France as country manager between 2013 and 2017. In 2021, Ms. Juliam started as General Manager at Orifarm. Christine Juliam has a doctor of medicine degree from the University of Ghent, a license in marketing from St. Aloysius College in Brussels, a master's in management from Solvay Commercial School in Brussels, and an MBA from Northwestern University.

Christel Verschaeren served for 29 years at IBM. She held different technical positions as well as commercial leadership positions in general business, channel sales, and inside sales. She led business operations for IBM Belgium/Luxembourg for three years. In 2005, she became

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Director of Business Transformation and IT for IBM Europe. From 2010 until 2012 she served as Director Global Organizational Change Management. From 2012 until 2016 she was the VP of CIO Services in EMEA. Ms. Verschaeren holds a master's in economics from the University of Antwerp.

Estelle lacona was a director of EM2C laboratory (CNRS, École Centrale Paris) from 2008 to 2012 after which she became Dean and Vice-President Research of the École Centrale Paris until December 2014. In 2014, she also became Dean and Vice-President Research and Industrial Partnership of the École Supérieure d'Electricité (Supélec) in Paris. From 2015 until 2016 she served as Dean and Vice-President Research of the CentraleSupélec. After four years as Executive Vice-President for Academic Affairs, research professor at CentraleSupélec, and member of the board of École Centrale Casablanca, she currently serves as Senior Vice-President at Paris-Saclay University. Ms. lacona holds an engineering degree and a master of science from the University of Nantes (Polytech'Nantes) and a PhD in physics of transfer from the École Centrale Paris.

Vlinvlin BV is represented by Ling Qi. She has more than 20 years of international business management experience in China. After she won a provincial English language competition among thousand contenders, she organized international trade fairs and trade missions for the city government of Shenyang, and was the personal translator of the mayor of Shenyang. She left politics to host a weekly TV program with news and interviews of foreign expats in China. In 1996, her media career went on as vice-president with responsibility for international marketing and sales of the animation film company OHY. In 2000, Ms. Ling Qi married Belgian director Wouter Dierickx and founded Sophie Animation Ltd. Currently, Ms. Ling Qi is CEO of two mid-size multimedia and animation film companies. Alongside her media business, Ms. Ling Qi has been consultant for foreign invested companies in China and a Belgian private bank. She holds a degree in international trade and English from the University of Liaoning and obtained a certificate of Dutch at UFSIA Antwerpen.

#### Appointment and replacement of directors

The Articles of Association (Article 16) and the X-FAB Corporate Governance Charter contain specific rules concerning the (re)appointment, the induction, and the evaluation of directors. Directors are appointed for a term not exceeding four years by the general meeting of shareholders, who can also revoke their mandate at any time. An appointment or dismissal requires a simple majority of the votes cast.

If and when a position of a director prematurely becomes vacant within the Board, the remaining directors have the right to temporarily appoint a new director until the next general meeting which shall confirm such appointment. Said appointment will then be included in the agenda of the next general meeting.

The Remuneration and Nomination Committee makes recommendations to the Board with regard to the appointment of directors, the CEO, and the other members of the Executive Management. The Committee will consider proposals made by the members of the Board or other relevant parties.

#### Functioning of the Board

The internal regulation of the Board is part of the Corporate Governance Charter. In principle, the Board of Directors meets on a quarterly basis. Additional meetings may be called with appropriate notice at any time to address specific needs of the business. A meeting of the Board of Directors must in any event be convened if requested by at least two directors.

The Board convened seven times in 2021 and discussed, among others, the following topics:



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- the financial results of the Group;
- the business plan and capital expenditure;
- the budget for the financial year 2022; and
- the revolving credit facility.

Datuk Amar Ahmad Tarmizi Bin Sulaiman was excused for two meetings and was represented by proxy at one other meeting of the Board. Christel Verschaeren could not attend one meeting, and Estelle Iacona was represented by proxy at one meeting. Other than that, all Board members attended all meetings.

Under the lead of the Chairman, the Board regularly evaluates its scope, composition, and performance and that of its committees, as well as the interaction with the Executive Management. The next evaluation will be performed in 2022.

**10.4 Committees**Audit Committee

The Audit Committee advises the Board of Directors on accounting, audit, and internal control matters as further detailed in the Company's Corporate Governance Charter. The Audit Committee also assists the Executive Management in its assessment and follow-up of the auditor's recommendations.

The Audit Committee is composed of four non-executive members: Aurore NV, represented by Christine Juliam, independent director and Chair; Christel Verschaeren, independent director; Tan Sri Datuk Amar Dr. Hamid bin Bugo, non-executive director; and Estelle Iacona, independent director.

According to Article 7:99 BCCA the members of the Audit Committee maintain a collective expertise in the field of the Company's activities. At least one of them shall have accounting and audit expertise. Given his education as well as extensive experience as a board member for a number of different companies, Tan Sri Datuk Amar Dr. Hamid bin Bugo complies with this requirement.

In 2021, the Audit Committee met four times. During these meetings the audit plan and key audit matters were discussed with the external auditor. Other topics covered were IT security, the new audit partner, and the results of the internal audit. All members of the Audit Committee as well as the external auditor attended all meetings. The internal auditor was present at two meetings.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the appointment and remuneration of directors and members of the Executive Management.

The Remuneration and Nomination Committee is composed of four non-executive members: Christel Verschaeren, Chairman; Aurore NV, represented by Christine Juliam, independent director; Tan Sri Hamid Bin Bugo, non-executive director; and Estelle Iacona, independent director.

The Remuneration and Nomination Committee met three times in 2021. During these meetings matters such as the remuneration of the Executive Management and the (re)appointment of directors were discussed. All members of the Remuneration and Nomination Committee attended all meetings.

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### 10.5 Executive Management

#### Composition

The Executive Management is composed of the following members:

Name	Age	Position
Rudi De Winter	61	Chief Executive Officer
Alba Morganti	53	Chief Financial Officer
Jörg Doblaski	43	Chief Technology Officer
Lee Boon Chun	52	Chief Executive Officer, X-FAB Sarawak
Dr. Jocelyne Wasselin	63	Chief Executive Officer, X-FAB France
Lloyd Whetzel	64	Chief Executive Officer, X-FAB Texas
Dr. Gabriel Kittler	43	Chief Executive Officer, X-FAB Erfurt
Rico Tillner	39	Chief Executive Officer, X-FAB Dresden

#### Functioning

The Executive Management Team is composed of the CEO, the CFO, the CTO, and the site managers of X-FAB France, X-FAB Sarawak, X-FAB Texas, X-FAB Erfurt, and X-FAB Dresden. The members are appointed and removed by the Board of Directors after having received the advice of the CEO and the Remuneration and Nomination Committee.

The Executive Management Team exercises the duties assigned to it by the Board of Directors and the CEO, under the ultimate supervision of the Board of Directors.

The CEO leads the Executive Management Team, within the framework established by the Board of Directors and under its ultimate supervision. The CEO chairs the Executive Management Team.

### 10.6 Diversity policy

The Remuneration Committee and the Board of Directors ensure that diversity criteria such as age, gender, and background are taken into consideration in its selection processes and management of succession planning.

At the end of the reporting year, four of the nine members of the Board were female, thereby reaching the best possible equilibrium in terms of gender diversity. The composition of the Board is in line with the requirements of the BCCA on diversity. The Executive Management Team also consists of a diverse team in terms of age, background, and gender.

### 10.7 Remuneration Report

The remuneration of the directors and the Executive Management is governed by X-FAB's remuneration policy which can be found at [www.xfab.com/investors](http://www.xfab.com/investors). The remuneration policy was approved by the Shareholders' Meeting on April 29, 2021. This remuneration report has been prepared in accordance with Article 3:6, §3 BCCA as introduced by law on April 28, 2020.

#### **Total remuneration**

The application of the remuneration policy during 2021 for the directors and executives led to the effective remuneration as shown in the table on the next page.

Roland Duchâtelet waived his right to receive any remuneration as a non-executive Board member. In 2021 Vlinvlin BV (represented by Ling Qi) received additional remuneration of

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USD 21,954 for consultancy services provided to the Strategy department above and beyond her work as director of the Company. Hans-Jürgen Straub received an additional USD 11,833 for his mandate on the supervisory board of X-FAB Semiconductor Foundries GmbH. Sensinnovat BV was reimbursed for expenses amounting to USD 7,234.

Members of the Executive Management who are employed by X-FAB Group companies under an employment contract also benefit from group insurance policies in their respective home countries providing various pension, life insurance, disability, and medical insurance benefits, all of which are defined contribution schemes. All these group insurance elements are in line with home country market practices and only represent a minor portion of their respective remuneration packages.

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in U.S. dollars Name, position	1. Fixed remuneration			2. Variable remuneration		3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration	
	Base salary	Fees	Other benefits	One-year variable	Multi-year variable				Fixed:	Variable:
Datuk Amar Ahmad Tarmizi Bin Haji Sulaiman, Non-executive	5,786.39	—	—	—	—	—	—	5,786.39	Fixed:	100%
Hasmawati Binti Sapawi, Non-executive director	4,328.55	—	—	—	—	—	—	4,328.55	Fixed:	100%
Dato Sri Wan Lizozman Bin Wan Omar, Non-executive director	7,634.72	—	—	—	—	—	—	7,634.72	Fixed:	100%
Roland Duchâtelet, Non-executive director	—	—	—	—	—	—	—	—	Fixed:	100%
Thomas Hans- Jürgen Straub, Non-executive director	17,749.65	—	11,833.10	—	—	—	—	29,582.75	Fixed:	100%
Tan Sri Dr. Hamid bin Dugo, Non-executive director	29,582.75	—	—	—	—	—	—	29,582.75	Fixed:	100%
Aurore NV (Represented by Christine Juliam), Independent	29,582.75	—	—	—	—	—	—	29,582.75	Fixed:	100%
Christel Verschaeren, Independent director	29,582.75	—	—	—	—	—	—	29,582.75	Fixed:	100%
Estelle Iacona, Independent director	29,582.75	—	—	—	—	—	—	29,582.75	Fixed:	100%
Vlinvlin BV (Represented by Ling Qi), Non-executive director	17,749.65	—	21,953.95	—	—	—	—	39,703.60	Fixed:	100%
Sensinovat BV, permanently represented by Rudi De Winter, Executive, CEO	295,822.75	—	7,234.47	73,956	73,957	—	—	450,969.79	Fixed:	67%
									Variable:	33%
Executive Management excl. Sensinovat BV	1,092,949.66	—	82,909.68	250,542.04	—	—	78,726.92	1,505,128.30	Fixed:	83%
									Variable:	17%
								2,161,465.10		

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***Application of the performance criteria***

**a. CEO**

The variable remuneration for the CEO contains short, medium and long-term elements:

- short term: 25% is based on performance criteria measured over one financial year;
- medium term: 12.5% is based on performance criteria measured over two financial years; and
- long term: 12.5% is based on performance criteria measured over three financial years.

The cash bonus for the CEO is calculated by reference to yearly established targets to reflect global business performance criteria, which are measured on an X-FAB Group consolidated basis. Where financial indicators are used these are based on reported figures determined in accordance with IFRS accounting standards. The targets are as follows:

- 50% of the cash bonus (the short-term element) depends on the achievement of the target EBIT of X-FAB measured over the performance year in order to link the bonus to the operational result of X-FAB;
- 50% of the cash bonus (the medium and long-term element) is dependent on X-FAB generating revenue growth that outperforms the industry average over the last one or two years, whereby the industry reference growth is determined by reference to the McLean Report 2022 by IC Insights (<https://www.icinsights.com/>). The forecasts for optoelectronics, sensors and actuators, and discrete (O-S-D) devices is used as a reference value.

**Short-term cash bonus (one-year variable)**

The results for performance year 2021 are shown in the table below. In 2021 the EBIT was USD 77.2 million, thereby outperforming the maximum performance target of USD 10 million. This means that 100% of the short-term cash bonus will be paid out.

Location	Minimum threshold performance (in Corresponding remuneration)	Maximum performance (in Corresponding remuneration)	Measured performance (in Actual remuneration)
Global business performance	\$ 2,500	\$ 10,000	\$ 77,192
Relative weighting 50%	\$ 0	\$ 73,956	\$ 73,956
<b>Total bonus</b>	<b>\$ 0</b>	<b>\$ 73,956</b>	<b>\$ 73,956</b>

**Medium and long-term cash bonus (two and three-year variable)**

The two and three-year variable remuneration of the CEO depends on X-FAB generating revenue growth over the last one or two years exceeding the industry average using the statistics for the optoelectronics, sensors and actuators, and discrete (O-S-D) devices market published in the McClean Report 2022 by IC Insights as a reference value.

The results for performance year 2021 are shown in the table below. In 2021, the revenue growth was 38% compared to 2020. The industry average amounted to 18%. The revenue growth compared to 2019 was 30% while the industry averaged 21%. This results in the bonus calculation as depicted in the following table.

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Performance criteria	Threshold performance		Measured performance	
	Corresponding remuneration		Actual remuneration outcome	
Revenue growth over the last year	Revenue growth >18%		38 %	
	\$ 36,978.44		\$ 36,978.44	
Revenue growth over the last two years	Revenue growth >21%		21 %	
	\$ 36,978.44		\$ 36,978.44	
<b>Total bonus</b>	<b>\$ 73,956.88</b>		<b>\$ 73,956.88</b>	

**b. Other members of the Executive Management**

The variable remuneration for the other members of the Executive Management consists of a short-term cash bonus expressed as a fixed amount:

- 50% is based on a global business performance measured through the achievement of the target EBIT of the Company in order to link the bonus to the operational result of the Company; and
- 50% is based on an assessment of individual, department, or site performance measured through achievement of pre-established targets within the criteria determined by the CEO.

Currently no long-term incentives are foreseen for members of the Executive Management.

The results for performance year 2021 are shown in the table below. In 2021 the EBIT was USD 77.2 million, thereby outperforming the maximum performance target of USD 10 million. This means that 100% of the short-term cash bonus that is linked to the operational result of the Company will be paid out. Two members of the Executive Management received a discretionary bonus.

Performance criteria	Minimum threshold performance (in USD tsd.)		Maximum performance (in USD tsd.)		Measured performance (in USD tsd.)	
	Corresponding remuneration		Corresponding remuneration		Actual remuneration	
Global business performance	\$	2,500	\$	10,000	\$	77,192
Relative weighting 50%	\$	0	\$	113,887	\$	113,887
Individual/team performance		Determined individually		Determined individually		Determined individually (incl.
Relative weighting 50%	\$	0	\$	113,887	\$	136,655
<b>Total bonus</b>	\$	<b>0</b>	\$	<b>227,774</b>	\$	<b>250,542</b>

**Share-based remuneration**

The remuneration policy of X-FAB does not provide for share-based remuneration for directors or executives.

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### ***Evolution of the remuneration and performances of X-FAB***

The table below provides an overview of the annual change in total remuneration, developments and performance of X-FAB, and the average remuneration of employees. Non-financial performance criteria are not linked to remuneration and are therefore not reported. We refer to section 6 of this annual report for an overview of non-financial topics. To ensure comparability, the annual change in remuneration is only reported since the implementation of Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement.

Name	2017	2018	2019	2020	2021
Annual change of remuneration (Executive management)					
• Fixed remuneration	—	—	—	—	-4.1 %
• Variable remuneration	—	—	—	—	+100%
Annual change in the developments and performances (in thousands of USD)					
• Performance criteria (EBIT)	50,489	32,919	-43,865	-14,617	77,192
• Net profit	89,758	22,554	-48,540	13,530	83,640
Annual change in the average remuneration of employees on consolidated basis*	—	2.26%	-6.06 %	0.91 %	8.39 %

\*The average employee remuneration was calculated with the numbers as reported in note 6.6 (wages and salaries) in this annual report (personnel expenses and average number of employees). Social security, pension, and benefit costs are excluded.

In 2021 the ratio between the highest and lowest remuneration was 81.7 to 1. The highest remuneration of a member of the Executive Management used for this comparison includes the base salary, pension, and other benefits paid in 2021.

All figures are presented on an X-FAB Group consolidated basis in the above table. Information is provided from 2017 onwards, after X-FAB went public.

#### ***Severance payments***

No severance payments were made as no management contract with a member of the Executive Management was terminated in 2021.

#### ***Use of clawback provisions***

No clawbacks were applied in 2021.

#### ***Vote of the shareholders***

The remuneration report for the financial year ended December 31, 2020, was approved at the annual shareholders' meeting held on April 29, 2021, with a 99.0% majority of the 75.9% validly votes cast. As the remuneration report was approved with a large majority and X-FAB still believes in the principles included therein, X-FAB will retain its remuneration policy.

### **10.8 Policy on certain transactions**

#### **Terms and conditions of transactions with related parties**

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

#### **Conflicts of interest of the Board of Directors**

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According to Article 7:96 BCCA a member of the Board of Directors is required to inform the other directors about any item on the agenda of the Board that will cause a direct or indirect conflict of interest of a financial nature to him/her. In this event, the respective director may not participate in the deliberation and voting on this agenda item.

Pursuant to Article 7:97 BCCA, companies listed on the stock exchange must follow a special procedure before decisions are taken or operations are executed concerning (i) the relations of the listed company with an affiliated company, except its subsidiaries, and (ii) the relations between a subsidiary of the listed company and an affiliated company of the subsidiary, other than a subsidiary of the subsidiary. Prior to the decision or transaction, a committee composed of three independent directors, if deemed necessary assisted by one or more independent experts, must prepare written advice for the Board of Directors. The auditor delivers an opinion regarding the accuracy of the information contained in the committee advice and in the minutes of the Board of Directors' decision. The advice of the committee, an excerpt from the minutes of meetings of the Board of Directors, and the opinion of the auditor have to be recorded in the annual report of the Company.

In 2021, there have been no conflicts of interest for which the procedure of Articles 7:96 or 7:97 BCCA needed to be applied.

**Other transactions with directors and Executive Management**

As determined by section 6 of the X-FAB Corporate Governance Charter, members of the Board of Directors should arrange their personal and business affairs in such a way as to avoid conflicts with X-FAB. Moreover, the members of the Board of Directors and the Executive Management are not permitted to enter, either directly or indirectly, into agreements with X-FAB or any of its subsidiaries for the provision of paid services or goods, unless explicitly authorized by the Board of Directors. Such agreements must always be at arm's length. Please refer to note 12 on related party transactions.

In 2021, there were no transactions between the Company and its directors or Executive Managers involving a conflict of interest.

**Insider trading**

In compliance with the 2020 Belgian Code on Corporate Governance and EU regulation on market abuse (EU No. 596/2014) the X-FAB Insider Trading Policy was updated and approved by the Board of Directors in 2020.

X-FAB complies with the Belgian provisions on insider trading and market abuse. In this respect a list is kept up to date of all people with managerial responsibilities as well as all other people who have access to sensitive information which could have an effect on the share price.

The purpose of the X-FAB Insider Trading Policy is to prevent the abuse of inside information. Before trading any company shares, the members of the Board and the Executive Management have to receive the green light from the Compliance Officer and have to report back once the transaction has been completed. Furthermore, the members of the Board and the Executive Management as well as their closely associated persons have to notify all their transactions above a certain threshold in X-FAB shares to the Belgian Financial Services and Markets Authority, which will publish these notices on its website.



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Compliance with the X-FAB Insider Trading Policy will be supported and verified by the Compliance Officer.

**10.9 Internal control and risk assessment procedures in relation to financial reporting**

The internal control and risk assessment procedures in relation to the process of financial reporting are coordinated by the CFO. Such procedures are in place to ensure that the financial reporting is based on reliable information and that the continuity of the financial reporting in conformity with the IFRS accounting principles is guaranteed.

The process of internal control in relation to the financial reporting is based on the following principles:

- Data on transactions or use of assets of the Company are registered accurately and saved in an automated global enterprise resource planning (ERP) system by the different X-FAB business units.
- Accounting transactions are registered in globally standardized operating charts of accounts.
- The financial information is prepared and reported in first instance by the accounting teams in the different legal entities of X-FAB worldwide.
- Consequently, the finance managers at the different X-FAB sites will review the prepared and reported local financial information before sending it to the Global Finance Department.
- In the Global Finance Department, the financial information will receive its final review before it is included in the consolidated financial statements.

X-FAB is validly represented by the sole signature of the CEO for all aspects within and outside the daily management of the Company. Specific powers are granted to members of the Executive Management to represent X-FAB in matters that relate to the functional area for which they are responsible. For actions that fall outside the scope of the daily management, the Company is validly represented by two directors acting together.

In the event of the detection of certain deficiencies, this will be reported to the Executive Management to determine which appropriate measures can be taken.

The risk assessment in connection with the financial reporting is based on the following principles:

- Risks that the Company is confronted with are detected and monitored by the responsible persons of the different departments of the Company.
- The automated ERP system provides the responsible persons of the departments with permanent access to the financial information relevant to the business activities of their functional area for monitoring, controlling, and directing purposes.
- Closing the accounts at the end of every month warrants that the financial consequences of the identified risks are monitored closely to be able to anticipate to possible adverse evolutions.
- The financial results are also reviewed monthly on a global level.

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- A data protection system based on antivirus software, internal and external backup of data, and the controlling of access rights to information protects the Company's information and guarantees the continuity of the financial reporting. The adequacy and integrity of these IT systems and procedures are reviewed regularly.
- In accordance with the 2020 Belgian Code on Corporate Governance, X-FAB has set up an internal audit function for its financial department, whose resources and skills are adapted to assess the financial reporting and the risk management of the Company. The Audit Committee receives a periodic summary of the internal audit activities.

**10.10 Description of certain information from the Articles of Association and elements pertinent to a takeover bid**Capital structure

The registered capital of X-FAB amounts to EUR 657,456,850.68 and is represented by 130,781,669 equal shares without par value. The shares are in registered or dematerialized form.

Restrictions on the transfer of securities

The Articles of Association contain no restrictions on the transfer of the shares. The Board of Directors is furthermore not aware of any restrictions imposed by law on the transfer of shares by any shareholder, except in the framework of market abuse regulations.

Restrictions on the exercise of voting rights

Each share entitles the holder to one vote. The Articles of Association contain no restrictions on the voting rights and each shareholder can exercise their voting rights provided they are validly admitted to the general meeting and their rights have not been suspended. Pursuant to Article 11 of the Articles of Association the Company is entitled to suspend the exercise of the rights attaching to securities belonging to several owners until one person is appointed towards the Company as representative of the security.

No one can vote at the general meeting using voting rights attached to securities that have not been reported in due time in accordance with the Articles of Association and with the law.

The Board is not aware of any other restrictions imposed by law on the exercise of voting rights.

Agreements among shareholders

XTRION NV and Sarawak Technology Holdings Sdn. Bhd. have entered into a shareholders' agreement as shareholders of X-FAB (the "Shareholders' Agreement").

The Shareholders' Agreement applies for as long as each of the shareholders holds more than 5% of the shares in X-FAB. The Shareholders' Agreement addresses certain matters relating to the governance of X-FAB as well as the transfer of shares in X-FAB held by the parties to this Shareholders' Agreement.

Pursuant to the terms of the Shareholders' Agreement, XTRION NV and Sarawak Technology Holdings Sdn. Bhd. each have the right to appoint two directors on the Board of Directors. The Shareholders' Agreement furthermore provides for certain restrictions on

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the ability of XTRION NV and Sarawak Technology Holdings Sdn. Bhd. to transfer their shares in X-FAB.

Amendments to the Articles of Association

Matters involving special legal quorum requirements include, among others, amendments to the Articles of Association, issues of new shares, convertible bonds, or warrants, and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply.

Matters involving special majority requirements include, among others, decisions regarding mergers and demergers, which require a majority of at least 75% of the votes cast.

Authorities of the Board to issue, buy back, or dispose of own shares

The Articles of Association foresee that the Board of Directors may increase the registered capital of the Company in one or several times by a (cumulated) amount of maximum EUR 657,456,850.68. Such authorization may be renewed in accordance with the relevant legal provisions. The Board of Directors may exercise this power for a period of five (5) years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to these Articles of Association approved by the Shareholders' Meeting on March 16, 2017 (i.e. April 26, 2017).

The Board of Directors is further authorized by Article 13 of the Articles of Association to acquire own shares in the Company, either directly, by a person acting in his/her own name on behalf of the Company, or by a direct subsidiary within the meaning and the limits set out by Article 7:221 BCCA, under the following conditions:

- This authorization applies for a number of own shares, profit-sharing certificates, or associated certificates that is at most equal to that which, after acquisition, results in a total number of own shares held by the Company equal to the set limit of 20% as stipulated in Article 5 of the SE Regulation juncto Articles 7:215 ff. BCCA.
- Under this authorization a share should be acquired at a price that will respect the legal requirements, but that will in any case not be more than 10% below the lowest closing price in the last 30 trading days preceding the transaction and not more than 5% above the highest closing price in the last 30 trading days preceding the transaction.
- This authorization was valid for five years from March 16, 2017 and, accordingly, expired on March 17, 2022.

By resolution of the Shareholders' Meeting held on March 16, 2017, the Board of Directors is authorized to divest itself of part of or all the Company's shares, profit-sharing certificates, or associated certificates.

- This can be done at any time and at a price it determines, on or outside the stock market or in the framework of its remuneration policy, to employees, directors, or consultants of the Company or to prevent any serious and imminent harm to the Company.
- The authorization covers the divestment of the Company's shares, profit-sharing certificates, or associated certificates by a direct subsidiary within the meaning of Article 7:221 BCCA.

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- The authorization is valid without any time restriction, except when the divestment is to prevent any serious and imminent harm, in which case the authorization was valid until April 26, 2020.

Authorities of the Board to proceed with a capital increase

As per the Articles of Association, the Board of Directors was expressly empowered to proceed with a capital increase in any and all forms, including but not limited to a capital increase accompanied by the restriction or withdrawal of the preferential subscription rights, even after receipt by the Company of a notification by the Financial Services and Markets Authority (FSMA – “Autoriteit voor Financiële Diensten en Markten”/“Autorité des Services et Marchés Financiers”) of a takeover bid for the Company's shares. Where this is the case, however, the capital increase must comply with the additional terms and conditions laid down in Article 5 of the SE Regulation juncto Article 7:202 BCCA. The powers conferred on the Board of Directors remained in effect for a period of three years from the date of the amendment to the Articles of Association approved by Shareholders' Meeting held on March 16, 2017 and, accordingly, expired on March 17, 2020. These powers may be renewed for a further period of three years by resolution of the Shareholders' Meeting, deliberating and deciding in accordance with applicable rules. If the Board of Directors decides upon an increase of authorized capital pursuant to this authorization, this increase will be deducted from the remaining part of the authorized capital.

Other elements

The Company has not issued securities with special control rights.

No agreements have been concluded between the Company and its directors or employees providing for compensation if, as a result of a takeover bid, the directors should resign or are made redundant without valid reason or if the employment of the employees is terminated.

**10.11 Auditor**

KPMG Bedrijfsrevisoren BV, whose registered office is situated at 1930 Zaventem, Luchthaven, Brussel Nationaal 1K, was appointed as statutory auditor of the Company. Mr. Jos Briens, auditor, was appointed as the permanent representative of the auditor.

The audit fee for the audit of the consolidated financial statements amounted to USD 453,000, excluding value-added taxes. Additional fees were charged in 2021 for other services amounting to USD 36,000 excluding value-added taxes. Non-audit related services mainly relate to certification engagements and tax compliance services. Reference is made to note 7.7.

**10.12 Compliance with the 2020 Belgian Code on Corporate Governance**

X-FAB complies with the principles of the Code 2020. In view of the “comply-or-explain” principle of the Code the following overview sets out those provisions of the Code that X-FAB does not comply with, along with an explanation of the reasons for non-compliance:

- Contrary to recommendation 7.9 of the Code 2020, the members of the Executive Management are not required to hold a minimum threshold of shares in the Company. Further, the Company does not grant shares, options, or other rights to acquire shares to its members of the Executive Management. However, it should be noted that the CEO is an important shareholder of the Company. The Board of Directors believes that the stock price of a company does not always correctly reflect the performance of that

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company since there are many external factors that also have an influence on the price of a financial instrument. The financial numbers that impact the level of the business component of the variable remuneration, i.e. the EBIT target, are a more important element driving the valuation of the Company. As such, the directors believe there is a clear alignment between shareholders on the one hand and management on the other.

- Contrary to recommendation 7.6 of the Code 2020 for non-executive directors, the directors do not receive shares in the Company as part of their remuneration. The purpose of the recommendation is to better align the interests of non-executive directors with regard to long-term shareholder interest. At X-FAB, that long-term shareholder perspective is sufficiently represented on the Board of Directors since the CEO as well as one director are important (indirect) shareholders of the Company.

**11. Non-financial information**

Concerning the non-financial information, we refer to chapter 6 of the consolidated report.

**12. Approval Annual Accounts and discharge**

Herewith the Annual Accounts for your approval which give a fair, complete and faithful representation of the activities that took place during the year ended on December 31, 2021. This report, the auditors' report and financial statements for the year ended December 31, 2021 were at your disposal.

We suggest you to discharge the Directors and Auditors KPMG Bedrijfsrevisoren BV, represented by Mr. Jos Briers, for any liability which arises from the exercise of his duties during the past year.

The Board proposes the profit to be divided as included in the accompanying financial data.

Done at Tessenderlo on March 24, 2022

On behalf of the Board of Directors

Rudi De Winter

CEO

**AUDITORS' REPORT****Statutory auditor's report to the general meeting of X-Fab Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2021**

In the context of the statutory audit of the annual accounts of X-Fab Silicon Foundries SE ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended December 30, 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of April 30, 2020, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ending December 30, 2022. We have performed the statutory audit of the annual accounts of X-Fab Silicon Foundries SE for 14 consecutive financial years.

**Report on the annual accounts*****Unqualified opinion***

We have audited the annual accounts of the Company as of and for the year ended December 30, 2021, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at December 30, 2021, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 1.004.048.122,61 and the income statement shows a profit for the year of EUR EUR 57.062.750,80.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at December 30, 2021 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

***Basis for our unqualified opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**AUDITORS' REPORT**

*Statutory auditor's report to the general meeting of X-Fab Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2021*

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We did not identify key audit matters to report.

**Board of directors' responsibilities for the preparation of the annual accounts**

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Statutory auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

**AUDITORS' REPORT**

*Statutory auditor's report to the general meeting of X-Fab Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2021*

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



**AUDITORS' REPORT**

*Statutory auditor's report to the general meeting of X-Fab Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2021*

**Other legal and regulatory requirements*****Responsibilities of the board of directors***

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the annual accounts, of the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

***Statutory auditor's responsibilities***

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts, certain documents to be filed in accordance with legal and regulatory requirements and compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

***Aspects concerning the board of directors' annual report on the annual accounts***

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:6 §4 of the Companies' and Associations' Code has been included in the board of directors' annual report on the annual accounts. The Company has prepared this non-financial information based on Global Reporting Initiatives ("GRI") standards. In accordance with art 3:75 §1, 1<sup>st</sup> paragraph, 6° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI standards.

***Information regarding the social balance sheet***

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 3:12 §1 8° of the Companies' and Associations' Code, includes, with respect to form and content, the information required by law, including the information regarding salaries and training, and does not present any material inconsistencies with the information that we became aware of during the performance of our engagement.

**AUDITORS' REPORT**

*Statutory auditor's report to the general meeting of X-Fab Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2021*

**Information about the independence**

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the annual accounts.

**Other aspects**

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code.
- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Hasselt, March 24, 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises  
Statutory Auditor  
represented by

Jos Briers  
Bedrijfsrevisor / Réviseur d'Entreprises

**SOCIAL BALANCE SHEET**

Numbers of the joint industrial committees competent for the company:

**STATEMENT OF THE PERSONS EMPLOYED****EMPLOYEES FOR WHOM THE COMPANY SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER**

<b>During the period</b>	Codes	Total	1. Men	2. Women
<b>Average number of employees</b>				
Full-time	1001	1,0	1,0	
Part-time	1002			
Total in full-time equivalents (FTE)	1003	1,0	1,0	
<b>Number of actual hours worked</b>				
Full-time	1011	1.702	1.702	
Part-time	1012			
Total	1013	1.702	1.702	
<b>Personnel costs</b>				
Full-time	1021	105.491	105.491	
Part-time	1022			
Total	1023	105.491	105.491	
<b>Benefits in addition to wages</b>	1033			

<b>During the preceding period</b>	Codes	P. Total	1P. Men	2P. Women
Average number of employees in FTE	1003	1,5	1,5	
Number of actual hours worked	1013	2.614	2.614	
Personnel costs	1023	162.728	162.728	
Benefits in addition to wages	1033			

**EMPLOYEES FOR WHOM THE COMPANY SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER (continuation)**

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
<b>At the closing date of the period</b>				
<b>Number of employees</b>	105	1		1,0
<b>By nature of the employment contract</b>				
Contract for an indefinite period	110	1		1,0
Contract for a definite period	111			
Contract for the execution of a specifically assigned work .	112			
Replacement contract	113			
<b>According to gender and study level</b>				
Men	120	1		1,0
primary education	1200			
secondary education	1201			
higher non-university education	1202			
university education	1203	1		1,0
Women	121			
primary education	1210			
secondary education	1211			
higher non-university education	1212			
university education	1213			
<b>By professional category</b>				
Management staff	130			
Salaried employees	134	1		1,0
Hourly employees	132			
Other	133			

**HIRED TEMPORARY STAFF AND PERSONNEL PLACED AT THE DISPOSAL OF THE COMPANY**

	Codes	1. Hired temporary staff	2. Hired temporary staff and personnel placed at the company's disposal
<b>During the period</b>			
Average number of persons employed	150		
Number of actual hours worked	151		
Costs to the company	152		

**LIST OF PERSONNEL MOVEMENTS DURING THE PERIOD****ENTRIES**

**Number of employees for whom the company submitted a DIMONA declaration or who have been recorded in the general personnel register during the period**

**By nature of the employment contract**

Contract for an indefinite period  
 Contract for a definite period  
 Contract for the execution of a specifically assigned work ..  
 Replacement contract

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
205			
210			
211			
212			
213			

**DEPARTURES**

**Number of employees whose contract-termination date has been included in the DIMONA declaration or in the general personnel register during the period**

**By nature of the employment contract**

Contract for an indefinite period  
 Contract for a definite period  
 Contract for the execution of a specifically assigned work .  
 Replacement contract

**By reason of termination of contract**

Retirement  
 Unemployment with extra allowance from enterprise  
 Dismissal  
 Other reason  
 Of which: the number of persons who continue to render services to the company at least half-time on a self-employment basis

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
305			
310			
311			
312			
313			
340			
341			
342			
343			
350			

**INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD**

**Total of initiatives of formal professional training at the expense of the employer**

- Number of employees involved
- Number of actual training hours
- Net costs for the company
  - of which gross costs directly linked to training
  - of which contributions paid and payments to collective funds
  - of which grants and other financial advantages received (to deduct)

**Total of initiatives of less formal or informal professional training at the expense of the employer**

- Number of employees involved
- Number of actual training hours
- Net costs for the company

**Total of initial initiatives of professional training at the expense of the employer**

- Number of employees involved
- Number of actual training hours
- Net costs for the company

Codes	Men	Codes	Women
5801		5811	
5802		5812	
5803		5813	
58031		58131	
58032		58132	
58033		58133	
5821		5831	
5822		5832	
5823		5833	
5841		5851	
5842		5852	
5843		5853	