

40				1	EUR	
NAT.	Filing date	N°. 0882.390.885	P.	U.	D.	C-c 1

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

IDENTIFICATION DETAILS (at the filing date)

NAME: **X-FAB SILICON FOUNDRIES**

Legal form: **SE**

Address: **TRANSPORTSTRAAT**

N°. **1**

Postal code: **3980**

Town: **Tessenderlo**

Country: **Belgium**

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

Website ¹:

Company registration number **0882.390.885**

DATE **7-4-2017** of filing the most recent document mentioning the date of publication of the deed of incorporation and of the deed of amendment of the articles of association.

ANNUAL ACCOUNTS **IN EURO (2 decimals)** ²

	approved by the general meeting of	29-4-2021
regarding the period from	1-1-2020	to 31-12-2020
Preceding period from	1-1-2019	to 31-12-2019

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

Total number of pages filed: **67** Numbers of the sections of the standard model form not filed because they serve no useful purpose: 6.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.3.1, 6.3.4, 6.3.5, 6.3.6, 6.4.2, 6.4.3, 6.5.2, 6.6, 6.8, 6.17, 6.18.2, 6.19, 6.20, 9, 11, 12, 13, 14, 15

Signature
(name and position)
Rudi De Winter

Signature
(name and position)

¹ Optional mention.

² If necessary, change to currency in which the amounts are expressed.

³ Strike out what does not apply.

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

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

KPMG Bedrijfsrevisoren BV 0419.122.548

Luchthaven Brussel Nationaal 1K, 1930 Zaventem, Belgium

Title : Auditor, Membership number : B00001

Mandate : 30-4-2020- 27-4-2023

Represented by :

1. Carmans Herwig

Luchthaven Brussel Nationaal 1K , 1930 Zaventem, Belgium

, Membership number : A02326

Iacona Estelle

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

DUCHATELET ROLAND

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

Verschaeren Christel Constancia C.

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

STRAUB HANS-JÜRGEN

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

TARMIZI BIN SULAIMAN AHMAD

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

BIN BUGO HAMID

Transportstraat 1, 3980 Tessenderlo, Belgium

Title : Director

Mandate : 16-3-2017- 29-4-2021

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

Sensinnovat BV 0884.338.607

Boektlaan 14, 3550 Heusden-Zolder, Belgium

Title : Delegated director

Mandate : 17-3-2017- 29-4-2021

Represented by :

1. De Winter Rudi

Transportstraat 1 , 3980 Tessenderlo, Belgium

Aurore NV 0445.038.572

Beigemsesteenweg 55, 1850 Grimbergen, Belgium

Title : Director

Mandate : 26-4-2018- 28-4-2022

Represented by :

1. Juliame Christine

Beigemsesteenweg 55 , 1850 Grimbergen, Belgium

VLINVLIN BV 0723.452.427

Lege Veldkantlaan 18, 2540 Hove, Belgium

Title : Director

Mandate : 25-4-2019- 27-4-2023

Represented by :

1. QI Lin

Lege Veldkantlaan 18 , 2540 Hove, 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 articles 34 and 37 of the law of 22 April 1999 concerning accounting and tax professions.

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

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

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

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

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

* Strike out what does not apply.

** Optional mention.

ANNUAL ACCOUNTS

BALANCE SHEET AFTER APPROPRIATION

	Notes	Codes	Period	Preceding period
ASSETS				
FORMATION EXPENSES	6.1	20		
FIXED ASSETS		21/28	873.292.809,85	850.000.317,41
Intangible fixed assets	6.2	21		
Tangible fixed assets	6.3	22/27	23.616,06	31.123,62
Land and buildings		22		
Plant, machinery and equipment		23	103,20	185,76
Furniture and vehicles		24	23.512,86	30.937,86
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	873.269.193,79	849.969.193,79
Affiliated Companies	6.15	280/1	873.269.193,79	849.969.193,79
Participating interests		280	847.250.020,65	822.250.020,65
Amounts receivable		281	26.019.173,14	27.719.173,14
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	<u>72.793.563,07</u>	<u>49.054.613,93</u>
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	36.795.165,87	17.285.128,35
Trade debtors		40		
Other amounts receivable		41	36.795.165,87	17.285.128,35
Current investments	6.5.1 / 6.6	50/53		
Own shares		50		
Other investments		51/53		
Cash at bank and in hand		54/58	35.991.009,55	31.769.485,58
Accruals and deferred income	6.6	490/1	7.387,65	
TOTAL ASSETS		20/58	946.086.372,92	899.054.931,34

	Notes	Codes	Period	Preceding period
EQUITY AND LIABILITIES				
EQUITY		10/15	941.160.942,86	891.340.577,18
Contributions	6.7.1	10/11	750.358.942,84	750.358.942,84
Capital		10	657.456.850,68	657.456.850,68
Issued capital		100	657.456.850,68	657.456.850,68
Uncalled capital ⁴		101		
Beyond capital		11	92.902.092,16	92.902.092,16
Share premium account		1100/10	92.902.092,16	92.902.092,16
Other		1109/19		
Revaluation surpluses		12		
Reserves		13	10.110.616,84	7.058.043,56
Reserves not available		130/1	10.110.616,84	7.058.043,56
Legal reserve		130	9.549.061,84	7.058.043,56
Reserves not available statutorily		1311		
Purchase of own shares		1312	561.555,00	
Financial support		1313		
Other		1319		
Untaxed reserves		132		
Available reserves		133		
Accumulated profits (losses)(+)/(-)		14	180.691.383,18	133.923.590,78
Capital subsidies		15		
Advance to shareholders on the distribution of net assets ⁵		19		
PROVISIONS AND DEFERRED TAXES		16		
Provisions for liabilities and charges		160/5		
Pensions and similar obligations		160		
Taxes		161		
Major repairs and maintenance		162		
Environmental obligations		163		
Other liabilities and charges	6.8	164/5		
Deferred taxes		168		

⁴ Amount to be deducted from the issued capital.

⁵ Amount to be deducted from the other components of equity.

	Notes	Codes	Period	Preceding period
AMOUNTS PAYABLE		17/49	4.925.430,06	7.714.354,16
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	4.897.322,86	7.714.354,16
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	14.299,80	445.920,39
Suppliers		440/4	14.299,80	445.920,39
Bills of exchange payable		441		
Advance payments on contracts in progress		46		
Taxes, remuneration and social security	6.9	45	149.302,71	498.054,93
Taxes		450/3	116.067,00	474.802,00
Remuneration and social security		454/9	33.235,71	23.252,93
Other amounts payable		47/48	4.733.720,35	6.770.378,84
Accruals and deferred income	6.9	492/3	28.107,20	
TOTAL LIABILITIES		10/49	946.086.372,92	899.054.931,34

PROFIT AND LOSS ACCOUNT

	Notes	Codes	Period	Preceding period
Operating income		70/76A	9.932.875,87	8.981.676,86
Turnover	6.10	70	9.920.344,33	8.975.365,31
Stocks of finished goods and work and contracts in progress: increase (decrease)(+)/(-)		71		
Produced fixed assets		72		
Other operating income	6.10	74	12.531,54	6.311,55
Non-recurring operating income	6.12	76A		
Operating charges		60/66A	9.853.505,56	11.456.186,43
Goods for resale, raw materials and consumables		60		
Purchases		600/8		
Stocks: decrease (increase)(+)/(-)		609		
Services and other goods		61	9.682.874,65	9.063.571,79
Remuneration, social security and pensions(+)/(-)	6.10	62	162.728,20	170.919,72
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		630	7.507,56	6.249,29
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs)(+)/(-)	6.10	631/4		
Provisions for liabilities and charges: appropriations (uses and write-backs)(+)/(-)	6.10	635/8		
Other operating charges	6.10	640/8	395,15	129.478,50
Operating charges reported as assets under restructuring costs (-)		649		
Non-recurring operating charges	6.12	66A		2.085.967,13
Operating profit (loss)(+)/(-)		9901	79.370,31	-2.474.509,57

	Notes	Codes	Period	Preceding period
Financial income		75/76B	50.229.751,50	69.282.287,19
Recurring financial income		75	50.229.751,50	69.282.287,19
Income from financial fixed assets		750	50.212.198,71	66.300.347,37
Income from current assets		751	337,32	274.776,01
Other financial income	6.11	752/9	17.215,47	2.707.163,81
Non-recurring financial income	6.12	76B		
Financial charges	6.11	65/66B	488.756,13	2.224,21
Recurring financial charges		65	488.756,13	2.224,21
Debt charges		650	1.283,99	2.224,21
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs)(+)/(-)		651		
Other financial charges		652/9	487.472,14	
Non-recurring financial charges	6.12	66B		
Profit (Loss) for the period before taxes(+)/(-)		9903	49.820.365,68	66.805.553,41
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
Income taxes on the result(+)/(-)	6.13	67/77		967.392,03
Taxes		670/3		967.392,03
Adjustment of income taxes and write-back of tax provisions		77		
Profit (Loss) of the period(+)/(-)		9904	49.820.365,68	65.838.161,38
Transfer from untaxed reserves		789		
Transfer to untaxed reserves		689		
Profit (Loss) of the period available for appropriation(+)/(-)		9905	49.820.365,68	65.838.161,38

APPROPRIATION ACCOUNT

	Codes	Period	Preceding period
Profit (Loss) to be appropriated(+)/(-)	9906	183.743.956,46	137.215.498,85
Profit (Loss) of the period available for appropriation(+)/(-)	(9905)	49.820.365,68	65.838.161,38
Profit (Loss) of the preceding period brought forward(+)/(-)	14P	133.923.590,78	71.377.337,47
Transfers from equity	791/2		
from contributions	791		
from reserves	792		
Appropriations to equity	691/2	3.052.573,28	3.291.908,07
to contributions	691		
to legal reserve	6920	2.491.018,28	3.291.908,07
to other reserves	6921	561.555,00	
Profit (loss) to be carried forward(+)/(-)	(14)	180.691.383,18	133.923.590,78
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		

	Codes	Period	Preceding period
PLANT, MACHINERY AND EQUIPMENT			
Acquisition value at the end of the period	8192P	xxxxxxxxxxxxxxx	247,65
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	247,65	
Revaluation surpluses at the end of the period	8252P	xxxxxxxxxxxxxxx	
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	xxxxxxxxxxxxxxx	61,89
Movements during the period			
Recorded	8272	82,56	
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	144,45	
NET BOOK VALUE AT THE END OF THE PERIOD	(23)	103,20	

	Codes	Period	Preceding period
FURNITURE AND VEHICLES			
Acquisition value at the end of the period	8193P	xxxxxxxxxxxxxxx	37.125,26
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	37.125,26	
Revaluation surpluses at the end of the period	8253P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8213		
Acquisitions from third parties	8223		
Cancelled	8233		
Transfers 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	xxxxxxxxxxxxxxx	6.187,40
Movements during the period			
Recorded	8273	7.425,00	
Written back	8283		
Acquisitions from third parties	8293		
Cancelled owing to sales and disposals	8303		
Transfers from one heading to another(+)/(-)	8313		
Amortisations and amounts written down at the end of the period	8323	13.612,40	
NET BOOK VALUE AT THE END OF THE PERIOD	(24)	23.512,86	

STATEMENT OF FINANCIAL FIXED ASSETS

	Codes	Period	Preceding period
AFFILIATED COMPANIES - PARTICIPATING INTERESTS AND SHARES			
Acquisition value at the end of the period	8391P	xxxxxxxxxxxxxx	822.250.020,65
Movements during the period			
Acquisitions	8361	25.000.000,00	
Sales and disposals	8371		
Transfers from one heading to another(+)/(-)	8381		
Acquisition value at the end of the period	8391	847.250.020,65	
Revaluation surpluses at the end of the period	8451P	xxxxxxxxxxxxxx	
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	xxxxxxxxxxxxxx	
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	xxxxxxxxxxxxxx	
Movements during the period(+)/(-)	8541		
Uncalled amounts at the end of the period	8551		
NET BOOK VALUE AT THE END OF THE PERIOD	(280)	847.250.020,65	
AFFILIATED COMPANIES - AMOUNTS RECEIVABLE			
NET BOOK VALUE AT THE END OF THE PERIOD	281P	xxxxxxxxxxxxxx	27.719.173,14
Movements during the period			
Appropriations	8581	23.300.000,00	
Repayments	8591		
Amounts written down	8601		
Amounts written back	8611		
Exchange differences(+)/(-)	8621		
Other movements(+)/(-)	8631	-25.000.000,00	
NET BOOK VALUE AT THE END OF THE PERIOD	(281)	26.019.173,14	
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	Currency code	Equity	Net result
		Number	%				(+) or (-) (in units)	
X-FAB SEMICONDUCTOR FOUNDRIES AG HAARBERGSTRASSE 67 99097 ERFURT Germany	REGISTERED SHARES	21.564.560	97,20	2,80	31/12/2019	EUR	363.769.176	5.163.264
X-FAB SARAWAK SDH. BDH. SILICON DRIVE 1 93350 KUCHING Malaysia	REGISTERED SHARES	2.184.594.835	100,00	0,00	31/12/2019	USD	318.355.411	88.262.529
X-FAB JAPAN KK SHIN YOKOHAMA DAINI CENTER BUILDING 10F 3-19-5 SHIN YOKOHAMA Japan	REGISTERED SHARES	160	100,00	0,00	31/12/2019	USD	-1.283.483	13.171
X-FAB MEMS FOUNDRY GMBH Haarbergstrasse 67 99097 ERFURT Germany	REGISTERED SHARES	0	100,00	0,00	31/12/2019	EUR	26.697.680	-7.225.781
X-Fab France SAS NV Rue du Faubourg Saint Honore 72 75008 Parijs France	REGISTERED SHARES	60.574.261	100,00	0,00	31/12/2019	EUR	76.528.264	-49.858.296

STATEMENT OF CAPITAL AND SHAREHOLDERS' STURCTURE

STATEMENT OF CAPITAL

Capital

Issued capital at the end of the period

Issued capital at the end of the period

Codes	Period	Preceding period
100P	XXXXXXXXXXXXXX	657.456.850,68
(100)	657.456.850,68	

Modifications during the period

Composition of the capital
Share types

Shares without nominal value.

Registered shares

Shares dematerialized

Codes	Period	Number of shares
	657.456.850,68	130.781.669
8702	XXXXXXXXXXXXXX	76.089.834
8703	XXXXXXXXXXXXXX	54.691.835

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)		XXXXXXXXXXXXXX
8712	XXXXXXXXXXXXXX	

Own shares

Held by the company itself

Amount of capital held

Number of shares

Held by a subsidiary

Amount of capital held

Number of shares

Commitments to issuing shares

Owing to the exercise of conversion rights

Amount of outstanding convertible loans

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

Owing to the exercise of subscription rights

Number of outstanding subscription rights

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

Authorised capital not issued

Codes	Period
8721	
8722	
8731	561.555,00
8732	149.748
8740	
8741	
8742	
8745	
8746	
8747	
8751	

Shares issued, non-representing capital

Distribution

Number of shares

Number of voting rights attached thereto

Allocation by shareholder

Number of shares held by the company itself

Number of shares held by its subsidiaries

Codes	Period
8761	
8762	
8771	
8781	

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

Period

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

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

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

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

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

Amounts payable with a remaining term of more than 5 years 8913

Codes	Period

AMOUNTS PAYABLE GUARANTEED *(included in accounts 17 and 42/48 of liabilities)*

Amounts payable guaranteed by the Belgian government agencies

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

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

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

TAXES, REMUNERATION AND SOCIAL SECURITY

Taxes *(headings 450/3 and 178/9 of liabilities)*

Outstanding tax debts	9072	
Accruing taxes payable	9073	
Estimated taxes payable	450	116.067,00

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

Amounts due to the National Social Security Office	9076	
Other amounts payable in respect of remuneration and social security	9077	33.235,71

ACCRUALS AND DEFERRED INCOME

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

Period

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

Allocation by categories of activity

Allocation by geographical market

Other operating income

Operating subsidies and compensatory amounts received from public authorities

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

Total number at the closing date

Average number of employees calculated in full-time equivalents

Number of actual hours worked

Personnel costs

Remuneration and direct social benefits

Employers' contribution for social security

Employers' premiums for extra statutory insurance

Other personnel costs

Retirement and survivors' pensions

Codes	Period	Preceding period
740		
9086	1	2
9087	1,5	2,0
9088	2.614	3.754
620	137.718,62	137.133,19
621	25.009,58	33.786,53
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	395,15	129.478,50
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

	Codes	Period	Preceding period
RECURRING FINANCIAL INCOME			
Other financial income			
Subsidies paid by public authorities, added to the profit and loss account			
Capital subsidies	9125		
Interest subsidies	9126		
Allocation of other financial income			
Exchange differences realized	754	17.215,47	1.981.753,00
Other			
Unrealised exchange rate gain			725.411,00
RECURRING FINANCIAL CHARGES			
Depreciation of loan issue expenses	6501		
Capitalised interests	6502		
Depreciations on current assets			
Recorded	6510		
Written back	6511		
Other financial charges			
Amount of the discount borne by the company, as a result of negotiating amounts receivable	653		
Provisions of a financial nature			
Appropriations	6560		
Uses and write-backs	6561		
Allocation of other financial costs			
Exchange differences realized	654		
Results from the conversion of foreign currencies	655		
Other			
Unrealised exchange rate loss		487.472,14	

INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY

	Codes	Period	Preceding period
NON-RECURRING INCOME	76		
Non-recurring operating income	(76A)		
Write-back of depreciation and of amounts written off intangible and tangible fixed assets	760		
Write-back of provisions for extraordinary operating liabilities and charges	7620		
Capital profits on disposal of intangible and tangible fixed assets	7630		
Other non-recurring operating income	764/8		
Non-recurring financial income	(76B)		
Write-back of amounts written down financial fixed assets	761		
Write-back of provisions for extraordinary financial liabilities and charges	7621		
Capital profits on disposal of financial fixed assets	7631		
Other non-recurring financial income	769		
NON-RECURRING CHARGES	66		2.085.967,13
Non-recurring operating charges	(66A)		2.085.967,13
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	660		
Provisions for extraordinary operating liabilities and charges: appropriations (uses)	6620	(+)/(-)	
Capital losses on disposal of intangible and tangible fixed assets	6630		
Other non-recurring operating charges	664/7		2.085.967,13
Non-recurring operating charges carried to assets as restructuring costs	6690	(-)	
Non-recurring financial charges	(66B)		
Amounts written off financial fixed assets	661		
Provisions for extraordinary financial liabilities and charges - appropriations (uses)	6621	(+)/(-)	
Capital losses on disposal of financial fixed assets	6631		
Other non-recurring financial charges	668		
Non-recurring financial charges carried to assets as restructuring costs	6691	(-)	

TAXES

INCOME TAXES

Income taxes on the result of the period	
Income taxes paid and withholding taxes due or paid	
Excess of income tax prepayments and withholding taxes paid recorded under assets	
Estimated additional taxes	
Income taxes on the result of prior periods	
Additional income taxes due or paid	
Additional income taxes estimated or provided for	

Codes	Period
9134	
9135	
9136	
9137	
9138	
9139	
9140	
	6.000,00
	50.000.000,00

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

Disallowed expenses
DRD

Period

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

Sources of deferred taxes

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

Codes	Period
9141	
9142	
	173.500,00
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	1.959.844,51	816.176,57
9146	1.816.141,01	639.555,20
9147	54.400,40	57.063,18
9148		

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

	Codes	Period
PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES	9149	89.700.000,00
Of which		
Bills of exchange in circulation endorsed by the company	9150	
Bills of exchange in circulation drawn or guaranteed by the company	9151	
Maximum amount for which other debts or commitments of third parties are guaranteed by the company	9153	89.700.000,00
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	91611	
Amount of registration	91621	
For irrevocable mortgage mandates, the amount for which the agent can take registration	91631	
Pledging of goodwill		
Maximum amount up to which the debt is secured and which is the subject of registration	91711	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	91721	
Pledging of other assets or irrevocable mandates to pledge other assets		
Book value of the immovable properties mortgaged	91811	
Maximum amount up to which the debt is secured	91821	
Guarantees provided or irrevocably promised on future assets		
Amount of assets in question	91911	
Maximum amount up to which the debt is secured	91921	
Vendor's privilege		
Book value of sold goods	92011	
Amount of the unpaid price	92021	

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
 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
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)
 Goods sold (to be delivered)
 Currencies purchased (to be received)
 Currencies sold (to be delivered)

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

Code	Period
9220	

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

Period

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

Period

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

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

Period

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

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

Period

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

	Codes	Period	Preceding period
AFFILIATED COMPANIES			
Financial fixed assets	(280/1)	873.269.193,79	849.969.193,79
Participating interests	(280)	847.250.020,65	822.250.020,65
Subordinated amounts receivable	9271		
Other amounts receivable	9281	26.019.173,14	27.719.173,14
Amounts receivable	9291	36.278.747,75	16.880.628,67
Over one year	9301		
Within one year	9311	36.278.747,75	16.880.628,67
Current investments	9321		
Shares	9331		
Amounts receivable	9341		
Amounts payable	9351	4.733.720,35	7.072.623,45
Over one year	9361		
Within one year	9371	4.733.720,35	7.072.623,45
Personal and real guarantees			
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies	9381		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company	9391		
Other significant financial commitments	9401		
Financial results			
Income from financial fixed assets	9421	50.212.198,71	65.871.921,04
Income from current assets	9431		270.445,64
Other financial income	9441	17.215,47	2.707.163,81
Debt charges	9461	1.283,99	2.224,21
Other financial charges	9471	487.472,14	
Disposal of fixed assets			
Capital profits realised	9481		
Capital losses realised	9491		

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

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

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

TRANSACTIONS WITH AFFILIATED PARTIES BEYOND NORMAL MARKET CONDITIONS

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

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

Period

FINANCIAL RELATIONSHIPS WITH

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

Amounts receivable from these persons

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

Guarantees provided in their favour

Other significant commitments undertaken in their favour

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

To directors and managers

To former directors and former managers

Codes	Period
9500	
9501	
9502	
9503	
9504	

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

Auditors' fees.....

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

Other audit assignments

Tax consultancy assignments

Other assignments beyondthe audit

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

Other audit assignments

Tax consultancy assignments

Other assignments beyondthe audit

Codes	Period
9505	129.400,00
95061	23.550,00
95062	
95063	
95081	
95082	
95083	

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

DECLARATION WITH REGARD TO THE CONSOLIDATED ANNUAL ACCOUNTS

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

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

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

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

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

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

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

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

XTRION NV

Transportstraat 1

3980 Tessenderlo, Belgium

0878.389.438

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

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

* Strike out what does not apply.

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

**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, 2020**

According to legal requirements, we have the honour to report to you on the economic situation of the company concerning the financial year covering the period from January 1st, 2020 till December 31st, 2020.

This Annual Report and also the Annual Accounts will be 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 10 mio EUR. The total turnover increased by 10,5% compared to 2019.

The operating gain in 2020 amounted to 80 thousand EUR, while the operating loss last year was 2,5 mio EUR. This change can mainly be attributed to, on the one hand, a decrease of non-recurring operating expenses amounting to 2,1 mio Euro and on the other hand, on an increased Turnover of 1 mio EUR.

The profit to be appropriated for this financial year amounts to 49,8 mio EUR since the financial result is positive by 49,7 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 (133,9 mio EUR), the total Profit to be appropriated amounts to 183,7 mio EUR.

The total balance sheet increased with 47 mio EUR.

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The Financial fixed assets increased with 23,3 mio EUR. The Current assets increased with 23,7 mio EUR as a result of the increase in Other amounts receivable with 19,5 mio EUR on the one hand and an increase in Cash at bank and in hand of 4,2 mio EUR on the other hand.

At the Equity and liabilities side, the total increase of 47 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 49,8 mio EUR. Furthermore, the Amounts payable within one year decreased with 2,8 mio EUR.

2. Appropriation of the results

The Board of Directors proposes to present the profit to be appropriated of 183.743.956 EUR as follows:

- Dividends	0 EUR
- Transfer to legal reserves	2.491.018 EUR
- Transfer to other reserves	561.555 EUR
- Profit to be carried forward	180.691.383 EUR

3. Important events after the closing of the financial year

After the close of 2020, there have been no major events that would require disclosure.

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

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE
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Structural trends in the markets for the end-user products produced by X-FAB's customers, or material volatility in demand for these products, may limit X-FAB's ability to maintain or increase sales and profit levels.

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

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

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

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

X-FAB's largest customer, Melexis, accounted for 39% of the Group's revenue in 2020, while the Group's top three customers accounted for 52% of revenue and its top five customers accounted for 57% of revenue during the year. None of X-FAB's customers are prohibited by contract from purchasing from other semiconductor suppliers. In the past, customers have switched to other semiconductor suppliers with little or no notice, or have notified the Group that they would source semiconductors for new end-user products from other semiconductor manufacturers. Changes in X-FAB's relationships with its top customers, the loss of one or more of these customers, or a change in the competitive position of any of these customers could have a material adverse impact on X-FAB. Further, Melexis is a related party, as it is controlled by X-FAB's largest shareholder, XTRION (which is beneficially owned by Roland Duchâtelet, Rudi De Winter, and Françoise Chombar, and the permanent representative of X-FAB's CEO, Rudi De Winter, is married to Melexis' CEO Françoise Chombar). Conditions of the commercial relations between X-FAB and Melexis are in line with those that would have been agreed upon between independent parties in comparable circumstances. The arm's length character of these conditions are analyzed, determined, and tested in accordance with the principles and best practices in this respect as detailed in the OECD's 2017 Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Notwithstanding due care taken in the Group's transfer pricing analyses, there can be no assurance that the tax authorities or courts will not take a position contrary to the Group's position.

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

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

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

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 accurately predicting demand. 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

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ANNUAL REPORT

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 end, 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. 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. Further, the Group may face risks meeting targeted returns in the event of a decline in operating levels since it has committed to keep at least 800 staff employed at the fab until 2021. There can be no assurance that this integration will be successful, that X-FAB will meet targeted synergies or financial returns at the new facility, or that X-FAB will be able to keep all existing customers to secure satisfactory fab utilization during the business transition.

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

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

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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 raw material price increases.

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 and raw materials 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 2020, raw wafer costs accounted for 12% of total cost of sales. For most raw wafer types, X-FAB uses more than one supplier to secure availability of required volumes but also to remain flexible. However, having several suppliers per wafer type also means a greater effort to acquire the necessary qualifications for these suppliers.

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

X-FAB records its financial results in US dollars but receives revenues and incurs costs in a variety of currencies, including euros and Malaysian ringgit. Changes in the exchange rate of the US dollar to the euro or Malaysian ringgit could result in translational losses in a given year, as compared to prior operating periods, or a mismatch between local currency expenses and US dollar revenues. X-FAB makes an effort to increase its share of euro-denominated revenues in order to achieve a better natural hedge; however, this may not be effective in preventing exchange rate losses.

For price, credit, liquidity, and cash flow risks as well as the use of financial instruments, please refer to section 10 of the notes in chapter 5, X-FAB Consolidated Financial Statements.

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

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

X-FAB is also subject to the following risks:

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

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- Industry studies, forecasts, and growth rates relating to the semiconductor market as a whole may not be indicative of X-FAB's operations within the analog/mixed-signal semiconductor market.
- X-FAB's ability to compete successfully and achieve future growth will depend, in part, on its ability to protect its proprietary technology.
- X-FAB may be subject to claims for alleged infringement of third parties' intellectual property rights.
- X-FAB depends on intellectual property rights of third parties, and failure to maintain or acquire licenses could harm the Group's business.
- X-FAB could be adversely affected by manufacturing interruptions.
- 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 could incur material costs to comply with regulation, including environmental and health and safety laws, especially as a result of climate change. Changes in such regulations could require significant changes in the production process or could even require purchasing additional equipment.
- X-FAB may be subject to litigation, disputes, or other legal proceedings.
- X-FAB carries a significant amount of deferred tax assets on its balance sheet.
- Low or negligible employee motivation as well as the occurrence of accidents due to human failure may negatively impact X-FAB's business.
- Cultural differences may lead to misalignment among X-FAB sites, negatively impacting X-FAB's business.
- X-FAB may be subject to penalty payments if labor rights or environmental provisions are being violated.
- X-FAB's public image may be adversely affected based on the impact of its business on the environment.

Risks related to the shares

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

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

10. Corporate Governance Statement

The information included in this chapter has been prepared in order to comply with Articles 3:6 and 3:32 of the Belgian Code on Companies and Associations (BCCA) with respect to the Board of Directors' annual report. Reference is made to chapter 10 with respect to the risk factors, chapter 6 for the non-financial information, chapter 1 for information on subsequent events, to the information on the use of financial instruments disclosed in the consolidated financial statements in chapter 5, chapter 4 for information on research and development, and chapter 8 for transparency requirements related to the shareholder structure.

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 10.12 gives an overview of the provisions of the Belgian Corporate Governance Code 2020 that X-FAB does not comply with, along with an explanation of the reasons for non-compliance. X-FAB aligned its Corporate Governance Charter with the 2020 Code on Corporate Governance in the first quarter of 2020. The Corporate Governance Charter can be consulted on the "Investors" page of the Company's website.

10.1 Shareholders

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

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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.

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

10.2 Management structure

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

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

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

The Chief Executive Officer is the chairman of the Executive Management. The Executive Management is responsible for leading X-FAB in accordance with the global strategy, values,

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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, four 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 Companies Code.

The Chief Executive Officer is the only member of the Board of Directors that has an executive mandate. The Chairman of the Board is Datuk Amar Ahmad Tarmizi Bin Haji Sulaiman.

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

The directors of X-FAB are:

Name	Age	Mandate expires	Position
Datuk Amar Ahmad Tarmizi bin Haji Sulaiman	58	2021	Chairman of the Board (non-executive director)
Sensinnovat BV (Represented by Rudi De Winter)	60	2021	Managing Director, CEO
Roland Duchâtelet	74	2021	Non-executive director
Thomas Hans-Jürgen Straub	66	2021	Non-executive director
Tan Sri Dr. Hamid Bin Bugo	75	2021	Non-executive director
Aurore NV (Represented by Christine Juliam)	60	2022	Non-executive and independent director
Christel Verschaeren	56	2021	Non-executive and independent director
Estelle Iacona	48	2021	Non-executive and independent director
Vlinvlin BV (Represented by Ling Qi)	50	2023	Non-executive and independent director

Datuk Amar Ahmad Tarmizi Bin Haji Sulaiman, Chairman, is the State Financial Secretary of the Malaysian State of Sarawak since July 1, 2004. Prior to his current appointment, he was the Deputy State Financial Secretary of the Malaysian State of Sarawak since October 1, 2002. He served as the Chief Executive Officer of Amanah Saham Sarawak Berhad from

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August 1993 to September 2002. He was the fund manager at Arab-Malaysian Merchant Bank Berhad and, following that, American International Assurance. He is currently also a board member of several corporate and governmental agencies. He has a degree in business administration from Syracuse University, New York, and a master's in business administration from the University of Wisconsin, USA.

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

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

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

Tan Sri (Dr.) Hamid Bugo has worked as personnel manager for Malaysia LNG Sdn. Bhd. (a joint venture between Petronas, Shell and Mitsubishi), as the first General Manager of the Land Custody and Development Authority of Sarawak, Permanent Secretary to the Ministry of Resource Planning and State Secretary of Sarawak. He has also served as a board member of several corporate and government agencies including Malaysian Anti-Corruption Commission, Malaysia National Water Council, Employees Provident Fund, Sime Darby Berhad, and Malaysia LNG Sdn. Bhd. Currently he sits on the Board of Sapura Energy Berhad, and chairs Sarawak Consolidated Industries Berhad, Sarawak Petroleum Berhad, and Sapura Resources Berhad. Tan Sri (Dr.) Bugo was a Colombo Plan Scholar and graduated with a master's degree in economics and political science from Canterbury University, New Zealand. He was awarded an honorary PhD in commerce by Lincoln University, New Zealand.

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

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Belgium as director of its pharmaceutical product division and joined Nycomed as Managing Director Belgium/Luxembourg in 2006. From 2011 onwards she was Region Head for France, the Netherlands, Belgium, and Luxembourg for Nycomed, which was acquired by Takeda in the same year. Subsequently, Ms. Juliam managed Takeda Italy and France as country manager between 2013 and 2017. In 2021 Ms. Juliam started as General Manager at Orifarm. Christine Juliam has a doctor of medicine degree from the University of Ghent, a license in marketing from St. Aloysius College in Brussels, a master's in management from Solvay Commercial School in Brussels, and an MBA from Northwestern University.

Christel Verschaeren served for 29 years at IBM. She held different technical positions as well as commercial leadership positions in general business, channel sales, and inside sales. She led business operations for IBM Belgium/Luxembourg for three years. In 2005, she became Director of Business Transformation and IT for IBM Europe. From 2010 until 2012 she served as Director Global Organizational Change Management. From 2012 until 2016 she was the VP of CIO Services in EMEA. Ms. Verschaeren holds a master's in economics from the University of Antwerp.

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

Vlinvlin BV is represented by Ling Qi. She has more than 20 years of international business management experience in China. After she won a provincial English language competition among thousand contenders, she organized international trade fairs and trade missions for the city government of Shenyang, and was the personal translator of the Mayor of Shenyang. She left politics to host a weekly TV program with news and interviews of foreign expats in China. In 1996, her media career went on as vice-president and international marketing and sales responsible 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 multi-media 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.

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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 2020 and discussed, among others, the following topics:

- financial results of the Group;
- Covid-19 impact;
- cost savings;
- cybersecurity;
- budget for the financial years 2021-2023; and
- changes in the Executive Management.

Datuk Amar Ahmad Tarmizi Bin Sulaiman attended one meeting of the Board and was represented by proxy at one other meeting of the Board. All other Board members attended all meetings. Under the lead of the Chairman, the Board regularly evaluates its scope, composition, and performance and that of its committees, as well as the interaction with the Executive Management. The next evaluation will be performed in 2022.

10.4 CommitteesAudit 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: Tan Sri Hamid Bin Bugo, Chairman; Aurore NV, represented by Christine Juliam, independent director; Christel Verschaeren, independent director; and Estelle Iacona, independent director.

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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 Hamid Bin Bugo complies with this requirement.

In 2020, the Audit Committee met five times. During these meetings the audit plan and key audit matters were discussed with the external auditor. Other topics covered were the cyber attack, the audit tender process, and the results of the internal audit. With the exception of one meeting, from which Estelle Iacona was excused, all members of the Audit Committee as well as the external auditor attended all meetings. The internal auditor was present at two meetings.

Remuneration and Nomination Committee

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

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

The Remuneration and Nomination Committee met four times in 2020. During these meetings matters such as the remuneration of the Executive Management was discussed, as well the succession of certain members of the Executive Management. 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	60	Chief Executive Officer
Alba Morganti	52	Chief Financial Officer
Dr. Manfred Riemer	65	Chief Operating Officer (until December 31, 2020)
Dr. Jens Kosch	60	Chief Technology Officer (until June 30, 2020)
Jörg Doblaski	42	Chief Technology Officer (as from July 1, 2020)
Lee Boon Chun	51	Chief Executive Officer, X-FAB Sarawak
Dr. Dirk Drescher	55	Chief Executive Officer, X-FAB France (until September 18, 2020)
Dr. Jocelyne Wasselin	62	Chief Executive Officer, X-FAB France (as of September 19, 2020)
Lloyd Whetzel	63	Chief Executive Officer, X-FAB Texas
Dr. Gabriel Kittler	42	Chief Executive Officer, X-FAB Erfurt (as of September 1, 2020)
Rico Tillner	38	Chief Executive Officer, X-FAB Dresden

In 2020, Jörg Doblaski took over the role of Chief Technology Officer when Dr. Jens Kosch decided to work part-time. Dr. Gabriel Kittler joined the Executive Management as CEO of X-FAB Erfurt after having worked at X-FAB since 2007. Also, Dr. Jocelyne Wasselin became an Executive Manager when she replaced Dr. Dirk Drescher as CEO of X-FAB France. Finally,

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Dr. Manfred Riemer announced his retirement and his last day in the executive management of X-FAB was December 31, 2020.

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

At the end of the reporting year, four of the nine members of the Board are female, thereby reaching the best possible equilibrium. The composition of the Board is in line with the requirements of the BCCA on diversity.

With the appointment of Dr. Jocelyne Wasselin as CEO of X-FAB France, X-FAB added another female manager to the executive management in 2020. X-FAB will continue to optimize its recruitment policy and will consider gender diversity in future recruitments.

10.7 Remuneration Report

2020 marks a new formal approach to the director and executive remuneration. Although the remuneration elements did not change significantly, X-FAB's shareholders' meeting approved, for the first time, a formal remuneration policy in line with the new provisions of the BCCA. This remuneration report has been established for the first time under the new provisions of article 3:6, §3 BCCA as introduced by the Law of April 28, 2020.

The remuneration of the directors and the Executive Management is governed by X-FAB's remuneration policy which can be found under www.xfab.com/investors. This remuneration policy was approved by the shareholders' meeting on April 30, 2020.

The formal approval of the remuneration policy by the shareholders' meeting and the new reporting obligations under article 3:6, §3 BCCA did not result in significant changes to the structure or the quantum of the director and executive remuneration, which during 2020 remained consistent with past practice.

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2020 was an exceptional year. The Covid-19 pandemic had a profound impact on the market, but more importantly on our people. Because the employees of X-FAB were heavily impacted by the consequences, the **Executive Management, including the CEO, decided to waive their rights to variable pay for 2020**. In doing so, X-FAB of course deviates from the remuneration policy.

Total remuneration

The application of the remuneration policy during 2020 for the directors and executives led to the effective remuneration as shown in the table below:

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Tabel 1 - Total remuneration

Table 1 – Total Remuneration										
Name, position	1. Fixed remuneration			2. Variable remuneration		3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration	
	Base salary	Fees	Other benefits	One-year variable	Multi-year variable					
Datuk Amar Ahmad Tarmizi bin Haji Sulaiman - Non-executive director										
	\$ 17,118.90	\$ -	\$ 17,118.90					\$ 34,237.80	Fixed: 100%	Variable: 0%
Roland Duchâtelet - Non-executive director										
	\$ -	\$ -	\$ -					\$ -	Fixed: -	Variable: -
Thomas Hans-Jürgen Straub - Non-executive director										
	\$ 17,118.90	\$ -	\$ 60,450.00					\$ 77,568.90	Fixed: 100%	Variable: 0%
Tan Sri Dr. Hamid Bin Bugo - Non-executive director										
	\$ 28,531.50	\$ -	\$ 17,118.90					\$ 45,650.40	Fixed: 100%	Variable: 0%
Aurore NV (Represented by Christine Juliam) - Independent director										
	\$ 28,531.50	\$ -	\$ -					\$ 28,531.50	Fixed: 100%	Variable: 0%
Christel Verschaeren - Independent director										
	\$ 28,531.50	\$ -	\$ -					\$ 28,531.50	Fixed: 100%	Variable: 0%
Estelle Iacona - Independent director										
	\$ 28,531.50	\$ -	\$ -					\$ 28,531.50	Fixed: 100%	Variable: 0%
Vlinvlin BV (Represented by Ling Qi) - Independent director										
	\$ 17,118.90	\$ -	\$ -					\$ 17,118.90	Fixed: 100%	Variable: 0%
Sensinnovat BV, permanently represented by Rudi De Winter - Executive, CEO										
	\$ 285,310.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,310.43	Fixed: 100%	Variable: 0%
Executive Management excl. Sensinnovat BV										
	\$ 1,159,551.89	\$ -	\$ 97,429.00	\$ -	\$ -	\$ -	\$ 69,726.04	\$ 1,326,706.93	Fixed: 100%	Variable: 0%
								1,872,187.87		

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Roland Duchâtelet waived his right to receive any remuneration as a non-executive Board member. The other benefits included for Datuk Amar Ahmad Tarmizi Bin Haji Sulaiman and Tan Sri Hamid Bin Bugo are a lump sum to compensate traveling expenses given that both members have to travel from Malaysia. In 2020 Thomas Hans-Jürgen Straub received an additional USD 60,450 for consultancy services provided to the Financial, HR and Strategy departments above and beyond his work as director of the company.

The members of the Executive Management working under an employment contract also benefit from extra-legal arrangements through a group insurance that is in effect in their respective home countries, i.e. pension, life insurance, disability, and medical insurance, all defined contribution schemes. All these group insurance elements are in line with home country market practices and only represent a minor portion of their remuneration.

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 below table provides an overview of the annual change of total remuneration, developments and performance of X-FAB, average remuneration of employees. Non-financial performance criteria are not linked to remuneration and are therefore not reported. We refer to section 6 of the consolidated annual report for an overview of the non-financial topics.

	2017	2018	2019	2020
Annual change of remuneration				
· Fixed remuneration		15.8%	-4.4%	-21.7%
· Variable remuneration		40.4%	10.2%	100.0%
Annual change in the developments and performances (in thousands of USD)				
· Performance criteria (EBIT)	50,489	32,919	43,865	14,617
· Net profit	89,758	22,554	48,540	13,530
Annual change in the average remuneration of employees on consolidated basis*				
		2.26%	6.06%	0.91%

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

In 2020 the ratio between the highest and lowest remuneration was 82.2 to 1. The highest remuneration of a member of the Executive Management used for this comparison includes the base salary, pension, and other benefits paid in 2020.

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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 took place as no management contract with a member of the Executive Management was terminated in 2020.

Use of clawback provisions

In 2020, no clawback occurred.

Vote of the shareholders

The annual shareholders' meeting of April 30, 2020 has approved the remuneration report regarding the financial year ended December 31, 2019 with a 99.9% majority of the 76.7% valid casted votes. As the remuneration report was approved with a large majority and X-FAB still believes in the principles included therein, X-FAB will largely retain its remuneration policy. X-FAB will, however, request the shareholders' meeting of 2021 to again vote on the remuneration policy to correct some redaction errors.

10.8 Policy on certain transactions

Conflicts of interests in the Board of Directors

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

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

In 2020, there have been no conflicts of interest for which the procedure of Articles 7:96 or 7:97 BCCA needed to be applied.

Other transactions with directors and Executive Management

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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 2020, there were no transactions between the Company and its directors or Executive Managers involving a conflict of interest. All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

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:

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- 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.

**OTHER DOCUMENTS TO BE FILED IN ACCORDANCE WITH THE
BELGIAN COMPANIES AND ASSOCIATIONS CODE****ANNUAL REPORT****10.10 Description of certain information from the Articles of Association
and elements pertinent to a takeover bid**Capital structure

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

Restrictions on the transfer of securities

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

Restrictions on the exercise of voting rights

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

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

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

Agreements among shareholders

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

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

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

Amendments to the Articles of Association

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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 can exercise this power for a period of five (5) years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to these Articles of Association approved by the Shareholders' Meeting on March 16, 2017 (i.e. April 26, 2017).

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

- This authorization applies for a number of own shares, profit-sharing certificates, or associated certificates that is at most equal to that which, after acquisition, results in a total number of own shares held by the Company equal to the set limit of 20% as stipulated in Article 5 of the SE Regulation juncto Article 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 is valid for five years from March 16, 2017.

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

- This can be done at any time and at a price it determines, on or outside the stock market or in the framework of its remuneration policy, to employees, directors, or consultants of the Company or to prevent any serious and imminent harm to the Company.
- The authorization covers the divestment of the Company's shares, profit-sharing certificates, or associated certificates by a direct subsidiary within the meaning of Article 7:221 BCCA.
- The authorization is valid without any time restriction, except when the divestment is to prevent any serious and imminent harm, in which case the authorization was valid until April 26, 2020.

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Authorities of the Board to proceed with a capital increase

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

Following an audit tender, the mandate of KPMG Bedrijfsrevisoren BV was renewed for three years at the annual shareholders' meeting held on April 30, 2020.

The consolidated annual fee for this mandate amounted to USD 351,000 in audit fees, VAT excluded. In 2020, the additional fees for other services amounted to USD 32,000 VAT excluded. Non-audit related services mainly relate to certification engagements and tax compliance services. Reference is made to note 7.7.

10.12 Compliance with the 2020 Belgian Code on Corporate Governance

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

- The Company does not grant shares, options, or other rights to acquire shares to its members of the Executive Management. Contrary to recommendation 7.9 of the Code

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2020, the members of the Executive Management are thus not required to hold a minimum threshold of shares in the Company. Important to note is however 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 also influencing the price of a financial instrument. The financial numbers which 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.

- The directors do not receive shares in the Company as part of their remuneration. The latter deviates from recommendation 7.6 of the Code 2020 for non-executive directors. The purpose of the recommendation is to better align the interests of non-executive directors with regard to the longterm 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, 2020. This report, the auditors' report and financial statements for the year ended December 31, 2020 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 23, 2021

On behalf of the Board of Directors

Rudi De Winter
CEO

AUDITORS' REPORT



Statutory auditor's report to the general meeting of X-FAB Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2020

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

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, 2020, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of April 30, 2020, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2022. We have performed the statutory audit of the annual accounts of X-FAB Silicon Foundries SE for 13 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, 2020, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at December 31, 2020, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 946.086.373 and the income statement shows a profit for the year of EUR 49.820.366.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at December 31, 2020 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

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

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

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

AUDITORS' REPORT

Statutory auditor's report to the general meeting of X-FAB Silicon Foundries SE on the annual accounts as of and for the year ended December 31, 2020

Key audit matters

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

We did not identify key audit matters to report.

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

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

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

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

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

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

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

- 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

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, 2020

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 with the Companies' Code or, as from January 1, 2020, the Companies' and Associations' Code and the Company's articles of association.

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, 2020

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' Code or, as from January 1, 2020, the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

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

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

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

The non-financial information required by article 3:6 §4 of the Companies' and Associations' Code has been included in the board of directors' annual report on the annual accounts. The Company has prepared this non-financial information based on Global Reporting Initiative ("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.

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, 2020

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.
- Except for complying with the provisions of article 3:10 of the Companies' and Associations' Code with respect to the filing of the 2019 annual accounts within 30 days after approval, we do not have to inform you of any other transaction undertaken or decision taken in breach of the Company's articles of association or the Companies' and Associations' Code.
- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Hasselt, March 29, 2021

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:

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	Codes	Total	1. Men	2. Women
Average number of employees				
Full-time	1001	1,5	1,5	
Part-time	1002			
Total in full-time equivalents (FTE).....	1003	1,5	1,5	
Number of actual hours worked				
Full-time	1011	2.614	2.614	
Part-time	1012			
Total	1013	2.614	2.614	
Personnel costs				
Full-time	1021	162.728,20	162.728,20	
Part-time	1022			
Total	1023	162.728,20	162.728,20	
Benefits in addition to wages.....	1033			

During the preceding period	Codes	P. Total	1P. Men	2P. Women
Average number of employees in FTE	1003	2,0	2,0	
Number of actual hours worked.....	1013	3.754	3.754	
Personnel costs.....	1023	170.919,72	170.919,72	
Benefits in addition to wages.....	1033			

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

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

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

	Codes	1. Hired temporary staff	2. Hired temporary staff and personnel placed at the company's disposal
During the period			
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	1		1,0
310	1		1,0
311			
312			
313			
340			
341			
342			
343	1		1,0
350	1		1,0

INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD

	Codes	Men	Codes	Women
Total of initiatives of formal professional training at the expense of the employer				
Number of employees involved	5801		5811	
Number of actual training hours	5802		5812	
Net costs for the company	5803		5813	
of which gross costs directly linked to training	58031		58131	
of which contributions paid and payments to collective funds	58032		58132	
of which grants and other financial advantages received (to deduct)	58033		58133	
Total of initiatives of less formal or informal professional training at the expense of the employer				
Number of employees involved	5821		5831	
Number of actual training hours	5822		5832	
Net costs for the company	5823		5833	
Total of initial initiatives of professional training at the expense of the employer				
Number of employees involved	5841		5851	
Number of actual training hours	5842		5852	
Net costs for the company	5843		5853	