

# Interim Report H1 2021

January 1 to June 30, 2021

elmos<sup>®</sup>

## Positive business development in the second quarter 2021

Sales of 78.9 million Euro and EBIT margin of 15.9% achieved in a challenging environment

“The ongoing high demand for semiconductors in all industries worldwide continued to fuel the allocation situation along the entire value chain in the second quarter of 2021. Furthermore, material price increases and logistical challenges impact the business performance. According to today's knowledge, only limited global capacity expansion can be expected for 2022, especially in 8-inch wafer production. This might also result in growth-dampening bottlenecks. In spite of these temporary effects on sales growth and earnings, Elmos will participate in the positive long-term development of the semiconductor market.”

*Dr. Arne Schneider, CEO of Elmos Semiconductor SE*



# Interim group management report

## January 1 to June 30

### Key figures

in million Euro unless otherwise indicated	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change
Sales	78.9	58.8	34.2%	156.0	123.0	26.8%
Gross profit	34.1	24.7	38.2%	66.7	52.7	26.4%
in % of sales	43.2%	42.0%		42.7%	42.9%	
Research and development expenses	12.5	12.8	-2.3%	24.8	24.9	-0.5%
in % of sales	15.9%	21.8%		15.9%	20.2%	
Operating income	12.8	2.4	428.7%	24.0	8.2	194.0%
in % of sales	16.2%	4.1%		15.4%	6.6%	
EBIT	12.5	3.2	296.3%	24.7	10.2	141.4%
in % of sales	15.9%	5.4%		15.9%	8.3%	
Consolidated net income after non-controlling interests	8.5	2.3	275.6%	16.8	6.8	146.1%
in % of sales	10.8%	3.8%		10.7%	5.5%	
Earnings per share (basic) in Euro	0.47	0.12	275.4%	0.92	0.36	156.2%
	<b>6/30/2021</b>	<b>3/31/2021</b>	<b>Change</b>	<b>6/30/2021</b>	<b>12/31/2020</b>	<b>Change</b>
Total assets	418.4	420.7	-0.5%	418.4	395.5	5.8%
Shareholders' equity	317.9	318.6	-0.2%	317.9	310.2	2.5%
in % of total assets	76.0%	75.7%		76.0%	78.4%	
Financial liabilities	45.7	48.6	-6.0%	45.7	45.6	0.2%
Cash, cash equivalents, and marketable securities	93.0	108.9	-14.6%	93.0	85.8	8.4%
Net cash	47.3	60.3	-21.6%	47.3	40.2	17.7%
	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Change</b>	<b>H1 2021</b>	<b>H1 2020</b>	<b>Change</b>
Cash flow from operating activities	15.8	-5.9	n/a	45.3	14.3	216.3%
Capital expenditures	17.3	3.3	420.2%	23.0	9.2	151.1%
in % of sales	21.9%	5.6%		14.7%	7.4%	
Adjusted free cash flow	-3.4	-10.3	-67.3%	19.0	3.1	512.8%

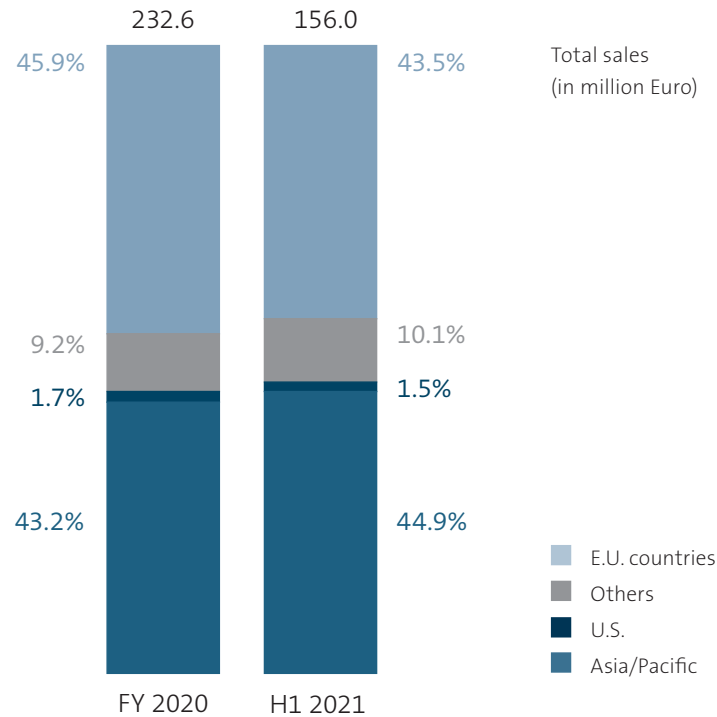
#### Definitions of selected financial indicators

- Capital expenditures: Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses
- Adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (including proceeds from additions to the scope of consolidation)
- Further information on the key figures used can be found in the 2020 Annual Report at [www.elmos.com](http://www.elmos.com)

### Financial, profit, and economic position

- > The sales and earnings performance in the second quarter of 2021 is in line with the guidance range issued at the beginning of May. Business performance is influenced by the continued high demand for semiconductors and by the associated allocation situation, as well as supply bottlenecks of key components.
- > The ratio of orders on hand for the next three months to sales over the past three months, known as the book-to-bill ratio, was above one at the end of the reporting period.
- > Research and development expenses continue to remain on a high level and support the successful efforts to develop new and innovative semiconductor applications.
- > Capital expenditures were significantly higher in the reporting period than in previous quarters and reflect the investment program for the back-end segment to build up new testing capacities for ensuring delivery capability.
- > Adjusted free cash flow was influenced primarily by the development of operating cash flow and the increase in capital expenditures in the reporting quarter.

## Sales by region



## Economic environment

- > The first six months of fiscal year 2021 were characterized by very high demand for semiconductors in all industries. As a result of the rapidly rising demand for electronic products, the entire global semiconductor value chain is currently affected by capacity bottlenecks in manufacturing and supply bottlenecks in materials and logistics. Moreover, the COVID-19 pandemic continues to have an impact on macroeconomic development.
- > Global automotive markets posted a significant recovery in the first half of 2021 following last year's dramatic decline, even though the shortage of semiconductors forced some vehicle manufacturers to temporarily shut-down production. According to the German Association of the Automotive Industry (Verband der Automobilindustrie – VDA), the number of new car registrations rose by 27.1% in Europe, by 29.3% in the U.S., by 27.3% in China, and by 11.9% in Japan.
- > Following the dramatic slump last year, the forecasting institutes expect a significant recovery for the global economy and the automotive industry in 2021. However, the further course of the COVID-19 pandemic with highly infectious variants (such as the Delta variant), along with continued shortages of semiconductors and other materials, could put a renewed damper on economic development. Due to the continued uncertainties, the further development of allocation and the pandemic, as well as their potential impact on the business development of Elmos, cannot be comprehensively assessed at the present time.
- > However, the medium-term outlook for the semiconductor market as a whole, and particularly for automotive semiconductor applications, is consistently positive. According to a July 2021 study by the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie – ZVEI), the global semiconductor market is set to grow by around 6.5% on average per year between 2020 and 2025.

## Guidance for the third quarter 2021

as of August 4, 2021	
Sales	79 ± 5 million Euro
EBIT margin	15.5% ± 2 percentage points
∅ Exchange rate	1.20 EUR/USD

- > The guidance for the third quarter of 2021 refers solely to sales and EBIT, as additional figures usually forecast for capital expenditures and adjusted free cash flow are subject to more severe fluctuations during the year.

## Guidance for fiscal year 2021 (unchanged):

- > Due to the current situation – as explained under “Economic environment” – it is still not yet possible to issue a quantitative guidance for the full year.
- > Therefore, the Company continues to expect a significant year-on-year increase in sales and EBIT in fiscal year 2021, as outlined in the Annual Report 2020.
- > Capital expenditures are expected to be significantly higher year on year.
- > The Company expects to generate a positive adjusted free cash flow above the previous year for fiscal year 2021.

## Opportunities and risks

- > The individual company risks and opportunities are described in detail in our Annual Report 2020.
- > The COVID-19 pandemic continues to have a noticeable effect on the global economy and the business performance of Elmos. The pandemic risk, which is, among others, detailed under economic, political, social, and regulatory risks, also has a significant effect on the company risks listed in the Annual Report 2020, in particular on industry/market risks, business and operational risks, as well as personnel risks. Even at the present time, it is still not possible to precisely predict the further course of the COVID-19 pandemic and the associated impact on the Company’s financial, profit, and economic position.

- > As described in the sections “Financial, profit, and economic position” and “Economic environment,” the entire global semiconductor value chain is currently affected by capacity and supply bottlenecks. Due to the dependence on the delivery capability of our suppliers we cannot rule out own delivery difficulties or even delivery failures to our customers, which could have a significant impact on the Company’s financial, profit, and economic position. Higher prices for contract manufacturing, materials, or services and logistics due to the global supply shortage cannot always be passed on in full to customers and could therefore affect the Company’s financial, profit, and economic position. Production adjustments or line stoppages at vehicle manufacturers due to the shortage of semiconductors – even if they are not the fault of Elmos – could lead to temporary delays in own deliveries and could therefore also have an impact on the Company’s financial, profit, and economic position. In addition to the generally tense situation, further pandemic-related plant closures, mainly by suppliers in Asia, and increasing logistical difficulties from Asian countries to Europe could further exacerbate the supply situation. The duration of the global capacities bottlenecks going forward cannot be predicted at the present time. However, the Company expects the allocation situation to continue in the next year.

- > As also explained in the Annual Report, individual risks may cause substantial damage to the Company in extreme cases. Such cases can neither be predicted nor ruled out. Irrespective of this, it should be noted that the occurrence of an individual risk, even if it does not develop into an extreme case, can have a strong negative impact on the Company’s financial, profit, and economic position.

## Significant events

- > Elmos held its ordinary Annual General Meeting as a virtual event for the second time on May 20, 2021. All items on the agenda were approved by a large majority. The Annual General Meeting approved a stable dividend of 0.52 Euro per share for fiscal year 2020.
- > Visit [www.elmos.com](http://www.elmos.com) for more events, new products, and notifications on voting rights from the first half of 2021.

# Condensed interim consolidated financial statements according to IFRS

## January 1 to June 30

### Condensed consolidated statement of financial position

Assets   in thousand Euro	6/30/2021	12/31/2020
Intangible assets	34,697	30,201
Property, plant and equipment	146,731	130,367
Securities	42,449	42,693
Investments	1	2,201
Other financial assets	1,632	1,595
Deferred tax assets	61	99
<b>Non-current assets</b>	<b>225,572</b>	<b>207,157</b>
Inventories	74,402	84,733
Trade receivables	40,491	37,231
Securities	6,506	2,751
Other financial assets	6,803	5,460
Other receivables	13,505	5,299
Income tax assets	7,129	12,554
Cash and cash equivalents	43,995	40,313
<b>Current assets</b>	<b>192,832</b>	<b>188,341</b>
<b>Total assets</b>	<b>418,404</b>	<b>395,498</b>

Equity and liabilities   in thousand Euro	6/30/2021	12/31/2020
Share capital	20,104	20,104
Treasury shares	-1,966	-1,986
Additional paid-in capital	57,790	57,592
Surplus reserve	102	102
Other equity components	19	27
Retained earnings	241,100	233,742
<b>Equity attributable to owners of the parent</b>	<b>317,149</b>	<b>309,581</b>
Non-controlling interests	702	634
<b>Shareholders' equity</b>	<b>317,851</b>	<b>310,214</b>
Provisions for pensions	55	71
Financial liabilities	42,783	41,905
Deferred tax liabilities	8,103	7,371
<b>Non-current liabilities</b>	<b>50,942</b>	<b>49,347</b>
Provisions	19,126	17,796
Income tax liabilities	182	39
Financial liabilities	2,885	3,674
Trade payables	22,375	9,043
Other liabilities	5,043	5,385
<b>Current liabilities</b>	<b>49,611</b>	<b>35,937</b>
<b>Liabilities</b>	<b>100,553</b>	<b>85,284</b>
<b>Total equity and liabilities</b>	<b>418,404</b>	<b>395,498</b>

## Condensed consolidated income statement

in thousand Euro	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Sales</b>	<b>78,913</b>	<b>58,789</b>	<b>156,019</b>	<b>123,011</b>
Cost of sales	-44,797	-34,103	-89,350	-70,265
<b>Gross profit</b>	<b>34,116</b>	<b>24,686</b>	<b>66,669</b>	<b>52,746</b>
Research and development expenses	-12,529	-12,820	-24,780	-24,894
Distribution expenses	-4,178	-5,282	-8,251	-10,407
Administrative expenses	-4,627	-4,166	-9,596	-9,267
<b>Operating income before other operating expenses (-)/income</b>	<b>12,781</b>	<b>2,417</b>	<b>24,043</b>	<b>8,177</b>
Foreign exchange losses (-)/gains	-581	-612	496	283
Other operating income	1,158	1,572	1,743	2,237
Other operating expenses	-811	-211	-1,546	-450
<b>Earnings before interest and taxes (EBIT)</b>	<b>12,547</b>	<b>3,166</b>	<b>24,735</b>	<b>10,247</b>
Finance income	108	121	207	257
Finance expenses	-204	-285	-427	-495
<b>Earnings before taxes</b>	<b>12,452</b>	<b>3,002</b>	<b>24,515</b>	<b>10,008</b>
<b>Income tax</b>	<b>-3,945</b>	<b>-745</b>	<b>-7,691</b>	<b>-3,194</b>
thereof current income tax	-3,787	-969	-6,887	-2,704
thereof deferred tax	-158	223	-804	-490
<b>Consolidated net income</b>	<b>8,507</b>	<b>2,256</b>	<b>16,824</b>	<b>6,814</b>
thereof attributable to owners of the parent	8,489	2,260	16,756	6,810
thereof attributable to non-controlling interests	18	-4	68	4
<b>Earnings per share</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>
Basic earnings per share	0.47	0.12	0.92	0.36
Fully diluted earnings per share	0.47	0.12	0.92	0.36

## Condensed consolidated statement of comprehensive income

in thousand Euro	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Consolidated net income</b>	<b>8,507</b>	<b>2,256</b>	<b>16,824</b>	<b>6,814</b>
<b>Items to be reclassified to the income statement in later periods including respective tax effects</b>				
Foreign currency adjustments without deferred tax effect	45	-70	64	-40
Foreign currency adjustments with deferred tax effect	0	0	0	0
corresponding deferred tax	0	0	0	0
Changes in market value of financial assets measured at market value	-49	1,242	-106	-544
corresponding deferred tax	16	-408	35	178
<b>Items not to be reclassified to the income statement in later periods including respective tax effects</b>				
Actuarial gains/losses (-) from pension plans	0	0	0	0
corresponding deferred tax	0	0	0	0
<b>Other comprehensive income after taxes</b>	<b>12</b>	<b>764</b>	<b>-7</b>	<b>-405</b>
<b>Total comprehensive income after taxes</b>	<b>8,518</b>	<b>3,020</b>	<b>16,817</b>	<b>6,409</b>
thereof attributable to owners of the parent	8,500	3,024	16,749	6,405
thereof attributable to non-controlling interests	18	-4	68	4

## Condensed consolidated statement of cash flows

in thousand Euro	Q2 2021	Q2 2020	H1 2021	H1 2020
Consolidated net income	8,507	2,256	16,824	6,814
Depreciation and amortization	7,540	8,126	14,960	15,785
Losses from disposal of assets	299	1	356	30
Financial result	95	165	220	238
Other non-cash expenses/income (-)	159	-222	804	491
Current income tax	3,787	969	6,887	2,704
Expenses for stock awards/share matching	76	64	153	150
Changes in pension provisions	-24	0	-16	0
Changes in net working capital:				
Trade receivables	2,445	538	-2,892	12,116
Inventories	2,936	-5,508	10,330	-12,365
Other assets	-6,197	2,140	-8,544	-628
Trade payables	2,781	1,770	7,465	3,852
Other provisions and other liabilities	-3,776	-5,780	585	-1,610
Income tax payments	-2,232	-9,848	-1,359	-12,773
Interest paid	-665	-699	-704	-746
Interest received	108	121	207	257
<b>Cash flow from operating activities</b>	<b>15,838</b>	<b>-5,907</b>	<b>45,276</b>	<b>14,315</b>
Capital expenditures for intangible assets	-2,305	-1,217	-3,644	-2,289
Capital expenditures for property, plant and equipment	-16,934	-3,244	-22,705	-8,967
Payments related to additions to the group of consolidated companies	0	0	64	0
Disposal of non-current assets	16	21	29	45
Payments for (-)/Disposal of securities	-4,113	-10,775	-3,615	-19,819
Payments for other non-current financial assets	-514	-486	-1,027	-973
<b>Cash flow from investing activities</b>	<b>-23,850</b>	<b>-15,701</b>	<b>-30,898</b>	<b>-32,003</b>

in thousand Euro	Q2 2021	Q2 2020	H1 2021	H1 2020
Change in current liabilities to banks	-2,000	14	0	0
Share-based payment/issue of treasury shares	66	420	66	421
Repayment of liabilities from installment purchase	-156	-154	-313	-309
Buyback of treasury shares	0	-26,949	0	-26,949
Repayment of leasing liabilities	-570	-801	-1,118	-1,650
Dividend distribution	-9,425	-9,409	-9,425	-9,409
Other changes	17	61	25	61
<b>Cash flow from financing activities</b>	<b>-12,069</b>	<b>-36,818</b>	<b>-10,766</b>	<b>-37,836</b>
<b>Decrease (-)/increase in cash and cash equivalents</b>	<b>-20,081</b>	<b>-58,426</b>	<b>3,612</b>	<b>-55,524</b>
Effects of exchange rate changes on cash and cash equivalents	66	-68	70	-36
Cash and cash equivalents at beginning of reporting period	64,010	97,952	40,313	95,018
<b>Cash and cash equivalents at end of reporting period</b>	<b>43,995</b>	<b>39,458</b>	<b>43,995</b>	<b>39,458</b>

## Condensed consolidated statement of changes in equity

in thousand Euro	Equity attributable to owners of the parent								Non-controlling interest		Group	
	Shares thousand	Share capital	Treasury shares	Additional paid-in capital	Surplus reserve	Other equity components			Retained earnings	Total	Total	Total
						Provision for financial assets measured at market value	Foreign currency translation	Unrealized actuarial gains/losses				
<b>January 1, 2020</b>	20,104	20,104	-469	82,490	102	-156	586	-307	236,732	339,081	582	339,663
Consolidated net income									6,810	6,810	4	6,814
Other comprehensive income for the period						-365	-40		-405		0	-405
Total comprehensive income						-365	-40		6,810	6,405	4	6,409
Share-based payment/issue of treasury shares			21	399						421		421
Buyback of treasury shares			-1,540	-25,409						-26,949		-26,949
Dividend distribution									-9,409	-9,409		-9,409
Expenses for stock awards				150						150		150
<b>June 30, 2020</b>	20,104	20,104	-1,988	57,631	102	-521	546	-307	234,132	309,699	586	310,284
<b>January 1, 2021</b>	20,104	20,104	-1,986	57,592	102	83	412	-468	233,742	309,581	634	310,214
Consolidated net income									16,756	16,756	68	16,824
Other comprehensive income for the period						-71	64		-7		0	-7
Total comprehensive income						-71	64		16,756	16,749	68	16,817
Share-based payment/issue of treasury shares			20	45						66		66
Dividend distribution									-9,425	-9,425		-9,425
Expenses for stock awards				153						153		153
Other changes									26	26		26
<b>June 30, 2021</b>	20,104	20,104	-1,966	57,790	102	12	476	-468	241,100	317,149	702	317,851



# Notes to condensed interim consolidated financial statements

## January 1 to June 30

The condensed interim consolidated financial statements for the first half of 2021 were released for publication pursuant to Management Board resolution in August 2021.

### 1 – GENERAL INFORMATION

The address of the Company's registered office is: Heinrich-Hertz-Straße 1, 44227 Dortmund, Germany

#### Basic principles of the preparation of financial statements

The condensed interim consolidated financial statements for the period January 1 to June 30, 2021, have been prepared in accordance with IAS 34 "Interim Financial Reporting." These financial statements therefore do not contain all the information and disclosures required for consolidated financial statements and should therefore be consulted together with the consolidated financial statements for the fiscal year ended December 31, 2020.

A segment report is not included, as the Group has consisted of only one segment since the disposal of the Micromechanics segment in 2019.

#### Essential accounting policies and measurement methods

For the preparation of the condensed interim consolidated financial statements, the same accounting policies and measurement methods have been adopted as were applied for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2020, with the exception of the amended IFRS standards explained below.

- > Amendments to IFRS 4 – *Insurance Contracts*: distinctions from IFRS 9
- > Amendments to IFRS 9 – *Financial Instruments*, IAS 39 – *Financial Instruments: Recognition and Measurement* and IFRS 7 – *Financial Instruments: Disclosures*, IFRS 4 – *Insurance Contracts* and IFRS 16 – *Leases*: Interest Rate Benchmark Reform – Phase 2

The initial application of these amended standards did not have a material impact on the Group's financial, profit, and economic position.

#### Estimates and assumptions

The Company recognizes provisions for pension obligations pursuant to IAS 19. For 2021, an actuarial interest rate of 0.70% has been applied, unchanged from December 31, 2020.

#### Estimates and discretionary decisions due to the COVID-19 pandemic

Estimates and discretionary decisions may have an impact on the amount of assets and liabilities reported in the balance sheet, the disclosures regarding contingent assets and liabilities as of the reporting date, and on the income and expenses disclosed for the reporting period. Due to the global consequences of the COVID-19 pandemic, which are still impossible to predict, these estimates and discretionary decisions are subject to increased uncertainty. The amounts actually incurred or accrued may differ from the estimates and discretionary decisions; changes may have a material effect on the interim financial statements. The available information on anticipated economic development was taken into account when updating the estimates and discretionary decisions. This information was taken into consideration when reviewing the impairment of financial assets.

#### Impact of the COVID-19 pandemic on the interim financial statements and measures taken by Elmos

In comparison to the same period in the previous year, which was negatively affected to a significant extent by the global impact of the COVID-19 pandemic, the first half of 2021 and the second quarter of 2021 saw a substantial improvement in operational business performance that is evidenced by a marked rise in key figures such as sales, EBIT, and adjusted cash flow. Elmos continues to take preventive measures against risks related to the spread of the coronavirus, such as travel restrictions, clear hygiene rules, and entry checks.

#### Ordinary business transactions with a significant impact

Substantial capital expenditures affecting property, plant and equipment were made in the first half of 2021 (22,705 thousand Euro) and in the second quarter of 2021 (16,934 thousand Euro).

#### Exceptional business transactions

There were no exceptional business transactions in the first six months of 2021.

#### Basis of consolidation/Investments in associates

- a) Acquisition of shares in Online Engineering GmbH, Dortmund

Elmos Semiconductor SE acquired 100% of the shares in Online Engineering GmbH, Dortmund, Germany, with economic effect as of January 1, 2021 (Acquisition date within the meaning of IFRS 3.8). Online Engineering GmbH is specialized in the development of hardware and software components for electric motors. With this acquisition Elmos strengthens its own in-house competence and will be

able to offer its customers even more comprehensive system solutions in the future. The company was founded in 2007 and has 16 employees. By acquiring the shares, Elmos Semiconductor SE is capable of exerting control over Online Engineering GmbH within the meaning of IFRS 10. Online Engineering has been included as a subsidiary in the consolidated financial statements of Elmos Semiconductor SE since January 1, 2021.

The provisional fair value of the identifiable assets and liabilities of Online Engineering GmbH were as follows at the time at which control was obtained:

#### Fair value at the time at which control was obtained:

in thousand Euro	
<b>Assets</b>	
Trade receivables	368
Cash and cash equivalents	1,084
Other assets	13
Prepaid expenses	2
	<b>1,467</b>
<b>Liabilities</b>	
Tax accruals	-40
Other provisions	-295
Trade payables	-91
Other liabilities	-115
	<b>-541</b>
<b>= Total identifiable net assets at fair value</b>	<b>927</b>
Additional goodwill from the company acquisition	3,734
<b>= Consideration transferred</b>	<b>4,661</b>
Less payments on account from 2020 for the company acquisition	-2,200
Less earn-out components	-1,440
<b>= Cash outflow in 2021</b>	<b>-1,021</b>
<b>Breakdown of cash inflow due to obtaining control:</b>	
Cash and cash equivalents acquired upon transfer to the status of subsidiary (contained in cash flow from investing activities)	1,084
Cash outflow	-1,021
<b>Cash inflow due to the company acquisition as of January 1, 2021</b>	<b>64</b>

The fair value of the trade receivables corresponds to the gross amount of the trade receivables and stands at 368 thousand Euro. These receivables were not impaired and the entire contractually agreed-upon amount should be recoverable.

In the amount of 1,440 thousand Euro, the purchase price agreement with the selling shareholders contains conditional payment obligations. Payments to the former shareholders in the amount stated above must be made in fiscal years 2021 to 2025 (earn-out period), conditional upon the achievement of contractually agreed-upon performance indicators and/or the achievement of predefined project targets.

The transaction costs of 114 thousand Euro were recognized as an expense and are disclosed in the consolidated income statement under "Administrative expenses."

Since the time of acquisition, Online Engineering GmbH has contributed 638 thousand Euro to the Group's sales and -26 thousand Euro to the Group's net income for the period.

The recognized goodwill results from the expected synergies and other advantages of combining the assets and activities Online Engineering GmbH with those of the Group. The recognized goodwill is not tax deductible, as it was generated at Group level.

Overall, it should be noted that the first-time inclusion of the new subsidiary in the group of consolidated companies does not materially impair the comparability with the previous year's consolidated financial statements with regard to the financial, profit, and economic position.

- b) Elimination of Omniradar B.V., Eindhoven (NL), from the group of consolidated companies

Omniradar B.V., Eindhoven (NL), left Elmos Semiconductor SE's group of consolidated companies upon termination of the associate's insolvency proceedings. No profit contributions were recognized in connection with the company's elimination.

Overall, it should be noted that the elimination of the company from the group of consolidated companies does not materially impair the comparability with the previous year's consolidated financial statements with regard to the financial, profit, and economic position.

#### Seasonal and economic effects on business operations

According to a forecast by the International Monetary Fund (IMF), global economic output will grow by 6.0% year on year in 2021. As a result, the guidance from April 2021 remains unchanged as of late July 2021. The driving forces behind this development are the U.S., with growth of 7.0%, and China, with an

increase of 8.1%. Germany's gross domestic product is expected to be 3.6% higher than in the previous year. An increase of 4.6% is forecast for the eurozone's economy. At the same time, the International Monetary Fund (IMF) warns of a disparity in the global economy in light of a shortage of COVID-19 vaccines in developing and emerging economies, rising inflation, and supply bottlenecks.

## 2 – INFORMATION ON FINANCIAL INSTRUMENTS

The following table lists the book values and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in a regular business transaction as of the measurement date. In view of varying factors of influence, the presented fair values can only be regarded as indicators of the amounts actually recoverable in the market. Detailed information on the methods and assumptions underlying the determination of the value of financial instruments can be found under note 29 to the 2020 consolidated financial statements. Its relevance to these half-year financial statements is undiminished.

### Book values and fair values of each category of financial assets and liabilities

in thousand Euro	June 30, 2021		December 31, 2020	
	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>				
Investments	1	1	2,201	2,201
Securities (long-term)	42,449	42,449	42,693	42,693
Securities (short-term)	6,506	6,506	2,751	2,751
Trade receivables	40,491	40,491	37,231	37,231
Cash and cash equivalents	43,995	43,995	40,313	40,313
Other financial assets	8,435	8,435	7,055	7,055
<b>Financial liabilities</b>				
Trade payables	22,375	22,375	9,043	9,043
Liabilities to banks	40,108	41,407	40,431	41,991
Other financial liabilities	5,846	5,846	5,537	5,537

At the end of each reporting period, a review is conducted to find out whether reclassifications between valuation hierarchies must be made. This review has not led to any reclassifications. The following presentation shows which valuation hierarchy levels (according to IFRS 13) financial assets and liabilities measured at fair value are classified to.

## Hierarchy of fair values

### Level 1: quoted (unadjusted) prices in active markets for similar assets or liabilities

in thousand Euro		1/1	Addition	Disposal	Reclassification	Market valuation	6/30
Long-term securities <sup>1</sup>	2021	39,693	5,382	-523	-5,040	-64	39,449
	2020	17,324	24,566	0	-1,500	-501	39,889
Short-term securities <sup>1</sup>	2021	2,751	509	-1,752	5,040	-41	6,506
	2020	8,003	252	-5,000	1,500	-42	4,712

<sup>1</sup> At fair value through other comprehensive income (with recycling)

### Level 2: methods where all input parameters with a material effect on the determined fair value are observable either directly or indirectly

in thousand Euro		1/1	Addition	Disposal	Market valuation	6/30
Forward exchange contracts/ Currency option transactions	2021	-232	0	232	0	0
	2020	109	57	-109	0	57
Embedded derivatives	2021	0	0	0	0	0
	2020	0	-40	0	0	-40

### Level 3: methods using input parameters that have a material effect on the determined fair values and are not based on observable market data

in thousand Euro		1/1	Addition	Disposal	Consolidation	6/30
Call options	2021	8	1	0	0	9
	2020	11	2	0	0	13
Investments	2021	2,201	0	0	-2,200	1
	2020	1	0	0	0	1

## 3 – RELATED PARTY DISCLOSURES

As reported in the consolidated financial statements for the fiscal year ended December 31, 2020, the Elmos Group maintains business relationships with related companies and individuals in the context of the ordinary course of business.

These supply and performance relationships continue to be transacted at market prices.

Notifications of managers' transactions for the period from January 1 to June 30, 2021, are available at [www.elmos.com](http://www.elmos.com).

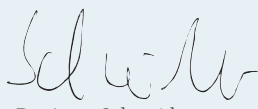
#### 4 – SIGNIFICANT EVENTS AFTER THE END OF THE FIRST SIX MONTHS OF 2021

There are no events of particular significance and with material effects on the assets, liabilities, financial position, and profit or loss to be reported after the end of the first six months of 2021.

#### RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining fiscal year.

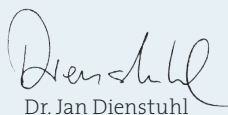
Dortmund, Germany, August 4, 2021



Dr. Arne Schneider



Guido Meyer



Dr. Jan Dienstuhl

#### REVIEW REPORT

##### To Elmos Semiconductor SE, Dortmund

We have reviewed the condensed interim consolidated financial statements of Elmos Semiconductor SE – comprising the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity for the period from 1 January 2021 to 30 June 2021, and selected explanatory notes to the condensed interim consolidated financial statements – and the interim group management report of Elmos Semiconductor SE for the period from 1 January 2021 to 30 June 2021 which form part of the half-year financial reporting in accordance with section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of Company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statements audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements of Elmos Semiconductor SE for the period from 1 January 2021 to 30 June 2021 have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 4 August 2021

Warth & Klein Grant Thornton AG, Wirtschaftsprüfungsgesellschaft

Eckhard Lewe

German Public Auditor

Ulf Kellerhoff

German Public Auditor

## Financial calendar

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### Fiscal year 2021

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Quarterly results Q2 / 2021<sup>1</sup>

August 4, 2021

Quarterly results Q3/ 2021<sup>1</sup>

November 4, 2021

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<sup>1</sup>The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation oblige issuers to announce any information that may have a substantial price impact immediately, irrespective of the financial calendar. Therefore, we cannot rule out having to announce key figures of quarterly and annual results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them in advance on the website ([www.elmos.com](http://www.elmos.com)).

## Contact

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### Notes

The half-year financial report of Elmos Semiconductor SE fulfills the requirements of the applicable provisions under the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and comprises, according to Section 115 WpHG, condensed consolidated half-year financial statements, a group management report, and a responsibility statement. The consolidated half-year financial statements have been prepared in accordance with the IFRS applicable to interim financial reporting as released by the IASB and adopted by the European Union. The half-year financial report should be consulted together with our Annual Report for financial year 2020. The Annual Report includes a comprehensive presentation of our business activities and notes to the financial indicators applied.

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

### Forward-looking statements

This report contains statements directed to the future that are based on assumptions and estimates made by the management of Elmos. Even though we assume the underlying expectations of our forward-looking statements to be realistic, we cannot guarantee these expectations will prove right. The assumptions may carry risks and uncertainties, and as a result actual events may differ materially from the current statements made with respect to the future. Among the factors that could cause material differences are changes in general economic and business conditions, changes in exchange and interest rates, the introduction of competing products, lack of acceptance of new products, and changes in business strategy. Elmos neither intends nor assumes any obligation to update its statements with respect to future events.

This English translation is provided for convenience only. The German text shall be the sole legally binding version.