

April, 2020

X-FAB Corporate Statement

At X-FAB, the health and well-being of our employees, suppliers and customers are our top priorities. As the coronavirus (COVID-19) continues to escalate around the world, we are committed to a cautious approach in running our business under the given circumstances. Based on the advice from the World Health Organization and local governments, we keep our employees informed on a regular basis and have implemented all required measures in all of our locations to minimize the risk of spread.

X-FAB has robust global supply chain and business continuity plans.

- We have a diversified manufacturing presence with six sites on three continents and all our production sites are operational.
- We continue to ship products in and out of all countries where we operate.

As our customers' success is a key element for us, the continued transaction of business is important. That's why we're working to avoid disruptions while also acting responsibly to do what we can to prevent further spread of the corona virus. We continue to closely monitor and assess this fast-changing situation, and we will diligently communicate with customers about potential delays of shipments or other issues resulting from this health concern.

Steps we are taking include:

- **Business Continuity Planning**

Business continuity plans that we already have in place are being expanded to ensure we can continue to operate and meet the needs of our customers. We continuously work with direct material suppliers on assurance of supply and with our strategic logistics partners to ensure transport capacity in and out of our factories. All activities implemented are focused on that. Currently, we have no issues with suppliers that could impact shipments to our customers.

- **Remote Work**

We emphasize options for mobile work and support mobile work wherever it is possible. We have advised employees and contractors to work from home if

they can. Those with responsibilities that require them to be on-site have received more information about performing their duties during this time.

- **Restricted Travel**

Employees have been instructed to avoid domestic and international travel by air and train unless it is business-critical, and all air travel requires leadership approval.

- **Avoiding Large In-Person Meetings and Gatherings**

We are minimizing social contacts within the teams and with outside organizations, partners and suppliers to what is absolutely needed to ensure business continuation. Employees have been asked to avoid attending large in-person meetings and gatherings. Our staff will utilize online meeting and video conferencing tools to stay productive and connected with colleagues, partners and customers.

- **Extra Hygiene Measures**

We are increasing the use of disinfectant, hand sanitizers and other hygiene measures at our sites and continue to share guidance from public health authorities to help prevent the spread of COVID-19. We adhering to local government requirements on self-quarantining when required.

In addition, we have installed comprehensive reviews – at all levels in the company – to monitor and proactively address any concerns and to retain our focus on customers.

Expected increase of manufacturing lead-times:

Despite all our best efforts, there will be unforeseen challenges as a result of COVID-19. We therefore encourage our customers to plan ahead and pro-actively avoid unexpected supply chain situations. As X-FAB will not be able to guarantee a completely flawless execution with standard lead times practiced in the past we propose to add a 3 weeks safety buffer into the lead-time between order placement and actual delivery of goods between now and the end of 2020. If you foresee any critical situations and to avoid any serious delays, we advise you to place orders for the necessary amounts of wafers at the earliest possible point in time. Depending on the situation and the timing within our respective manufacturing sites our Customer

Service teams will provide the usual services and inform about the expected delivery schedules with the order confirmation.

Our crisis management teams regularly review the actual situation in each site and we will timely inform your team of any significant changes to the above statements.

I wish everyone to stay safe and healthy.

Sincerely,
Rudi De Winter, CEO