

The background of the entire page is a dark blue to black gradient, overlaid with a complex, glowing white circuit board pattern. The pattern consists of numerous interconnected lines, nodes, and circular components, resembling a high-density PCB or a microchip layout. The lines vary in thickness and are punctuated by small circles, some of which are larger and more prominent. The overall effect is a sense of intricate digital architecture.

xfab

**20 INTERIM
23 REPORT**

**X-FAB
SILICON
FOUNDRIES**

**YOUR SPECIALTY FOUNDRY FOR
THE ANALOG WORLD**

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List of abbreviations/definitions

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

1. Comments on the condensed consolidated interim financial statements

1.1 Summary of most important developments

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2022.

Highlights

In the first half of 2023, total revenue amounted to USD 435,240 thousand (first half of 2022: USD 367,495 thousand), an increase of 18.4% compared to the same period in the previous year. Business continued to develop strongly throughout the first half of 2023 and across all end markets. For the first time X-FAB reports revenues from sales of wafers of USD 8.3 million, which are recognized over time under long-term contracts with customers which meet the criteria for over time recognition in accordance with IFRS 15. The volume of business arising on long-term contracts meeting the criteria for over time recognition has become material under IFRS 15 for the first time in the current financial year. From now on X-FAB will consistently report revenues over time in line with the terms and the long-term nature of these contracts.

Revenue in X-FAB's core business, namely automotive, industrial, and medical, came in at USD 384,040 thousand (first half of 2022: USD 299,615 thousand), an increase of 28.2 % compared to the same period in the previous year.

X-FAB's core business generated 89.9% of total revenue (first half of 2022: 81.5%).

The Consumer, Communications & Computer business ("CCC business") came in at USD 42,472 thousand (first half of 2022: USD 66,096 thousand). This is a year-on-year decrease of 35.7%.

Revenue analysis

in millions of USD	Half-year ended Dec. 31, 2021	Half-year ended Jun. 30, 2022	Half-year ended Dec. 31, 2022	Half-year ended Jun. 30, 2023	Half-year y-o-y growth
Automotive	165.3	188.0	201.3	252.0	34%
Industrial	78.0	83.9	89.0	98.2	17%
Medical	28.8	27.7	28.1	33.8	22%
Subtotal core business	272.1 79.7%	299.6 81.5%	318.4 85.6%	384.0 89.9%	28% 10%
CCC	68.7	66.1	52.3	42.5	-35.7%
Others	0.6	1.8	1.3	0.5	-72%
Total*	341.4	367.5	372.0	427.0	16%

*excluding revenues from wafer sales recognized over time

In the first half of 2023 demand continued to be strong. X-FAB recorded strong double-digit growth across all its key end markets in the first half of 2023, achieving record revenues in the automotive as well as the industrial business. In particular, volume production revenues went up considerably in the key end markets, showing the focus on increasing wafer output amid the persisting chip shortage but also the accelerating demand driven by the transition to electric vehicles and green energy.

There have been no significant effects on the Group's balance sheet or on the carrying value or fair values of financial instruments as a result of the Russia-Ukraine war.

Cost of sales

Cost of sales includes material expenses such as raw materials, the costs of maintaining fixed assets, depreciation, staff costs, and costs for external services. In 2023 cost of sales increased by USD 32,112 thousand or 11.5% compared to the first half of 2022, partially related to the inclusion of manufacturing costs totaling USD 5,011 thousand representing the cost of sales associated with the cost of products for which revenues have been recognized over time.

Research and development expenses

Research and development expenses amounted to USD 23,828 thousand in the first half of 2023, representing 5.5% of revenue (first half of 2022: USD 20,679 thousand, 5.6% of revenue). The increase of 15.23% (USD 3,149 thousand) compared to the previous year's comparable six-month period is broadly in line with the change in revenue in 2023. Research and development expenses are presented net of grants in the amount of USD 3,568 thousand, compared to USD 2,660 thousand in the first half of 2022. The Group's research and development activities focus on the development of new fabrication processes, the optimization of existing processes using the Group's key process technologies, and the development of new integrated circuit features in order to meet customers' analog/mixed signal needs.

General, administrative, and selling expenses

General and administrative expenses and selling expenses increased by USD 2,427 thousand (14.7%) compared to the first half of 2022. The increase was primarily driven by the increase in business.

Financial result

Net finance costs decreased by USD 13,678 thousand in the first half of 2023 compared to the previous year, primarily due to a non-recurring expense of USD 12,362 thousand incurred in the previous year representing the amount paid under an arbitration award resulting from a dispute with one of the Group's suppliers.

Net income

The Group recorded a profit for the period for the first half of 2023 of USD 81,418 thousand, compared to a profit of USD 26,293 thousand in the first half of 2022.

The announcement of third quarter results will take place on October 26, 2023.

1.2 Risk factors

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

- Structural trends in the markets for the end-user products produced by X-FAB's customers, or material volatility in demand for these products, may limit X-FAB's ability to maintain or increase sales and profit levels.
- A global systemic economic or financial crisis, increased political uncertainty, or increased economic protectionism could negatively affect X-FAB.
- A significant portion of X-FAB's revenue comes from a relatively limited number of customers, with its largest customer being a related party.
- Due to X-FAB's relatively fixed-cost structure, its ability to grow profitability is dependent on its ability to maintain appropriate utilization levels.
- X-FAB faces difficulties in forecasting demand and may therefore be unable to match its production capacity to demand.

- X-FAB may be unsuccessful in its attempts to increase its production capacity and capabilities.
- X-FAB may not realize all the anticipated benefits from its acquisition of Altis' core business.
- X-FAB's expectations of an increase in market share by foundries might not occur.
- X-FAB may face increasing competition.
- X-FAB may face competitive pricing pressures.
- X-FAB may face raw material price increases.
- X-FAB is subject to risks associated with currency fluctuations.
- X-FAB is subject to risks associated with any form of cyber criminality.
- X-FAB may be subject to penalties if it fails to meet the terms of long-term contracts with customers and suppliers.

1.3 Events after the reporting period

There have been no reportable events subsequent to the reporting date.

1.4 Board of Directors

The ultimate parent of the Company is XTRION NV. Although XTRION NV does not hold a majority of the Company's shares, it is the Company's largest shareholder and has a controlling interest given its dominant shareholding position relative to the size and dispersion of other shareholders. XTRION NV is a Belgian company that is controlled directly and/or indirectly by Roland Duchâtelet, Rudi De Winter, and Françoise Chombar. Roland Duchâtelet is also chairman of the Supervisory Board of X-FAB GmbH and a member of the board of directors of X-FAB SE. Roland Duchâtelet and Françoise Chombar are also directors of Melexis NV.

X-FAB SE's Board of Directors manages the Company in accordance with the principles laid down in the Articles of Association and makes decisions on general policy, including the assessment and approval of strategic plans and budgets, supervision of reports and internal audits, and other tasks assigned by law to the Board of Directors. In accordance with the Belgian Companies and Associations Code, the Board of Directors has appointed Sensinnovat BV, represented by Rudi De Winter, as managing director (CEO), to whom it has delegated its managerial powers with the exception of general policy and all actions that are reserved to the Board of Directors by statutory provisions.

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

The directors of the Company at June 30, 2023 were as follows:

Name	Position
Tan Sri Datuk Amar Dr. Hamid Bin Bugo	Chairman of the Board
Sensinnovat BV (represented by Rudi De Winter)	Managing Director, CEO
Roland Duchâtelet	Non-executive director
Hans-Jürgen Straub	Non-executive director
Dato Sri Dr. Wan Lizozman Haji Wan Omar	Non-executive director

Aurore NV (represented by Christine Juliam)	Non-executive and independent director
Christel Verschaeren	Non-executive and independent director
Estelle lacona	Non-executive and independent director
VlinVlin BV (represented by Ling Qi)	Non-executive director

2. Condensed consolidated interim financial statements

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

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2023	2022
Revenue	2.5.5.1/2.5.5.17/ 2.5.5.19	435,240	367,495
Cost of sales		(310,404)	(278,292)
Gross profit		124,836	89,203
Research and development expenses		(23,828)	(20,679)
Selling expenses		(4,308)	(4,117)
General and administrative expenses		(22,462)	(19,226)
Rental income and expenses from investment properties		2,462	478
Impairment loss on trade receivables		(358)	(178)
Other income and other expenses	2.5.5.2	1,870	766
Operating profit		78,212	46,247
Finance income	2.5.5.3	15,196	15,677
Finance costs	2.5.5.4	(18,484)	(32,643)
Net finance income/(costs)		(3,288)	(16,966)
Profit before tax		74,924	29,281
Income tax income/(expense)	2.5.5.5	6,494	(2,988)
Profit/(loss) for the period		81,418	26,293
Attributable to:			
Equity holders of the Company		81,418	26,279
Non-controlling interest		-	14

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

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

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2023	2022
Profit for the period		81,418	26,293
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation (asset)		16	277
Items that are or may be transferred to profit or loss as follows:			
Foreign currency translation differences for foreign operations		(17)	682
Other		2,287	-
Income tax on other comprehensive income		-	
Other comprehensive income/(loss) for the period, net of income tax		2,286	959
Total comprehensive income for the period		83,704	27,252
Total comprehensive income attributable to:			
Equity holders of the Company		83,704	27,238
Non-controlling interest		-	14
Total comprehensive income for the period		83,704	27,252
Weighted average number of shares outstanding, basic and diluted		130,631,921	130,631,921
Earnings per share			
Basic and diluted (in U.S. dollars)	2.5.5.6	0.62	0.20

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

2.2 Condensed consolidated statement of financial position

in thousands of U.S. dollars	Note	June 30, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	2.5.5.7	568,926	460,126
Investment properties		7,403	7,675
Intangible assets		5,989	6,199
Other assets		68	79
Deferred tax assets	2.5.5.5	79,082	67,977
Total non-current assets		661,468	542,056
Current assets			
Inventories	2.5.5.8	247,912	214,435
Contract assets	2.5.5.9	15,667	-
Trade and other receivables	2.5.5.19	115,217	73,116
Income tax receivables		155	257
Other assets	2.5.5.10	61,166	55,768
Cash and cash equivalents	2.5.5.11	441,786	369,425
Total current assets		881,903	713,001
Total assets		1,543,371	1,255,057
EQUITY AND LIABILITIES			
Equity			
Share capital	2.5.5.12	432,745	432,745
Share premium	2.5.5.12	348,709	348,709
Retained earnings		100,230	16,509
Cumulative translation adjustment		(243)	(226)
Treasury shares		(770)	(770)
Total equity		880,671	796,967
Non-current liabilities			
Loans and borrowings	2.5.5.13	55,952	63,432
Other liabilities and provisions	2.5.5.14	4,025	4,024
Total non-current liabilities		59,977	67,456
Current liabilities			
Trade payables	2.5.5.19	67,764	53,654
Loans and borrowings	2.5.5.13	204,948	233,513
Income tax payable		12,142	8,210
Provisions	2.5.5.14	9,699	7,413
Other liabilities	2.5.5.15	308,170	87,844
Total current liabilities		602,723	390,634
Total equity and liabilities		1,543,371	1,255,057

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

2.3 Condensed consolidated statement of changes in equity

in thousands of U.S. dollars	Shares issued and fully paid	Share capital	Share premium	Retained earnings	Cumulative translation adjustment	Treasury shares	Total attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2021	130,781,669	432,745	348,709	(36,154)	(559)	(770)	743,971	365	744,336
Profit for the period				26,279			26,279	14	26,293
Remeasurement of defined benefit plans				277			277		277
Currency translation effect					682		682	-	682
Total comprehensive income	-	-	-	26,556	682	-	27,238	14	27,252
Transactions with owners of the parent									
Distribution to non-controlling interests (GVG)								(11)	(11)
Total transactions with owners of the parent	-	-	-	-	-	-	-	(11)	(11)
At June 30, 2022	130,781,669	432,745	348,709	(9,598)	123	(770)	771,209	368	771,577
Profit for the period				26,212			26,212	(14)	26,198
Remeasurement of defined benefit plans				(93)			(93)		(93)
Currency translation effect					(349)		(349)	-	(349)
Total comprehensive income	-	-	-	26,119	(349)	-	25,770	(14)	25,756
Transactions with owners of the parent									
Acquisition of non-controlling interests (GVG)				(12)			(12)	(354)	(366)
Total transactions with owners of the Company	-	-	-	(12)	-	-	(12)	(354)	(366)
At December 31, 2022	130,781,669	432,745	348,709	16,509	(226)	(770)	796,967	-	796,967
Profit for the period				81,418			81,418	-	81,418
Remeasurement of defined benefit plans				16			16		16
Currency translation effect					(17)		(17)	-	(17)
Other				2,287			2,287		2,287
Total comprehensive income	-	-	-	83,721	(17)	-	83,704	-	83,704
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At June 30, 2023	130,781,669	432,745	348,709	100,230	(243)	(770)	880,671	-	880,671

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

2.4 Condensed consolidated statement of cash flows

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2023	2022
Cash flow from operating activities:			
Profit for the period		81,418	26,293
Income tax		(6,494)	2,988
Income before taxes		74,924	29,281
Reconciliation of net income to cash flow arising from operating activities:			
Depreciation and amortization, before effect of grants and subsidies	2.5.5.7	42,083	37,250
Amortization of investment grants and subsidies		(1,488)	(1,715)
Interest income and expenses (net)	2.5.5.3/ 2.5.5.4	2,097	13,198
Loss/(gain) on the sale of plant, property and equipment (net)		(1,620)	(177)
Other non-cash transactions (net)	1.3/2.5.5.16	4,804	8,682
Changes in working capital		140,569	(53,517)
Decrease/(increase) of trade and other receivables		(42,483)	(24,115)
Decrease/(increase) of other assets		(3,933)	(6,717)
Decrease/(increase) of inventories		(31,189)	(17,411)
Decrease/(increase) of contract assets		(15,667)	-
(Decrease)/increase of trade payables		19,065	(5,356)
(Decrease)/increase of other liabilities and provisions	2.5.5.15	214,776	82
Income taxes (paid)/received		(509)	(215)
Net cash from operating activities		260,860	32,787
Cash flow from investing activities:			
Payments for property, plant, equipment, and intangible assets		(153,393)	(85,606)
Payments for loan investments to related parties		(176)	(148)
Proceeds from loan investments related parties		162	160
Proceeds from the sale of property, plant, and equipment		1,694	228
Interest received		3,571	512
Net cash used in investing activities		(148,142)	(84,854)

in thousands of U.S. dollars	Note	For the six months ended June 30	
		2023	2022
Cash flow from financing activities:			
Proceeds from loans and borrowings	2.5.5.13	14,240	22,542
Repayment of loans and borrowings	2.5.5.13	(49,800)	(4,170)
Receipts from sale and leaseback arrangements		-	7,723
Payment of lease liabilities		(2,785)	(3,017)
Receipt of government grants and subsidies		-	-
Interest paid		(2,568)	(571)
Dividends to non-controlling interests		-	(11)
Net cash from financing activities		(40,913)	22,496
Effects of changes in foreign currency exchange rates on cash balances		556	(9,786)
Net increase/(decrease) of cash and cash equivalents		71,805	(29,571)
Cash and cash equivalents at the beginning of the period		369,425	290,187
Cash and cash equivalents at the end of the period		441,786	250,830

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

2.5 Notes to the condensed consolidated interim financial statements

2.5.1 Company information

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

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

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

2.5.2 Basis of preparation

2.5.2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as endorsed by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2022.

The condensed consolidated interim financial statements of X-FAB SE Group were authorized for issue in accordance with a resolution of the directors on August 31, 2023.

2.5.2.2 Use of estimates and judgements

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

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

There has been a change applied in the recognition of revenues for the sale of process control wafers (PCM wafers). PCM wafers manufactured and sold by the Group are generally customer-specific, i.e., when manufacturing goods for a customer X-FAB is creating an asset for the customer that has no alternative use for X-FAB. In previous reporting periods, for the majority of contracts with its most important customers X-FAB has determined that it does not have an enforceable right to obtain payment for work completed should a customer cancel an incomplete contract for reasons other than any failure by X-FAB to perform as promised. Accordingly, revenue from the sale of PCM wafers was recognized when shipment had been made. In the interim reporting period ended June 30, 2023 X-FAB has determined that the volume of contracts for which it supplies customer-specific goods and for which it has an enforceable right to obtain payment for work completed should a customer cancel an incomplete contract for reasons other than any failure by X-FAB to perform as promised is significant. For such contracts, in the consolidated financial statements for the interim period ended June 30, 2023 revenue has been recognized over time, i.e., over the period in which the Group meets its performance obligations under those contracts proportionate to the fulfilment of its performance obligations under the contracts. There has been no change in the accounting policy for the recognition of revenues for which the Group does not have an enforceable right to obtain payment for work completed.

Invoices are usually payable within 30 days. No discounts of the invoiced amounts are offered to customers in exchange for prompt payment of invoices. Sales prices with customers do not include a significant financing component.

The effect of the above change is described in notes 2.5.5.1 and 2.5.5.12.

With the exception of the assessment of the significance of customer contracts requiring recognition over time, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2022.

Measurement of fair values

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

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

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

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

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

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

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

2.5.3 Summary of significant accounting policies

With the exception of the accounting policy applied to contracts with customers for the sale of wafers which meet the criteria for revenue recognition over time, the accounting policies applied are consistent with those applied in the annual consolidated financial statements ended December 31, 2022.

In general, revenue from the sale of wafers is recognized at a point in time. In the financial year 2023, for the first time the Group also reports revenues from wafer sales which are recognized over time, i.e., on the basis of progress made towards fulfilling the Group's performance obligation under the supply contract, and not, as is the case with revenue recognized at a point in time, only when the wafers are completed and delivered to the customer. Revenue for wafer sales recognized over time represents the Group's rights to consideration for work completed but not invoiced at the reporting date for wafer sales under long-term contracts which meet the criteria for revenue recognition over time. Contracts with customers meet the criteria for recognition over time when work performed under the contract creates an asset which has no alternative use to X-FAB (for example, due to the specific nature of the product or to exclusivity agreements) and X-FAB has an enforceable right to payment for the performance of the work completed. Progress towards fulfilling the Group's performance obligations under such contracts is determined based on the cost-to-cost method as X-FAB is of the opinion that this measure most faithfully depicts the transformation of the work in progress.

In connection with long-term contracts with customers, and as described in note 2.5.5.15 below, in the first half of the financial year 2023 the Group has received prepayments from customers for future wafer sales and capacity reservation deposits. These amounts, which are initially recognized as liabilities, include variable consideration for the goods transferred to the customer within the contract. When recognizing revenue for the contract, the Group is required to estimate the amount of variable consideration to which it will be entitled in exchange for transferring the promised goods to the customer. To the extent that part of the prepayment will be retained by X-FAB without X-FAB being required to offset amounts against valid purchase orders (for example, when there is a shortfall in customer orders compared to the amounts agreed under the sales contract when X-FAB is entitled to retain the revenue prepaid), the revenue recognized as revenue for the goods that have been delivered includes amounts attributable to the expected shortfall. However, variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenues for the sale of wafers which meet the criteria for revenue recognition over time were not material in previous reporting periods.

2.5.4 New accounting pronouncements

Amendments to standards effective for the period beginning on January 1, 2023

The following amendments to IFRS standards, which are effective for annual periods beginning on or before January 1, 2023, have been applied by the Group for the first time in preparing these condensed consolidated interim financial statements.

Standard/interpretation	Effective date: effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	January 1, 2023
Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2	January 1, 2023
Definition of Accounting Estimates—Amendments to IAS 8	January 1, 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12	January 1, 2023
International Tax Reform—Pillar Two Model Rules—Amendments to IAS 12	May 23, 2023

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

New standards and interpretations not yet effective

A number of new standards, amendments to standards, and interpretations are not yet effective for the year ending December 31, 2023, and have not been applied in preparing these condensed consolidated interim financial statements:

Standard/interpretation	Effective date: effective for annual periods beginning on or after
Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

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

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

2.5.5 Notes***2.5.5.1 Revenue***

Revenue comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Gross revenue PCM wafer	375,947	325,452
Gross revenue NRE and technology services	54,397	45,399
Revenue recognized over time PCM wafer	8,261	-
Other revenue	8	9
Discounts and warranty credits	(3,373)	(3,365)
Total	435,240	367,495

The increase in revenues is due to strong business development in all of X-FAB's key end markets.

Revenue from PCM wafer sales is generally recognized at the specific point in time when the wafers are delivered to the customer.

In the financial year 2023, for the first time the Group also reports revenues from wafer sales which are recognized over time. Revenue for wafer sales recognized over time represents the Group's rights to consideration for work completed but not invoiced at the reporting date on wafer sales under long-term contracts which meet the criteria for revenue recognition over time. The revenues from such contracts were not material in previous reporting periods. As described in note 2.5.5.15 below, in the first half of the financial year 2023 the Group has received amounts of prepayments from customers for future wafer sales and capacity reservation deposits in connection with such long-term contracts.

The Group has recognized no revenues of variable consideration from customers in respect of shortfalls of orders from customers in the first half of the financial year 2023 (2022: not applicable) as, at the current time, it is anticipated that all customer orders will be supplied to customers in full without any shortfalls.

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

2.5.5.2 Other income and other expenses

Other income comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Income from recharges	1,583	2,801
Income from sales of materials	11	134
Gains on disposals of property, plant, and equipment	1,625	177
Income other periods	295	21
Other	943	533
Total	4,234	3,666

Gains on disposal of fixed assets relate to sales of tools by X-FAB France and X-FAB Texas, which are not needed any longer due to changes in technology and production portfolios.

Other expenses comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Losses on disposal of property, plant, and equipment	-	-
Expenses from recharges	(1,583)	(2,801)
Expenses prior periods	(707)	(86)
Other	(74)	(13)
Total	(2,364)	(2,900)

2.5.5.3 Finance income

Finance income comprises the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Interest on financial assets measured at amortized cost:		
Interest on cash and cash equivalents	3,571	506
Other:		
Income from exchange rate differences	11,625	15,170
Total	15,196	15,676

Income from exchange rate differences includes unrealized exchange rate gains (net of expenses) of USD 1,761 thousand (2022: gains of USD 5,372 thousand) from cash balances denominated in euros.

2.5.5.4 Finance costs

Finance costs comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Interest on financial liabilities measured at amortized cost:		
Loans and borrowings	(5,287)	(1,343)
Other interest	(381)	(12,362)
Other :		
Expenses from exchange rate differences	(12,816)	(18,938)
Total	(18,484)	(32,643)

Other interest of USD 12,362 thousand in the previous year refers to a non-recurring expense resulting from an arbitration award.

Exchange rate expenses include amounts (net) of USD 1,205 thousand (2022: USD 4,100 thousand) resulting from the translation of cash balances denominated in Malaysian ringgit and USD 1,535 thousand (2022: loss of USD 5,685 thousand) on euro-denominated loans and borrowings.

2.5.5.5 Income taxes

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

The income tax expense comprised the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Current taxes:		
Actual income tax charge for the period	(4,611)	(2,486)
Adjustment of prior years' tax charges	-	-
	(4,611)	(2,486)
Deferred taxes	11,105	(502)
Total	6,494	(2,988)

Changes in recognized deferred tax assets resulted in an increase of deferred tax assets of USD 11,105 thousand (2022: decrease of USD 503 thousand). The increase in deferred tax assets is mainly due to recognition of previously unrecognized deferred tax assets arising on property, plant, and equipment in Malaysia amounting to USD 4,031 thousand (2022: derecognition of USD 354 thousand) and in Germany amounting to USD 7,074 thousand, which is the estimated pro rata amount of the expected recognition for the full financial year 2023 based on latest forecasts.

The assumptions made and the method applied to calculate deferred taxes were consistent with the methods used at December 31, 2022. The actual income tax expense for the period primarily consists of accruals made for income taxes for the year to be paid in Malaysia, France, and Germany.

2.5.5.6 Earnings per share

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

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

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

2.5.5.7 Property, plant, and equipment

in thousands of U.S. dollars	Land	Buildings	Technical machinery and equipment	Factory and office equipment	Assets under construction	Total
Net book value January 1, 2023	14,080	35,029	235,678	6,619	168,720	460,126
Accumulated historical cost January 1, 2023	14,292	112,027	1,175,354	33,288	168,720	1,503,681
Additions	-	325	6,804	915	139,906	147,950
Disposals	-	-	(3,098)	(204)	-	(3,302)
Reclassifications	-	13,571	47,047	764	(61,507)	(125)
Effect of changes in exchange rates	-	-	-	(199)	-	(199)
Accumulated historical cost June 30, 2023	14,292	125,923	1,226,107	34,564	247,119	1,648,005
Accumulated depreciation January 1, 2023	(212)	(76,998)	(939,676)	(26,669)	-	(1,043,555)
Additions	(15)	(1,862)	(35,307)	(1,728)	-	(38,912)
Disposals	-	-	3,025	203	-	3,228
Disposals	-	-	-	-	-	-
Effect of changes in exchange rates	-	-	-	160	-	160
Accumulated depreciation June 30, 2023	(227)	(78,860)	(971,958)	(28,034)	-	(1,079,079)
Net book value June 30, 2023	14,065	47,063	254,149	6,530	247,119	568,926

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

2.5.5.8 Inventories

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Materials and supplies	153,949	124,760
Work in progress	97,289	95,383
Finished goods	5,980	3,723
Merchandise	6	6
Write-downs	(9,312)	(9,437)
Total	247,912	214,435

The increase in raw materials and supplies and work in progress resulted from the build-up of inventories to secure the material supplies required to meet anticipated higher output levels resulting from the overall increase in business activity. Inventories for the manufacture of wafers under contracts for which sales are recognized over time are not recognized in work in process; instead they are recorded as an expense within cost of sales with the associated rights to consideration for work completed but not invoiced at the reporting date recognized within contract assets (note 2.5.5.9 below).

Allowances of USD 395 thousand (2022: USD 289 thousand) have been recorded against inventories and recognized as an expense in the period.

2.5.5.9 Contract assets

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

2.5.5.10 Other assets

Other assets comprise the following:

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
R&D grants receivable	23,737	22,537
Prepaid expenses	26,531	20,700
Receivables from energy surcharges	2,765	4,872
Taxes (other)	6,454	5,676
Deposits	482	535
Investment grants and subsidies receivable	1,158	1,170
Other	39	278
Total	61,166	55,768

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

Research and development grants receivable at June 30, 2023 include research and development tax credits and competitiveness and employment tax credits totaling USD 12,690 thousand attributable to X-FAB France (December 31, 2022: USD 13,134 thousand).

Other taxes mainly relate to VAT receivables.

2.5.5.11 Cash and cash equivalents

Cash and cash equivalents comprise the following:

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Cash and bank balances	439,682	367,221
Term deposits	2,104	2,204
Total	441,786	369,425

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

2.5.5.12 Equity

Share capital

X-FAB Silicon Foundries SE had 130,781,669 fully paid-in shares in issue throughout the reporting period for the first six months of 2023 and the comparative period in 2022.

Share premium

The share premium of X-FAB Silicon Foundries SE amounts to EUR 348,709 thousand (December 31, 2022: USD 348,709 thousand).

Retained earnings

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

Other comprehensive income includes an amount of USD 2,287 thousand to record the accumulated effect of wafer sales recognized over time at the beginning of the reporting period.

Cumulative translation adjustment

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

Treasury shares

At June 30, 2023 and December 31, 2022 the Group held 149,748 treasury shares (after the 2017 share split) of X-FAB Silicon Foundries SE held by its fully-owned subsidiary X-FAB GmbH. Based on the purchase price of EUR 11.25 per share (before the 2017 share split), the treasury shares reduced the equity capital of the parent company by USD 770 thousand (December 31, 2022: USD 770 thousand).

2.5.5.13 Loans and borrowings

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

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Bank loans and overdrafts		
Variable interest bank overdrafts in EUR	-	2
Maturity: 2023		
Interest rates: EURIBOR + 2.5%		
Fixed interest bank loans denominated in EUR	57,966	67,380
Maturity: 2023-2029		
Interest rates: 0.85%-2.3%		
Repayments in monthly or quarterly installments		
Fixed interest bank loans denominated in USD	239	-
Maturity: 2028		
Interest rates: 8.25%		
Repayments in monthly installments		
Variable interest Revolving Credit Facility denominated in USD	141,180	138,998
Maturity: 2023		
Interest rates: SOFR + 1.67%		
Repayment on maturity		
Variable interest Revolving Credit Facility denominated in EUR	37,189	64,056
Maturity: 2023		
Interest rates: EURIBOR + 1.0%		
Repayment on maturity		
Leasing arrangements		
Leasing liabilities denominated in EUR	12,601	13,467
Maturity: 2023-2034		
Interest rates: 0.15-3.57%		
Repayment in monthly installments		
Leasing liabilities denominated in USD	6,774	7,018
Maturity: 2023-2034		
Interest rates: 3.32%		
Repayment in monthly installments		

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Leasing liabilities denominated in MYR	4,951	6,024
Maturity: 2023-2025		
Interest rates: 4.66%		
Repayment in monthly installments		
Total	260,900	296,945
Current loans and borrowings	204,948	233,513
Non-current loans and borrowings	55,952	63,432

Variable interest bank loans include loans with repayment terms of less than twelve months amounting to USD 140,000 thousand and EUR 34,000 thousand under the EUR 200,000,000 multicurrency revolving facility agreement ("the facility") entered into between the parent company and its principal subsidiaries and a syndicate of eight international banks on December 1, 2021. The facility is for a five-year period until December 2026, with an option for X-FAB to request an extension of the facility's maturity date until December 2027. The option is exercisable not earlier than 90 days prior to and not later than 45 days prior to the initial termination date of November 30, 2026.

The movement in loans and borrowings includes income for realized and unrealized exchange rate losses of USD 1,535 thousand (2022: gains of USD 5,372 thousand) resulting from the effect of changes on exchange rates of euro-denominated loans. Loans and lease obligations totaling USD 52,585 thousand (2022: USD 7,186 thousand) have been repaid in the first six months of 2023.

2.5.5.14 Provisions

The movements on provisions during the period were as follows:

in thousands of U.S. dollars	Warranty provisions	Employee provisions	Total
January 1, 2023	6,854	616	7,470
Provided for	2,699	1,000	3,699
Utilized	(1,053)	(3)	(1,056)
Released	(383)	-	(383)
Effect of changes in exchange rates	11	16	27
June 30, 2023	8,128	1,629	9,757

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

2.5.5.15 Other liabilities

Other current liabilities comprise the following:

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Accrued liabilities	30,986	31,859
For invoices not yet received	28,156	29,280
Royalties	677	419
Sales commission	405	349
Staff association	197	691
Other	1,551	725
Advances received	250,044	31,127
Deferred income	561	298
Employee-related liabilities	26,582	24,958
Wages	6,501	2,992
Earned holiday entitlement, incentives	13,695	15,556
Payroll taxes	2,216	2,377
Social security costs	4,170	4,033
Other	(4)	(4)
Total	308,169	87,843

Increases in liabilities for wages are due to the timing of payments, as December wages are always paid within the old period instead of the following month and due to a one-time inflation payment accrual for the German sites.

Advances received relate to prepayments from customers for future wafer sales of USD 36,328 thousand (December 31, 2022: USD 20,852 thousand) and capacity reservation deposits received under long-term agreements concluded with customers of USD 213,716 thousand (December 31, 2022: USD 10,275 thousand). These amounts represent contract liabilities as defined in IFRS 15 and, depending on the respective agreements with the customer, will be settled by offsetting advances received against deliveries of wafers made or by settlement against trade accounts receivable within the next 3 - 5 years.

All prepayments from customers for future wafer sales and capacity reservation deposits are recorded as current or non-current based on the usual classification principles, i.e., items that are settled within the normal operating cycle are classified as current, even if they are expected to be settled after twelve months. However, the Group expects prepayments from customers for future wafer sales and capacity reservation deposits totaling USD 205,016 thousand to be settled after more than twelve months.

2.5.5.16 Notes to the statement of cash flows

Cash flows from operating activities in the first half of the financial year 2023 include, for the first time, significant amounts of receipts of prepayments from customers for the future supply of wafers and receipts and repayments of capacity reservation deposits received under long-term agreements concluded with customers. The amounts of prepayments from customers and capacity reservation deposits carried forward for offsetting against trade accounts receivable or for repayment to customers are disclosed within other current liabilities as reported in note 2.5.5.15.

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

2.5.5.17 Segment reporting

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

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Europe	287,007	224,093
Belgium	190,214	145,649
Germany	48,864	35,158
United Kingdom	27,378	19,967
Switzerland	4,071	3,797
France	3,289	4,047
Austria	2,858	6,922
Sweden	2,563	2,350
Netherland	1,935	1,035
Finland	1,636	1,187
Denmark	1,478	1,619
Ireland	1,395	891
Other	1,326	1,471
Asia	100,667	84,172
China	37,593	25,071
Japan	19,159	14,306
Thailand	8,769	6,705
Malaysia	8,614	10,411
Hong Kong	8,169	4,857
Singapore	6,370	8,295
Korea	5,383	4,944
Taiwan	3,215	7,141
Other	2,688	591
New Zealand	707	1,851
United States of America	46,749	57,372
Rest of the world	817	1,858
Total	435,240	367,495

2.5.5.18 Financial instruments – fair values and risk management**Financial instruments measured at amortized cost**

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

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

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

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

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

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

Accounting classifications and fair values

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

in thousands of U.S. dollars	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	Total
June 30, 2023					
Financial assets measured at amortized cost					
Trade and other receivables	115,217				
Cash and cash equivalents	441,786				
Financial liabilities measured at amortized cost					
Trade payables	(67,764)				
Bank loans, overdrafts, and lease liabilities	(260,900)	-	(261,156)	-	(261,156)
December 31, 2022					
Financial assets measured at amortized cost					
Trade and other receivables	73,116				
Cash and cash equivalents	369,425				
Financial liabilities measured at amortized cost					
Trade payables	(53,654)				
Bank loans, overdrafts, and lease liabilities	(296,945)	-	(296,950)	-	(296,950)

Management of risks arising from financial instruments

There have been no significant changes to the Group's financial risk management objectives or in the nature and extent of risks arising from financial instruments described in the consolidated financial statements for the year ended December 31, 2022.

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

2.5.5.19 Transactions with related parties

Transactions with shareholders and their subsidiaries

X-FAB SE Group undertakes transactions with entities in the XTRION group, a group of companies controlled by XTRION NV, the majority shareholder of X-FAB SE, as part of its normal business activities. These include the purchase of certain work in process and services, as well as the sale of products and provision of services to these companies. XTRION NV is also the parent company of Melexis NV, which develops, designs, and sells integrated circuits for use in a wide range of different applications and end markets. The main wafer suppliers for the Melexis group are X-FAB SE's subsidiaries. The Melexis group also provides final test services as well as design support to X-FAB SE subsidiaries. Conditions of the commercial relations between X-FAB and its related parties are in line with those that have been agreed upon between independent parties in comparable circumstances.

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

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Trade accounts receivable due from Melexis group companies	40,988	27,241
Trade accounts receivable due from M-MOS group companies	2,541	2,905
Trade accounts receivable due from X-Celeprint	32	34
Trade accounts receivable due from X Display Company Technology	(3)	34
Total	43,558	30,214

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Trade accounts payable due to Melexis group companies	42	132
Trade accounts payable due to XTRION	-	26
Trade accounts payable due to M-MOS	20	22
Trade accounts payable due to Sensinnoval	121	118
Advances and deposits received from Melexis	155,927	3,833
Advances received from M-MOS	3,827	3,827
Other	18	18
Total	159,955	7,976

The Group received deposits from LTA agreements from Melexis in the amount of USD 152,250 thousand (2022: none).

Sales and other income comprise the following:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Sales to Melexis group companies	189,021	146,725
Sales to M-MOS group companies	6,938	9,987
Sales to X-Display Company Technology	51	136
Property rental and other income from Melexis Group companies	1,724	955
Other income from M-MOS	21	25
Total	197,755	157,828

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

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Services provided by Melexis group companies	212	218
Services/purchases provided by M-MOS group companies	26	44
Services provided from XTRION	16	21
Services purchased from Sensinnovat	257	198
Services purchased from ESA	79	100
Warranty cost Melexis group	732	1,759
Total	1,322	2,340

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

Remuneration of directors and other persons with key management positions:

in thousands of U.S. dollars	For the six months ended June 30	
	2023	2022
Short-term employee benefits	657	782
Short-term employee benefits for members of management that are not on the payroll of the Company (CEO and CFO)	336	298
Directors' compensation	70	59
Total	1,063	1,139

2.5.5.20 Commitments

Purchase commitments comprise the following:

in thousands of U.S. dollars	June 30, 2023	December 31, 2022
Purchase commitments for:		
Property, plant, and equipment	613,819	334,217
Intangible assets	15,381	2,400
Material and services	18,491	39,865
Total	647,691	376,482

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

2.5.5.21 Events after the reporting period

There have been no reportable events subsequent to the reporting date.

Tessenderlo, August 31, 2023

Managing Director, CEO



Sensinnovat BV
Represented by Rudi De Winter
CEO

3. Shareholder information

The following table describes the structure of shareholdings in X-FAB Silicon Foundries SE at June 30, 2023:

Company	Number of shares	% of total
XTRION NV	63,333,563	48.4%
Sarawak Technology Holdings Sdn. Bhd.	14,948,655	11.4%
Public	52,499,451	40.1%
Total	130,781,669	100%

4. Statement of the Board of Directors

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

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

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



Statutory auditor's report to the board of directors of X-FAB Silicon Foundries SE on the review of the condensed consolidated interim financial information as at June 30, 2023 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of X-FAB Silicon Foundries SE as at June 30, 2023, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2023 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Hasselt, September 1, 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by



Herwig Carmans
Bedrijfsrevisor / Réviseur d'Entreprises

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