

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

IDENTIFICATION DETAILS (at the filing date)

Entity name : **X-Fab Silicon Foundries**
 Entity legal form : European company (Societas Europaea)
 Address : Transportstraat Nr : 1 Box :
 Postal code : 3980 City : Tessenderlo
 Country : Belgium
 Register of legal persons - Business Court of Antwerp, division Hasselt
 Website :
 E-mail address :

Company registration number 0882.390.885

Date 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 02-05-2022

This filing concerns :

the ANNUAL ACCOUNTS in EURO approved by the general meeting of 25-04-2024

the OTHER DOCUMENTS

regarding

the financial year covering the period from 01-01-2023 to 31-12-2023

the preceding period of the annual accounts from 01-01-2022 to 31-12-2022

The amounts for the preceding period are identical to the ones previously published.

Numbers of the sections of the standard model form not filed because they serve no useful purpose :

F-cap 6.1, F-cap 6.2.1, F-cap 6.2.2, F-cap 6.2.3, F-cap 6.2.4, F-cap 6.2.5, F-cap 6.3.1, F-cap 6.3.4, F-cap 6.3.5, F-cap 6.3.6, F-cap 6.4.2, F-cap 6.4.3, F-cap 6.5.2, F-cap 6.6, F-cap 6.8, F-cap 6.17, F-cap 6.18.2, F-cap 6.20, F-cap 9, F-cap 11, F-cap 12, F-cap 13, F-cap 14, F-cap 15

**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

Verschaeren Christel Constancia C.

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Wan Omar Dr Haji Wan Lizozman

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2022-04-28

End of the mandate : 2026-04-30

Director

Iacona Estelle

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Bin Bugo Hamid

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Straub Hans-Jurgen

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Duchatelet Roland

Transportstraat 1
3980 Tessenderlo
BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Aurore NV

0445038572
Beigemsesteenweg 55
1850 Grimbergen
BELGIUM

Start of the mandate : 2022-04-28

End of the mandate : 2026-04-30

Director

Represented directly or indirectly by :

Juliam Christine
Beigemsesteenweg 55
1850 Grimbergen
BELGIUM

Sensinnovat BV

0884338607

Transportstraat 1

3980 Tessenderlo

BELGIUM

Start of the mandate : 2021-04-29

End of the mandate : 2025-04-24

Director

Represented directly or indirectly by :

De Winter Rudi

Transportstraat 1

3980 Tessenderlo

BELGIUM

Vlinvlin BV

0723452427

Lege Veldkantlaan 18

2540 Hove (Antwerp)

BELGIUM

Start of the mandate : 2023-04-27

End of the mandate : 2027-04-29

Director

Represented directly or indirectly by :

Qi Ling

Lege Veldkantlaan 18

2540 Hove (Antwerp)

BELGIUM

KPMG Bedrijfsrevisoren BV (B00001)

0419122548

Luchthaven Brussel Nationaal 1 K

1930 Zaventem

BELGIUM

Start of the mandate : 2023-04-27

End of the mandate : 2027-04-29

Auditor

Represented directly or indirectly by :

Carmans Herwig (A02326)

Luchthavenlaan Brussel Nationaal 1 K

1930 Zaventem

BELGIUM

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 article 5 of the law of 17 March 2019 on the professions of accountant and tax adviser.

The annual accounts were not audited or corrected by a certified 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 accountants or tax experts, the following information can be mentioned hereafter: surname, first names, profession and address of each certified accountant or tax expert and their membership number at the Institute for Tax Advisers and Accountants (ITAA), as well as the nature of their assignment.

(* Optional mention.)

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

ANNUAL ACCOUNTS

BALANCE SHEET AFTER APPROPRIATION

	Notes	Codes	Period	Preceding period
ASSETS				
FORMATION EXPENSES				
	6.1	20		
FIXED ASSETS				
Intangible fixed assets				
	6.2	21		
Tangible fixed assets				
	6.3	22/27	1.238	4.950
Land and buildings		22		
Plant, machinery and equipment		23		
Furniture and vehicles		24	1.238	4.950
Leasing and other similar rights		25		
Other tangible fixed assets		26		
Assets under construction and advance payments		27		
Financial fixed assets				
	6.4/6.5.1	28	1.034.250.021	927.250.021
Affiliated companies	6.15	280/1	1.034.250.021	927.250.021
Participating interests		280	1.034.250.021	927.250.021
Amounts receivable		281		
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
CURRENT ASSETS		29/58	114.036.362	88.204.581
Amounts receivable after more than one year		29		
Trade debtors		290		
Other amounts receivable		291		
Stocks and contracts in progress		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		
Amounts receivable within one year		40/41	60.066.643	18.099.600
Trade debtors		40		
Other amounts receivable		41	60.066.643	18.099.600
Current investments	6.5.1/6.6	50/53		
Own shares		50		
Other investments		51/53		
Cash at bank and in hand		54/58	53.931.916	70.097.003
Accruals and deferred income	6.6	490/1	37.803	7.978
TOTAL ASSETS		20/58	1.148.287.621	1.015.459.552

	Notes	Codes	Period	Preceding period
EQUITY AND LIABILITIES				
EQUITY				
		10/15	<u>1.147.030.434</u>	<u>1.014.329.021</u>
Contributions	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		101		
Beyond capital		11	92.902.092	92.902.092
Share premium account		1100/10	92.902.092	92.902.092
Other		1109/19		
Revaluation surpluses		12		
Reserves		13	20.404.091	13.769.021
Reserves not available		130/1	20.404.091	13.769.021
Legal reserve		130	19.842.536	13.207.466
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		
Accumulated profits (losses)	(+)/(-)	14	376.267.400	250.201.058
Capital subsidies		15		
Advance to shareholders on the distribution of net assets		19		
PROVISIONS AND DEFERRED TAXES				
Provisions for liabilities and charges				
Pensions and similar obligations		160/5		
Taxes		160		
Major repairs and maintenance		161		
Environmental obligations		162		
Other liabilities and charges		163		
Deferred taxes	6.8	164/5		
		168		

	Notes	Codes	Period	Preceding period
AMOUNTS PAYABLE		17/49	<u>1.257.186</u>	<u>1.130.531</u>
Amounts payable after more than one year	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		
Amounts payable within one year	6.9	42/48	<u>1.257.186</u>	<u>1.130.531</u>
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	510.127	197.417
Suppliers		440/4	510.127	197.417
Bills of exchange payable		441		
Advance payments on contracts in progress		46		
Taxes, remuneration and social security	6.9	45	66.171	312.418
Taxes		450/3		280.155
Remuneration and social security		454/9	66.171	32.263
Other amounts payable		47/48	680.888	620.696
Accruals and deferred income	6.9	492/3		
TOTAL LIABILITIES		10/49	<u>1.148.287.621</u>	<u>1.015.459.552</u>

PROFIT AND LOSS ACCOUNT

	Notes	Codes	Period	Preceding period
Operating income		70/76A	16.021.575	13.015.989
Turnover	6.10	70	15.989.033	12.997.747
Stocks of finished goods and work and contracts in progress: increase (decrease)	(+)/(-)	71		
Produced fixed assets		72		
Other operating income	6.10	74	32.542	13.604
Non-recurring operating income	6.12	76A		4.639
		60/66A	16.742.469	13.245.365
Operating charges		60		
Goods for resale, raw materials and consumables		600/8		
Purchases		609		
Stocks: decrease (increase)	(+)/(-)	61	16.510.787	13.106.668
Services and other goods		62	227.785	134.795
Remuneration, social security and pensions	(+)/(-)	630	3.713	3.733
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		631/4		
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-)	6.10		
Provisions for liabilities and charges: appropriations (uses and write-backs)	(+)/(-)	6.10		
Other operating charges	6.10	640/8	184	169
Operating charges reported as assets under restructuring costs	(-)	649		
Non-recurring operating charges	6.12	66A		
Operating profit (loss)	(+)/(-)	9901	-720.893	-229.376

	Notes	Codes	Period	Preceding period
Financial income		75/76B	135.871.760	16.887.722
Recurring financial income		75	135.871.760	16.887.722
Income from financial fixed assets		750	135.146.522	14.848.100
Income from current assets		751	725.237	
Other financial income	6.11	752/9		2.039.622
Non-recurring financial income	6.12	76B		
Financial charges		65/66B	2.449.453	139.379
Recurring financial charges	6.11	65	2.449.453	139.379
Debt charges		650		52.760
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs)	(+)/(-)	651		
Other financial charges		652/9	2.449.453	86.618
Non-recurring financial charges	6.12	66B		
Profit (Loss) for the period before taxes	(+)/(-)	9903	132.701.413	16.518.968
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
Income taxes on the result	(+)/(-)	6.13 67/77		413.640
Taxes		670/3		485.249
Adjustment of income taxes and write-back of tax provisions		77		71.609
Profit (Loss) of the period	(+)/(-)	9904	132.701.413	16.105.328
Transfer from untaxed reserves		789		
Transfer to untaxed reserves		689		
Profit (Loss) of the period available for appropriation	(+)/(-)	9905	132.701.413	16.105.328

APPROPRIATION ACCOUNT

		Codes	Period	Preceding period
Profit (Loss) to be appropriated	(+)/(-)	9906	382.902.471	251.006.324
Profit (Loss) of the period available for appropriation	(+)/(-)	(9905)	132.701.413	16.105.328
Profit (Loss) of the preceding period brought forward	(+)/(-)	14P	250.201.058	234.900.996
Transfers from equity		791/2		
from contributions		791		
from reserves		792		
Appropriations to equity		691/2	6.635.071	805.266
to contributions		691		
to legal reserve		6920	6.635.071	805.266
to other reserves		6921		
Profit (loss) to be carried forward	(+)/(-)	(14)	376.267.400	250.201.058
Shareholders' contribution in respect of losses		794		
Profit to be distributed		694/7		
Compensation for contributions		694		
Directors or managers		695		
Employees		696		
Other beneficiaries		697		

EXPLANATORY DISCLOSURES**STATEMENT OF TANGIBLE FIXED ASSETS**

	Codes	Period	Preceding period
PLANT, MACHINERY AND EQUIPMENT			
Acquisition value at the end of the period	8192P	XXXXXXXXXX	248
Movements during the period			
Acquisitions, including produced fixed assets	8162		
Sales and disposals	8172		
Transfers from one heading to another	(+)/(-) 8182		
Acquisition value at the end of the period	8192	248	
Revaluation surpluses at the end of the period	8252P	XXXXXXXXXX	
Movements during the period			
Recorded	8212		
Acquisitions from third parties	8222		
Cancelled	8232		
Transferred from one heading to another	(+)/(-) 8242		
Revaluation surpluses at the end of the period	8252		
Amortisations and amounts written down at the end of the period	8322P	XXXXXXXXXX	248
Movements during the period			
Recorded	8272		
Written back	8282		
Acquisitions from third parties	8292		
Cancelled owing to sales and disposals	8302		
Transferred from one heading to another	(+)/(-) 8312		
Amortisations and amounts written down at the end of the period	8322	248	
NET BOOK VALUE AT THE END OF THE PERIOD	(23)		

FURNITURE AND VEHICLES

Acquisition value at the end of the period

Codes	Period	Preceding period
8193P	XXXXXXXXXX	18.564

Movements during the period

Acquisitions, including produced fixed assets

8163

Sales and disposals

8173

Transfers from one heading to another

(+)/(-)

8183

Acquisition value at the end of the period

8193 18.564

Revaluation surpluses at the end of the period

8253P XXXXXXXXXXXX

Movements during the period

Recorded

8213

Acquisitions from third parties

8223

Cancelled

8233

Transferred from one heading to another

(+)/(-)

8243

Revaluation surpluses at the end of the period

8253

Amortisations and amounts written down at the end of the period

8323P XXXXXXXXXXXX 13.614

Movements during the period

Recorded

8273

3.713

Written back

8283

Acquisitions from third parties

8293

Cancelled owing to sales and disposals

8303

Transferred from one heading to another

(+)/(-)

8313

Amortisations and amounts written down at the end of the period

8323 17.326

NET BOOK VALUE AT THE END OF THE PERIOD

(24) 1.238

STATEMENT OF FINANCIAL FIXED ASSETS

	Codes	Period	Preceding period
AFFILIATED COMPANIES - PARTICIPATING INTERESTS AND SHARES			
Acquisition value at the end of the period	8391P	XXXXXXXXXX	927.250.021
Movements during the period			
Acquisitions	8361	107.000.000	
Sales and disposals	8371		
Transfers from one heading to another	(+)/(-) 8381		
Acquisition value at the end of the period	8391	1.034.250.021	
Revaluation surpluses at the end of the period	8451P	XXXXXXXXXX	
Movements during the period			
Recorded	8411		
Acquisitions from third parties	8421		
Cancelled	8431		
Transferred from one heading to another	(+)/(-) 8441		
Revaluation surpluses at the end of the period	8451		
Amounts written down at the end of the period	8521P	XXXXXXXXXX	
Movements during the period			
Recorded	8471		
Written back	8481		
Acquisitions from third parties	8491		
Cancelled owing to sales and disposals	8501		
Transferred from one heading to another	(+)/(-) 8511		
Amounts written down at the end of the period	8521		
Uncalled amounts at the end of the period	8551P	XXXXXXXXXX	
Movements during the period	(+)/(-) 8541		
Uncalled amounts at the end of the period	8551		
NET BOOK VALUE AT THE END OF THE PERIOD	(280)	<u>1.034.250.021</u>	
AFFILIATED COMPANIES - AMOUNTS RECEIVABLE			
NET BOOK VALUE AT THE END OF THE PERIOD	281P	XXXXXXXXXX	
Movements during the period			
Appropriations	8581		
Repayments	8591		
Amounts written down	8601		
Amounts written back	8611		
Exchange differences	(+)/(-) 8621		
Other movements	(+)/(-) 8631		
NET BOOK VALUE AT THE END OF THE PERIOD	(281)		
ACCUMULATED AMOUNTS WRITTEN DOWN ON AMOUNTS RECEIVABLE AT END OF THE PERIOD	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	Curren cy code	Equity	Net result
		Number	%	%			(+) or (-) (in units)	
X-FAB JAPAN KK Geen rechtsvorm SHIN YOKOHAMA DAINI CENTER BUILDING 10F 3-19-5 SHIN YOKOHAMA JAPAN	REGISTERED SHARES	160	100		2023-12-31	USD	-1.217.469	-112.309
X-FAB MEMS FOUNDRY GMBH Geen rechtsvorm Haarbergstrasse 67 99097 ERFURT GERMANY	REGISTERED SHARES	1	100		2023-12-31	USD	59.100.861	15.589.875
X-FAB SARAWAK SDH. BDH. SILICON DRIVE 1 93350 KUCHING MALAYSIA	REGISTERED SHARES	2.184.594.835	100		2023-12-31	USD	501.327.738	183.773.184
X-FAB SEMICONDUCTOR FOUNDRIES GmbH HAARBERGSTRASSE 67 99097 Erfurt GERMANY	REGISTERED SHARES	1	100		2023-12-31	USD	438.162.689	3.589.298
X-Fab France SAS Public limited company Boulevard John Kennedy 224 91105 Corbeil-Essonnes Cedex FRANCE	REGISTERED SHARES	60.574.261	100		2023-12-31	USD	114.692.162	-68.257.887

STATEMENT OF CAPITAL AND SHAREHOLDERS' STRUCTURE**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	XXXXXXXXXX	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	Amounts	Number of shares
	657.456.851	130.781.669
8702	XXXXXXXXXX	130.781.669
8703	XXXXXXXXXX	

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)		XXXXXXXXXX
8712	XXXXXXXXXX	

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**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
8721	
8722	
8731	
8732	
8740	
8741	
8742	
8745	
8746	
8747	
8751	

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 of the persons who hold rights of the company, together with the ADDRESS (of the registered office, in the case of a legal person) and the COMPANY REGISTRATION NUMBER, in the case of an company governed by Belgian law	Rights held			
	Nature	Number of voting rights		%
		Attached to securities	Not attached to securities	

Name and Address	Kind of shares	Total voting rights	%
Elex NV Tiensesteenweg 168/c204 3800 Sint-Truiden BE 0421.226.161	Dematerialized shares Registered shares	1.005.996 31.666.782	25
Sensinnovat BV Transportstraat 1 3980 Tessenderlo BE 0884.338.607	Registered shares	31.666.781	24,2
Sarawak Technology Holdings Sdn. Bhd, Malaysia	Registered shares	14.948.665	11,4
Others (Private & Public)	Registered shares/ Dematerialized shares	51.493.455	39,4

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

BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY

Current portion of amounts payable after more than one year falling due within one year

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	

Total current portion of amounts payable after more than one year falling due within one year

(42)

Amounts payable with a remaining term of more than one year, yet less than 5 years

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	

Total amounts payable with a remaining term of more than one year, yet less than 5 years

8912

Amounts payable with a remaining term of more than 5 years

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	

Total amounts payable with a remaining term of more than 5 years

8913

AMOUNTS PAYABLE GUARANTEED (INCLUDED IN ACCOUNTS 17 AND 42/48 OF LIABILITIES)

Amounts payable guaranteed by the Belgian government agencies

- Financial debts
- Subordinated loans
- Unsubordinated debentures
- Leasing and other similar obligations
- Credit institutions
- Other loans
- Trade debts
- Suppliers
- Bills of exchange payable
- Advance payments on contracts in progress
- Remuneration and social security
- Other amounts payable

Codes	Period
8921	
8931	
8941	
8951	
8961	
8971	
8981	
8991	
9001	
9011	
9021	
9051	
9061	
8922	
8932	
8942	
8952	
8962	
8972	
8982	
8992	
9002	
9012	
9022	
9032	
9042	
9052	
9062	

Total of the amounts payable guaranteed by the Belgian government agencies

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

- Financial debts
- Subordinated loans
- Unsubordinated debentures
- Leasing and other similar obligations
- Credit institutions
- Other loans
- Trade debts
- Suppliers
- Bills of exchange payable
- Advance payments on contracts in progress
- Taxes, remuneration and social security
- Taxes
- Remuneration and social security
- Other amounts payable

Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets

Codes	Period
9072	
9073	
450	
9076	
9077	66.171

TAXES, REMUNERATION AND SOCIAL SECURITY

Taxes (headings 450/3 and 179 of liabilities)

- Outstanding tax debts
- Accruing taxes payable
- Estimated taxes payable

Remuneration and social security (headings 454/9 and 179 of liabilities)

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

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	2	
9087	1,4	1
9088	2.378	1.702
620	189.507	108.281
621	38.277	26.514
622		
623		
624		

	Codes	Period	Preceding period
Provisions for pensions and similar obligations			
Appropriations (uses and write-backs)	(+)/(-) 635		
Depreciations			
On stock and contracts in progress			
Recorded	9110		
Written back	9111		
On trade debtors			
Recorded	9112		
Written back	9113		
Provisions for liabilities and charges			
Appropriations	9115		
Uses and write-backs	9116		
Other operating charges			
Taxes related to operation	640	184	169
Other	641/8		
Hired temporary staff and personnel placed at the company's disposal			
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		

FINANCIAL RESULTS

RECURRING FINANCIAL INCOME

Other financial income

Subsidies paid by public authorities, added to the profit and loss account

Capital subsidies

Interest subsidies

Allocation of other financial income

Exchange differences realized

Other

Unrealized exchange rate gain

RECURRING FINANCIAL CHARGES

Depreciation of loan issue expenses

Capitalised interests

Depreciations on current assets

Recorded

Written back

Other financial charges

Amount of the discount borne by the company, as a result of negotiating amounts receivable

Provisions of a financial nature

Appropriations

Uses and write-backs

Allocation of other financial costs

Exchange differences realized

Results from the conversion of foreign currencies

Other

Codes	Period	Preceding period
9125		
9126		
754		
	0	2.039.622
6501		
6502		
6510		
6511		
653		
6560		
6561		
654	2.449.453	86.618
655		

INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY

NON-RECURRING INCOME

Non-recurring operating income

Write-back of depreciation and of amounts written off intangible and tangible fixed assets

Write-back of provisions for extraordinary operating liabilities and charges

Capital profits on disposal of intangible and tangible fixed assets

Other non-recurring operating income

Non-recurring financial income

Write-back of amounts written down financial fixed assets

Write-back of provisions for extraordinary financial liabilities and charges

Capital profits on disposal of financial fixed assets

Other non-recurring financial income

NON-RECURRING CHARGES

Non-recurring operating charges

Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets

Provisions for extraordinary operating liabilities and charges: appropriations (uses)

Capital losses on disposal of intangible and tangible fixed assets

Other non-recurring operating charges

Non-recurring operating charges carried to assets as restructuring costs

Non-recurring financial charges

Amounts written off financial fixed assets

Provisions for extraordinary financial liabilities and charges - appropriations (uses)

Capital losses on disposal of financial fixed assets

Other non-recurring financial charges

Non-recurring financial charges carried to assets as restructuring costs

Codes	Period	Preceding period
76		<u>4.639</u>
(76A)		4.639
760		
7620		
7630		
764/8		4.639
(76B)		
761		
7621		
7631		
769		
66		
(66A)		
660		
(+)/(-) 6620		
6630		
664/7		
(-) 6690		
(66B)		
661		
(+)/(-) 6621		
6631		
668		
(-) 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	
9135	
9136	
9137	
9138	
9139	
9140	
	135.146.522

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
 Other deferred taxes representing assets

Deferred taxes representing liabilities
 Allocation of deferred taxes representing liabilities

Codes	Period
9141	2.445.109
9142	2.445.109
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	3.203.262	2.552.569
9146	2.935.217	2.320.161
9147	63.957	53.855
9148		

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES

Of which

Bills of exchange in circulation endorsed by the company

Bills of exchange in circulation drawn or guaranteed by the company

Maximum amount for which other debts or commitments of third parties are guaranteed by the company

REAL GUARANTEES

Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company

Mortgages

Book value of the immovable properties mortgaged

Amount of registration

For irrevocable mortgage mandates, the amount for which the agent can take registration

Pledging of goodwill

Maximum amount up to which the debt is secured and which is the subject of registration

For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription

Pledging of other assets or irrevocable mandates to pledge other assets

Book value of the immovable properties mortgaged

Maximum amount up to which the debt is secured

Guarantees provided or irrevocably promised on future assets

Amount of assets in question

Maximum amount up to which the debt is secured

Vendor's privilege

Book value of sold goods

Amount of the unpaid price

Codes	Period
9149	<u>433.910.000</u>
9150	
9151	
9153	433.910.000
91611	
91621	
91631	
91711	
91721	
91811	
91821	
91911	
91921	
92011	
92021	

Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of third parties

Mortgages

Book value of the immovable properties mortgaged

91612

Amount of registration

91622

For irrevocable mortgage mandates, the amount for which the agent can take registration

91632

Pledging of goodwill

Maximum amount up to which the debt is secured and which is the subject of registration

91712

For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription

91722

Pledging of other assets or irrevocable mandates to pledge other assets

Book value of the immovable properties mortgaged

91812

Maximum amount up to which the debt is secured

91822

Guarantees provided or irrevocably promised on future assets

Amount of assets in question

91912

Maximum amount up to which the debt is secured

91922

Vendor's privilege

Book value of sold goods

92012

Amount of the unpaid price

92022

Codes	Period
91612	
91622	
91632	
91712	
91722	
91812	
91822	
91912	
91922	
92012	
92022	

GOODS AND VALUES, NOT REFLECTED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT FOR THE BENEFIT AND AT THE RISK OF THE COMPANY

SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS

SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS

FORWARD TRANSACTIONS

Goods purchased (to be received)

9213

Goods sold (to be delivered)

9214

Currencies purchased (to be received)

9215

Currencies sold (to be delivered)

9216

Codes	Period
9213	
9214	
9215	
9216	

COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES

Period

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

Codes	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 for financial support and to guarantee the continuity.

Period

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS
AFFILIATED COMPANIES
Financial fixed assets

- Participating interests
- Subordinated amounts receivable
- Other amounts receivable

Amounts receivable

- Over one year
- Within one year

Current investments

- Shares
- Amounts receivable

Amounts payable

- Over one year
- Within one year

Personal and real guarantees

- Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies
- Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company

Other significant financial commitments
Financial results

- Income from financial fixed assets
- Income from current assets
- Other financial income
- Debt charges
- Other financial charges

Disposal of fixed assets

- Capital profits realised
- Capital losses realised

Codes	Period	Preceding period
(280/1)	1.034.250.021	927.250.021
(280)	1.034.250.021	927.250.021
9271		
9281		
9291	59.914.951	18.024.548
9301		
9311	59.914.951	18.024.548
9321		
9331		
9341		
9351	680.888	620.696
9361		
9371	680.888	620.696
9381		
9391		
9401		
9421	135.146.522	14.848.100
9431		
9441		
9461		
9471		
9481		
9491		

ASSOCIATED COMPANIES

Financial fixed assets

- Participating interests
- Subordinated amounts receivable
- Other amounts receivable

Amounts receivable

- Over one year
- Within one year

Amounts payable

- Over one year
- Within one year

Personal and real guarantees

- Provided or irrevocably promised by the company as security for debts or commitments of associated companies
- Provided or irrevocably promised by associated companies as security for debts or commitments of the company

Other significant financial commitments

COMPANIES LINKED BY PARTICIPATING INTERESTS

Financial fixed assets

- Participating interests
- Subordinated amounts receivable
- Other amounts receivable

Amounts receivable

- Over one year
- Within one year

Amounts payable

- Over one year
- Within one year

Codes	Period	Preceding period
9253		
9263		
9273		
9283		
9293		
9303		
9313		
9353		
9363		
9373		
9383		
9393		
9403		
9252		
9262		
9272		
9282		
9292		
9302		
9312		
9352		
9362		
9372		

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**Auditor's fees****Fees for exceptional services or special assignments executed within the company by the auditor**

Other audit assignments

Tax consultancy assignments

Other assignments beyond the 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 beyond the audit

Codes	Period
9505	197.041
95061	17.500
95062	
95063	22.500
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

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:

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:

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.
1. Formation expenses				
2. Intangible fixed assets				
3. Buildings*				
4. Plant, machinery and equipments *				
5. Vehicles*				
6. Office furniture *				
7. Other tangible fixed assets				

* 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.

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 if 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

ANNUAL REPORT CONCERNING THE FINANCIAL YEAR ENDED AT DECEMBER 31, 2023

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, 2023 till December 31st, 2023.

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 5th, 2006 as X-FAB Silicon Foundries NV. On November 4th, 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 16 mio EUR. The total turnover increased by 23% compared to 2022.

The operating loss in 2023 amounted to 721 thousand EUR, while the operating loss last year was 229 thousand EUR.

The profit to be appropriated for this financial year amounts to 133 mio EUR since the financial result is positive by 133.4 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 (250 mio EUR), the total Profit to be appropriated amounts to 383 mio EUR.

The total balance sheet increased with 132.8 mio EUR.

The Financial fixed assets increased with 107 mio EUR as a result of the capital increase in X-FAB France. The Current assets increased with 25.8 mio EUR as a result of the increase in Other amounts receivable with 42 mio EUR on the one hand and an decrease in Cash at bank and in hand of 16.2 mio EUR on the other hand.

At the Equity and liabilities side, the total increase of 132.8 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 132.7 mio EUR. Furthermore, the Amounts payable within one year increased with 127 thousand EUR.

2. Appropriation of the results

The Board of Directors proposes to present the profit to be appropriated of 382,902,471 EUR as follows:

- Dividends	0 EUR
- Transfer to legal reserves	6,635,071 EUR
- Transfer to other reserves	0 EUR
- Profit to be carried forward	376,267,400 EUR

3. Important events after the closing of the financial year

Subsequent to the balance sheet date, on January 1, 2024, the X-FAB group acquired the entire share capital of M-MOS Semiconductor Hong Kong Limited (M-MOS), a limited liability company incorporated under the laws of Hong Kong, and its subsidiaries for a consideration of EUR 22,500 thousand (USD 24,863 thousand) payable in cash. M-MOS was acquired from XTRION. Further details on this transaction are provided in section 5 of chapter 5 of the consolidated report.

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.

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.

X-FAB's largest customer, Melexis, accounted for 45% of the Group's revenue in 2023, while the Group's top three customers accounted for 52% of revenue and its top five customers accounted for 56% 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.

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.

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 specialty technologies 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 specialty technologies. If increasing market growth for foundries were to slow or reverse, it could have a material adverse impact on X-FAB.

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 2023, raw wafer costs accounted for 15% 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 may be subject to penalties if it fails to meet the terms of long-term contracts with customers and suppliers.

X-FAB has concluded long-term agreements with a number of customers and suppliers. Long-term contracts with customers include take-or-pay arrangements which specify agreed wafer quantities and prices for a customer's business with X-FAB over a period of three years. Such arrangements provide X-FAB with a better overview of its future business levels. However, should X-FAB be unable to deliver the agreed quantities of wafers on time, it will be subject to penalty payments. In a similar manner, long-term procurement contracts with suppliers include take-or-pay arrangements and X-FAB may be subject to penalties if it does not purchase the agreed quantities from suppliers under such contracts.

X-FAB's operations could be disrupted by an unreliable or insufficient power supply.

Reliable power supply is essential to maintain a wafer fabrication facility. Unscheduled interruptions can cause significant damage to work in progress (WIP) and equipment. In addition, in times of increased geopolitical tensions and global competition for scarce resources, the energy supply in some regions may become inadequate.

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

X-FAB records its financial results in U.S. dollars but receives revenues and incurs costs in a variety of currencies, including euros and Malaysian ringgit. Changes in the exchange rate of the U.S. 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 U.S. 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 of the consolidated report.

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.
- 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

- 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.

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 re-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 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.

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).

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’s Corporate Governance Charter is in alignment with the 2020 Code on Corporate Governance. 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.

- 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.

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 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
Dato Sri Dr. Wan Lizozman bin Wan Omar	59	2026	Non-executive director
Sensinnovat BV (Represented by Rudi De Winter)	63	2025	Managing Director, CEO
Roland Duchâtelet	77	2025	Non-executive director
Thomas Hans-Jürgen Straub	69	2025	Non-executive director
Tan Sri Datuk Amar Dr. Hamid bin Bugo	78	2025	Non-executive director (Chair)
Aurore NV (Represented by Christine Juliam)	63	2026	Non-executive and independent director
Christel Verschaeren	59	2025	Non-executive and independent director
Estelle Iacona	51	2025	Non-executive and independent director
Vlinvlin BV (Represented by Ling Qi)	53	2027	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 until November 14, 2023. Mr. De Winter holds a degree in electronic engineering from the University of Ghent.

Throughout his career, Roland Duchâtelet has founded several companies and has organized approximately 50 acquisitions or sales of companies. He has been active in the internet business since 2000 and was a member of the Belgian Senate from 2007 to 2010. Mr. Duchâtelet holds degrees in electrical engineering and applied economics from the University of Leuven and obtained an MBA from the same university.

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 the National Library Council of Malaysia and Petroleum Sarawak 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 and became Divestment Lead until 2020. Between 2021 and 2022, Ms. Juliam worked 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 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 Iacona 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. Iacona 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 nine times in 2023 and discussed, among others, the following topics:

- the financial results of the Group;
- the business plan and capital expenditure;
- the budget for the financial year 2024;
- potential acquisitions.

Datuk Amar Ahmad Tarmizi Bin Sulaiman was excused for one meeting and was represented by proxy at one other meeting of the Board. Also, Estelle Iacona was excused for 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. In 2023, the Board conducted an evaluation via an anonymous survey complemented by an open discussion of the results. No issues have been identified and the Board was satisfied with its composition and functioning.

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 2023, 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 the results of internal audits and the upcoming requirements on ESG reporting. All members of the Audit Committee as well as the external auditor attended all meetings. The results from internal audits were shared with the Board.

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 five non-executive members: Christel Verschaeren, Chair; Aurore NV, represented by Christine Juliam, independent director; Dato Sri Dr. Wan Lizozman bin Wan Omar, non-executive director; Tan Sri Datuk Amar Dr. Hamid bin Bugo, non-executive director; and Estelle Iacona, independent director.

The Remuneration and Nomination Committee met two times in 2023. During these meetings matters such as the remuneration and succession of the Executive Management and the (re)appointment of directors were discussed. All members of the Remuneration and Nomination Committee attended all meetings.

10.5 Executive Management

Composition

The Executive Management is composed of the following members:

Name	Age	Position
Rudi De Winter	63	Chief Executive Officer
Alba Morganti	55	Chief Financial Officer
Jörg Doblaski	45	Chief Technology Officer
Damien Macq	57	Chief Operations Officer <i>(from April 3, 2023)</i>
Lee Boon Chun	54	Chief Executive Officer, X-FAB Sarawak
Dr. Gabriel Kittler	45	Chief Executive Officer, X-FAB Erfurt
Dr. Jocelyne Wasselin	65	Chief Executive Officer, X-FAB France <i>(until July 31, 2023)</i>
Dr. Sébastien Daveau	49	Chief Executive Officer, X-FAB France <i>(from August 1, 2023)</i>
Lloyd Whetzel	66	Chief Executive Officer, X-FAB Texas <i>(until August 17, 2023)</i>
Rico Tillner	41	Chief Executive Officer, X-FAB Dresden <i>(until March 31, 2023)</i> Chief Executive Officer X-FAB Texas <i>(from August 18, 2023)</i>
Michael Woittennek	43	Chief Executive Officer, X-FAB Dresden <i>(from April 1, 2023)</i>

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. 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 2023 for the directors and executives led to the effective remuneration as shown in the table on page 17.

The non-executive and independent directors receive a compensation for their mandate as director. Such compensation consists of a fixed annual amount of EUR 15,000. The remuneration of directors takes into account their membership(s) in any of the board committees; for each membership in a board committee, directors receive an additional fixed amount of EUR 5,000 per committee. Such compensation is independent from their participation rate in board or board committee meetings.

Roland Duchâtelet waived his right to receive any remuneration as a non-executive Board member. In 2023 Vlinvlin BV (represented by Ling Qi) received additional remuneration of USD 35,848 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 10,814 for his mandate on the supervisory board of X-FAB Semiconductor Foundries GmbH.

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. The base salary for members of the Executive Management who are employees does not include the employer contributions.

in U.S. dollars					
Name, position	1. Fixed remuneration			2. Variable remuneration	
	Base salary	Fees	Other benefits	One-year variable	Multi-year variable
Roland Duchâtelet, Non-executive director	—	—	—	—	—
Thomas Hans-Jürgen Straub, Non-executive director	16,221.00	—	10,814.00	—	—
Tan Sri Datuk Amar Dr. Hamid bin Bugo, Non-executive director	27,035.00	—	—	—	—
Aurore NV (Represented by Christine Juliam), Independent director	27,035.00	—	—	—	—
Christel Verschaeren, Independent director	27,035.00	—	—	—	—
Estelle Iacona, Independent director	27,035.00	—	—	—	—
Vlinvlin BV (Represented by Ling Qi), Non-executive director	16,221.00	—	35,848.00	—	—
Sensinnovat BV, permanently represented by Rudi De Winter, Executive, CEO	394,704.00	—	—	67,050.29	98,676.00
Executive Management excl. Sensinnovat BV	1,443,768.00	—	73,907.14	454,058.12	—

in U.S. dollars					
Name, position	3. Extra-ordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration	

Roland Duchâtelet, Non-executive director	—	—	—	Fixed:	100%
Thomas Hans-Jürgen Straub, Non-executive director	—	—	27,035.00	Fixed:	100%
Tan Sri Datuk Amar Dr. Hamid bin Bugo, Non-executive director	—	—	27,035.00	Fixed:	100%
Aurore NV (Represented by Christine Juliam), Independent director	—	—	27,035.00	Fixed:	100%
Christel Verschaeren, Independent director	—	—	27,035.00	Fixed:	100%
Estelle Iacona, Independent director	—	—	27,035.00	Fixed:	100%
Vlinvlin BV (Represented by Ling Qi), Non-executive director	—	—	52,068.00	Fixed:	100%
Sensinnovat BV, permanently represented by Rudi De Winter, Executive director, CEO Executive Management excl. Sensinnovat BV	—	106,257.22	2,077,990.48	Fixed:	70%
				Variable:	30%
				Fixed:	78%
				Variable:	22%
			2,825,663.48		

Application of the performance criteria

a. CEO

The variable remuneration for the CEO is a cash bonus that is capped at 50% of the annual base salary. It contains short, medium and long-term elements:

- short term: 50% of the variable remuneration is based on performance criteria measured over one financial year;
- medium term: 25% is based on performance criteria measured over two financial years; and
- long term: 25% 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; and
- 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 November Q4 Update to The McClean Report 2023 by TechInsights. 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 2023 are shown in the table below. In 2023 the EBIT was USD 157.7 million. This means that 67.95% of the short-term cash bonus will be paid out.

in U.S. dollars						
Performance criteria	a)	Minimum threshold performance	a)	Maximum performance	a)	Measured performance
	b)	Corresponding remuneration	b)	Corresponding remuneration	b)	Actual remuneration outcome
Global business performance	a)	50,000,000	a)	210,000,000	a)	157,675,000
Relative weighting 50%	b)	0	b)	98,676	b)	67,050
Total bonus		0		98,676		67,050

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 2023 by IC Insights as a reference value.

The results for performance year 2023 are shown in the table below. In 2023, the revenue growth was 20% compared to 2022. The industry average amounted to 1%. The revenue growth compared to 2021 was 35% while the industry averaged 9%. This results in the bonus calculation as depicted in the following table.

in U.S. dollars					
Performance criteria	a)	Threshold performance		a)	Measured performance
	b)	Corresponding remuneration		b)	
Revenue growth over the last year	a)	Revenue growth >1%		a)	20 %
	b)	49,338		b)	49,338
Revenue growth over the last two years	a)	Revenue growth >9%		a)	35 %
	b)	49,338		b)	49,338
Total bonus		98,676			98,676

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 2023 are shown in the table below. In 2023 the EBIT was USD 157.7 million. This means that 67.95% of the short-term cash bonus that is linked to the operational result of the Company will be paid out.

in U.S. dollars								
Performance criteria	a)	Minimum threshold performance		a)	Maximum performance			
	b)	Corresponding remuneration		b)	Corresponding remuneration			
						Measured performance		
						Actual remuneration outcome		
Global business performance	a)	50,000,000		a)	210,000,000		a)	157,675,000
Relative weighting 50%	b)	0		b)	221,857		b)	150,009
Individual/team performance	a)	Determined individually		a)	Determined individually		a)	Determined individually
Relative weighting 50%	b)	0		b)	221,857		b)	173,290
Total bonus		0			443,714			323,299

Share-based remuneration

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

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	2019	2020	2021	2022	2023
Annual change of remuneration (Executive management)					
• Fixed remuneration	—	—	-4.1 %	4.2 %	24.1 %
• Variable remuneration	—	—	+100%	-33.4 %	133.4 %
• Total remuneration	—	—	21.3 %	-2.5%	38.3%
• Performance criteria (EBIT)	-43,865	-14,617	77,192	57,335	157,675
• Net profit	-48,540	13,530	83,640	52,491	161,895
Annual change in the average remuneration of employees on consolidated basis*	-6.06 %	0.91 %	8.39%	-1.58 %	7.98%

*The average employee remuneration was calculated with the numbers as reported in notes 6.6 and 13.3 (wages and salaries) in the annual report (personnel expenses and average number of employees). Social security, pension, and benefit costs are excluded.

In 2023 the ratio between the highest and lowest remuneration was 95.2 to 1. The highest remuneration used for this comparison includes the total remuneration of a member of the Executive Management. The lowest remuneration includes the base salary, variable pay as well as other benefits such as insurance, pension contributions.

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.

Use of clawback provisions

No clawbacks were applied in 2023.

Vote of the shareholders

The remuneration report for the financial year ended December 31, 2021, was approved at the annual shareholders' meeting held on April 28, 2022, with a 94.0% majority of the 71.6% 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

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.

There was one conflict of interest as per article 7:96 BCCA in the financial year 2023. This conflict of interest concerned the proposed acquisition of M-MOS ("the Transaction and Share Transfer Agreement") during the board meeting of December 21, 2023:

Mr. Rudi De Winter (representing Sensinnovat BV) and Mr. Roland Duchâtelet informed the board of directors that they both have an indirect control over XTRION NV and that they both, directly or indirectly, own shares in XTRION NV. XTRION NV is a contracting party with regard to the proposed decision and owns all 5,000,000 shares (100%) of M-MOS Semiconductor Hong Kong Limited (M-MOS).

Both directors declared having an interest of a patrimonial nature within the meaning of article 7:96 BCAC that could possibly be found to conflict with that of X-FAB Silicon Foundries SE (X-FAB) in the decisions under agenda items 3 and 4. The legal procedure on conflicts of interests under article 7:96 BCAC was therefore applied in respect of agenda items 3 and 4, and this will be communicated to the X-FAB's auditor.

The other directors declared that they have no interest of a patrimonial nature within the meaning of article 7:96 BCAC in the decision-making on the agenda items that conflicts with that of X-FAB.

The following is an extract from the meeting of the Board of Directors held on December 21, 2023:

"Agenda item 3: Deliberation and approval in application of article 7:97 BCAC of the Transaction and the Share Transfer Agreement

In application of articles 7:96 and 7:97 BCAC, Mr Rudi De Winter and Mr Roland Duchâtelet left the meeting during the deliberation and decision on agenda items 3 and 4.

The patrimonial consequences of the Transaction and Share Transfer Agreement for X-FAB can essentially be summarized as follows:

X-FAB intends to buy all shares in the share capital of M-MOS at a price amounting to EUR 22.5 million with execution date of the shares transfer on January 1, 2024. This price

is close to M-MOS' consolidated equity value. Resulting goodwill or badwill will be limited based on a provisional assessment of the fair value. A more detailed PPA (Purchase Price Allocation) exercise is still to be done by management at a later stage. The price is substantiated by a discounted cash flow (DCF) valuation model.

The board of directors is of the opinion that the Transaction is in the interest of X-FAB and that the proposed terms are at arm's length.

The directors confirmed that they had no further questions or comments on the proposed resolutions.

DECISION: After thorough consideration of the Advice, the proposed terms of the Transaction and the Share Transfer Agreement, the board of directors decided to approve the entering into the Share Transfer Agreement by X-FAB and the amount and terms of the Transaction provided therein.

Agenda item 4: Deliberation and approval of the Press Release in application of Article 7:97, §4/1 BCAC

In accordance with article 7:97, §4/1 BCAC, X-FAB must immediately publicly announce the decision taken under agenda item 3. To this end, a draft was prepared which was attached as Annex 3 to these minutes and which was provided to all directors in advance.

The directors had no further comments on the draft.

DECISION: The board approved the Press Release.”

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 2023, the above mentioned procedure regarding related parties transactions had to be applied once. On December 21, 2023 at 8:45 a.m. CET, X-FAB announced the following statement via press release (<https://www.xfab.com/investors/news>) in accordance with article 7:97 BCCA:

“X-FAB Silicon Foundries SE (Euronext Paris: XFAB) (X-FAB or the Company) announces the application of article 7:97 of the Belgian Code on Companies and Associations (BCCA) in the context of the planned acquisition of M-MOS Semiconductor Hong Kong Limited, a fabless company focused on the development of MOSFET technologies.

X-FAB Silicon Foundries SE resolved to purchase 100% of the capital shares issued by M-MOS Semiconductor Hong Kong Limited (M-MOS) for a total of EUR 22.5 million (the Transaction). The sole seller of these shares is XTRION NV.

Article 7:97, §1, second subparagraph of the Belgian Companies and Associations Code (BCAC) provides that listed companies (X-FAB) are not allowed to take any decision regarding a related party transaction without the prior approval by the board of directors having applied the special procedure contained in article 7:97 BCAC.

Considering that X-FAB and XTRION are related parties in accordance with IAS 24, the decision to approve the purchase price and terms and conditions of the Share Transfer Agreement by the board of directors of X-FAB, triggered the conflict of interests' procedure for related party transactions under article 7:97 BCAC.

After advice from the committee of independent directors, dated December 21, 2023, the board of directors approved the Transaction and the signing of the Share Transfer Agreement. This decision is in line with the conclusion of the committee of independent directors, which states:

'It is the opinion of the Committee that the Transaction and the Share Transfer Agreement are:

- not such as to cause X-FAB a disadvantage which, in light of the strategy of X-FAB, is manifestly illegitimate; and*
- in the interest of X-FAB and do not cause a disadvantage to X-FAB which would not be outweighed by benefits for X-FAB.'*

The auditor has assessed the financial and accounting information mentioned in the related minutes of the board of directors and in the above-mentioned committee's advice. The conclusion of the auditor reads as follows:

'Based on our review, nothing has come to our attention that causes us to believe that the financial and accounting data as included in the advice of the Committee of Independent Directors dated December 21, 2023 and in the minutes of the board of directors dated December 21, 2023, justifying the proposed Transaction, do not give, in all material respects, a true and fair view of, and are consistent with the information available to us in the context of our engagement'."

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 2023, 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.

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.
- 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. entered into a shareholders' agreement as shareholders of X-FAB (the "Shareholders' Agreement"). This Shareholders' Agreement was terminated by mutual consent on November 20, 2023. The Shareholders' Agreement addressed 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 had the right to appoint two directors on the Board of Directors. The Shareholders' Agreement furthermore provided for certain restrictions on 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 April 28, 2022.

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 April 28, 2022.

By resolution of the Shareholders' Meeting held on April 28, 2022,, 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 personnel within the meaning of Article 1:27 BCCA 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.
- 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 is valid for three (3) years from the date of publication of the authorization in the Annexes to the Belgian State Gazette (May 2, 2022).

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 remain in effect for a period of three (3) years from the date of the amendment to the Articles of Association approved by Shareholders' Meeting held on April 28, 2022. 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. Herwig Carmans, auditor, was appointed as the permanent representative of the auditor.

The audit fee for the audit of the consolidated financial statements amounted to USD 583,000, excluding value-added taxes. Additional fees were charged in 2023 for other services amounting to USD 95,000 excluding value-added taxes. Non-audit related services mainly relate to certification engagements and tax compliance services.

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 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, 2023. This report, the auditors' report and financial statements for the year ended December 31, 2023 were at your disposal.

We suggest you to discharge the Directors and Auditors KPMG Bedrijfsrevisoren BV, represented by Mr. Herwig Carmans, 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 21, 2024

On behalf of the Board of Directors

Rudi De Winter

Permanent representative of Sensinnovat BV (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, 2023.

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 31, 2023, 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 27, 2023, 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 ended December 31, 2025. We have performed the statutory audit of the annual accounts of X-Fab Silicon Foundries SE for 16 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 31, 2023, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at December 31, 2023, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 1.148.287.620,55 and the income statement shows a profit for the year of EUR 132.701.413,00.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at December 31, 2023 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.



Key audit matter

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:

- 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 board of directors;
- Conclude on the appropriateness of 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.



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 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 the Global Reporting Initiatives ("GRI") standards. In accordance with art 3:75 §1, 1st 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.

Information about the independence

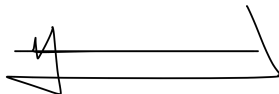
- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory 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.
- We have evaluated the financial consequences for the Company of the decision regarding the conflict of interest as described in the meeting notes of the board of directors and we have nothing to report to you in this respect.

Hasselt, March 25, 2024

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by



Herwig Carmans
Bedrijfsrevisor / Réviseur d'Entreprises

SOCIAL BALANCE SHEET

Numbers of the joint industrial committees competent for the company:

200

STATEMENT OF THE PERSONS EMPLOYED**EMPLOYEES FOR WHOM THE COMPANY SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER****During the period****Average number of employees**

	Codes	Total	1. Men	2. Women
Full-time	1001	1,4	1	0,4
Part-time	1002			
Total in full-time equivalents (FTE)	1003	1,4	1	0,4

Number of actual hours worked

Full-time	1011	2.378	1.740	638
Part-time	1012			
Total	1013	2.378	1.740	638

Personnel costs

Full-time	1021	227.785	162.703	65.081
Part-time	1022			
Total	1023	227.785	162.703	65.081

Benefits in addition to wages

	1033			
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During the preceding period

Average number of employees in FTE

Number of actual hours worked

Personnel costs

Benefits in addition to wages

	Codes	P. Total	1P. Men	2P. Women
Average number of employees in FTE	1003	1	1	
Number of actual hours worked	1013	1.702	1.702	
Personnel costs	1023	134.795	134.795	
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)

At the closing date of the period	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees	105	2		1,4
By nature of the employment contract				
Contract for an indefinite period	110	2		1,4
Contract for a definite period	111			
Contract for the execution of a specifically assigned work	112			
Replacement contract	113			
According to gender and study level				
Men	120			
primary education	1200			
secondary education	1201			
higher non-university education	1202			
university education	1203	1		1
Women	121			
primary education	1210			
secondary education	1211			
higher non-university education	1212			
university education	1213	1		0,4
By professional category				
Management staff	130			
Salaried employees	134			
Hourly employees	132			
Other	133			

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

During the period	Codes	1. Hired temporary staff	2. Hired temporary staff and personnel placed at the company's disposal
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	