



**Melexis**  
INSPIRED ENGINEERING

HALF-YEAR REPORT **2019**



# TABLE OF CONTENTS

<b>1</b>	Comments on the condensed consolidated interim accounts prepared according to IFRS standards	4
<b>1.1</b>	Selected financial figures	4
<b>1.2</b>	Exchange rates	5
<b>1.3</b>	Result of operations	6
<b>1.4</b>	Liquidity, working capital and capital resources	7
<b>1.5</b>	Risk factors	7
<b>1.6</b>	Events after the balance sheet date	7
<b>1.7</b>	Statement of the Board of Directors	7
<b>2</b>	Condensed consolidated interim financial statements	8
<b>2.1</b>	Condensed consolidated interim statement of financial position	8
<b>2.2</b>	Condensed consolidated interim statement of profit and loss	10
<b>2.3</b>	Condensed consolidated interim statement of comprehensive income	11
<b>2.4</b>	Condensed consolidated interim statement of changes in equity	12
<b>2.5</b>	Condensed consolidated interim statement of cash flow	14
<b>2.6</b>	Notes to the condensed consolidated interim financial statements	16
<b>2.6.1</b>	<i>Company information</i>	16
<b>2.6.2</b>	<i>Statement of compliance</i>	16
<b>2.6.3</b>	<i>Summary of significant accounting policies</i>	16
<b>2.6.4</b>	<i>Changes in group's organization</i>	17
<b>2.6.5</b>	<i>Notes</i>	18
<b>3</b>	Shareholder information	33
<b>3.1</b>	Shareholder structure	33
<b>3.2</b>	Shareholder contact info	33
<b>3.3</b>	Financial calendar 2019	33
<b>3.4</b>	Dividend	33
<b>4</b>	Statutory Auditor's review opinion on the condensed consolidated interim financial statements of Melexis NV for the six month period ending June 30th, 2019	34
<b>5</b>	Glossary	36

# COMMENTS ON THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS PREPARED ACCORDING TO IFRS STANDARDS

## 1.1 SELECTED FINANCIAL FIGURES

The tables below set out the components of Melexis' operating income and operating expenses, as well as the key

elements of the condensed consolidated interim statement of financial position.

### Condensed consolidated interim income statement in Euro

	Half year ended 30/06/2019	Half year ended 30/06/2018
Product sales	236,357,864	280,158,173
Revenues from research and development	180,915	916,919
<b>Total sales</b>	<b>236,538,779</b>	<b>281,075,092</b>
Cost of sales	(140,032,910)	(152,142,823)
<b>Gross margin</b>	<b>96,505,869</b>	<b>128,932,269</b>
Research and development expenses	(39,274,031)	(37,689,710)
General and administrative expenses	(15,361,310)	(14,326,922)
Selling expenses	(7,693,248)	(7,183,418)
<b>Operating result (EBIT)</b>	<b>34,177,280</b>	<b>69,732,219</b>
Financial results (net)	(704,217)	294,479
<b>Result before Taxes</b>	<b>33,473,063</b>	<b>70,026,698</b>
Income Taxes	(3,952,645)	(13,124,561)
<b>Net result of the period</b>	<b>29,520,418</b>	<b>56,902,136</b>
Net profit of the Group	29,520,418	56,902,136
Attributable to owners of the parent	29,520,418	56,902,136

## Condensed consolidated interim statement of financial position

in Euro

	Half year ended 30/06/2019	Year ended 31/12/2018
Current Assets	251,114,994	240,452,461
Non current assets	185,544,001	187,567,003
Current liabilities	50,922,381	67,742,225
Non current liabilities	65,957,914	34,270,962
Equity	319,778,700	326,006,277

## 1.2 EXCHANGE RATES

Since the introduction of the Euro on January 1st, 1999, and in accordance with Belgian law, Melexis NV keeps its books and prepares its consolidated financial statements in Euro. The functional currency of its subsidiaries is as follows:

Melexis Inc.	<b>USD</b>
Melexis GmbH	<b>EUR</b>
Melexis Bulgaria EOOD	<b>BGN</b>
Melexis Ukraine	<b>UAH</b>
Melexis Technologies SA	<b>CHF</b>
Melexis NV/BO France	<b>EUR</b>
Sentron AG	<b>CHF</b>
Melefin NV	<b>EUR</b>
Melexis Technologies NV	<b>EUR</b>
Melexis NV/BO Philippines	<b>PHP</b>
K.K. Melexis Japan Technical Research Center	<b>JPY</b>
Melexis Electronic Technology (Shanghai) Co., Ltd	<b>CNY</b>
Melexis Switzerland SA	<b>CHF</b>
Melexis (Malaysia) Sdn. Bhd.	<b>MYR</b>
Melexis Technologies NV/BO Malaysia	<b>MYR</b>
Melexis Dresden GmbH	<b>EUR</b>
Melexis France SAS	<b>EUR</b>
Melexis Korea Yuhan Hoesa	<b>KRW</b>

Assets and liabilities of Melexis Inc., Melexis Technologies SA, Sentron AG, Melexis Switzerland SA, Melexis Ukraine, Melexis Bulgaria EOOD, Melexis NV/BO Philippines, Melexis Electronic Technology (Shanghai) Co., Ltd, Melexis Technologies NV/BO Malaysia, Melexis (Malaysia) Sdn. Bhd., Melexis Korea Yuhan Hoesa and K.K. Melexis Japan Technical Research Center are translated at exchange rates at the end of the reporting period. Revenues and expenses are translated at the average exchange rate during the period. Equity components have been translated at historical exchange rates. Gains or losses resulting from this translation are reflected in the component 'cumulative translation adjustment' (CTA) in the statement of financial position.

## 1.3 RESULT OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Company's financial statements of prior years.

### Revenues

Amidst an uncertain economic and geopolitical situation caused by global trade tensions and a continuing downward trend in global car sales, the total sales amounted to EUR 236,538,779, a decrease of 16% compared to the first half year of 2018. Specific research and development activities are performed under contract for customers. For the first half year of 2019, the company invoiced EUR 180,915 research and development costs to its customers, compared to EUR 916,919 in the first half year of 2018. Sales to automotive customers represented 92% of sales in the first half of 2019. ASSP sales represented 65% of all sales.

### Cost of sales

Costs of sales consist of materials (raw material and semi-finished parts), subcontracting, labor, depreciation and other direct production expenses. They decreased from EUR 152,142,823 in the first half year of 2018 to EUR 140,032,910 in the first half year of 2019. Expressed as a percentage of sales, the cost of sales was 59% in the first half year of 2019, compared to 54% in the first half year of 2018.

### Gross margin

The gross margin, expressed as a percentage of sales, was 41% in the first half year of 2019, compared to 46% in the first half year of 2018.

### Research and development expenses

Research and development expenses amounted to EUR 39,274,031 in the first half year of 2019, representing 17% of sales. The main research and development activities focused on magnetic sensors, inductive sensors, pressure sensors, temperature sensors, optical sensors, tire monitoring sensors, sensor interfaces, embedded drivers, embedded lighting and smart drivers.

### General, administrative and selling expenses

General, administrative and selling expenses consist mainly of salaries and salary related expenses, office equipment and related expenses, commissions, travel and advertising expenses. The general, administrative and selling expenses increased by 7% compared to the first half year of 2018, mainly as a result of increased spending in general supporting activities.

### Financial result

The net financial result decreased from EUR 294,479 gain in the first half year of 2018 to EUR 704,217 loss in the first half year of 2019. The (net) interest result increased from a loss of EUR 161,266 in the first half year of 2018 to a loss of EUR 349,294 in the first half year of 2019. The net exchange results (both realized and unrealized) in the first half year of 2019 amounted to a loss of EUR 287,211, compared to a gain of EUR 617,724 during the first half year of 2018.

### Net income

There was a decrease in net income from EUR 56,902,136 in 2018 to EUR 29,520,418 in 2019, mainly due to the decrease in revenues.

## 1.4 LIQUIDITY, WORKING CAPITAL AND CAPITAL RESOURCES

Cash and cash deposits amounted to EUR 31,307,332 as of June 30, 2019, in comparison to EUR 34,521,923 as of December 31, 2018.

In the first half year of 2019, operating cash flow before working capital changes amounted to EUR 60,498,968 compared to EUR 85,895,810 in the first half year of 2018. Net operating cash flow including working capital changes amounted to EUR 21,721,841. The decrease in net operating cash flow is mainly due to changes in inventories, other current assets and income tax paid.

The cash flow from investing activities was negative for an amount of EUR 15,555,388, mainly as a result of investments in fixed assets.

The cash flow from financing activities was negative for an amount of EUR 9,400,943 mainly due to the payment of the final dividend during the first half year of 2019, compensated by the drawdown of loans.

## 1.5 RISK FACTORS

Melexis is, as with any company, continuously confronted with – but not exclusively – a number of market and competition risks or more specific risks related to the company (eg. currency fluctuations, customer concentration, dependence on key personnel, product liability, IP or litigation). More information on risk factors can be found in the annual report 2018.

Melexis believes that the most noteworthy risks facing the company for the coming half year would be the volatility in supply and demand and fluctuations in the USD exchange rate.

## 1.6 EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date that have a material impact on the condensed consolidated interim financial statements.

## 1.7 STATEMENT OF THE BOARD OF DIRECTORS

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

**(a)** the condensed consolidated interim financial statements which have been prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole and

**(b)** the comments on the consolidated accounts include a fair review of the development and performance of the business and the position of the company and the entities included in the consolidation as a whole, together with a description of the principal risks and uncertainties they face.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 2.1 CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

in Euro

			Half year ended 30/06/2019	Year started 01/01/2019
<b>ASSETS</b>				
Current assets	Cash and Cash equivalents	Note 2.6.5 A	31,307,332	34,521,923
	Current investments, derivatives		14,119	100,619
	Accounts receivable - trade		68,456,705	75,207,173
	Accounts receivable - related companies	Note 2.6.5 I	112,019	160,364
	Assets for current tax		4,666,764	1,241,214
	Inventories		128,922,447	120,567,959
	Other current assets	Note 2.6.5 B	17,635,608	8,653,210
<b>Total current assets</b>			<b>251,114,994</b>	<b>240,452,461</b>
Non current assets	Deferred tax assets	Note 2.6.5 D	23,677,196	24,993,949
	Other non-current assets		7,600	4,000
	Leased assets	Note 2.6.5 L	4,332,498	5,139,032
	Property, plant and equipment	Note 2.6.5 C	151,318,576	157,417,332
	Intangible assets		6,208,130	5,151,722
<b>Total non current assets</b>			<b>185,544,001</b>	<b>192,706,035</b>
<b>TOTAL ASSETS</b>			<b>436,658,995</b>	<b>433,158,497</b>

The accompanying notes to this interim statement of financial position form an integral part of these condensed consolidated interim financial statements.

As of 1 January 2019, IFRS 16 needs to be applied and leased assets and lease liabilities are included in the balance sheet. As a result the year ended 31 December 2018 numbers have been restated and the situation of 1 January 2019 is presented.



in Euro

			Half year ended 30/06/2019	Year started 01/01/2019
<b>LIABILITIES</b>				
Current liabilities	Derivative financial instruments	Note 2.6.5 E	-	-
	Current portion of long-term debt	Note 2.6.5 F	-	1,040,201
	Lease liabilities	Note 2.6.5 L	675,297	1,453,433
	Accounts payable - trade		16,170,732	20,785,292
	Accounts payable - related companies	Note 2.6.5 I	14,653,232	13,967,425
	Accrued expenses, payroll and related taxes		10,394,803	10,501,804
	Accrued taxes		2,538,503	15,684,357
	Other current liabilities	Note 2.6.5 G	4,209,032	2,695,592
	Deferred income		2,280,783	3,067,556
<b>Total current liabilities</b>			<b>50,922,381</b>	<b>69,195,658</b>
Non current liabilities	Long-term debt less current portion	Note 2.6.5 F	62,000,000	34,000,000
	Lease liabilities	Note 2.6.5 L	3,685,599	3,685,599
	Deferred tax liabilities	Note 2.6.5 D	272,315	270,962
<b>Total non current liabilities</b>			<b>65,957,914</b>	<b>37,956,561</b>
Shareholders' capital			564,814	564,814
Reserve treasury shares			(3,817,835)	(3,817,835)
Legal reserve			56,520	56,520
Retained earnings			328,191,348	334,719,404
Cumulative translation adjustment			(5,226,618)	(5,527,096)
<b>Equity attributable to company owners</b>			<b>319,768,229</b>	<b>325,995,806</b>
Non controlling interest			10,471	10,471
<b>Total equity</b>			<b>319,778,700</b>	<b>326,006,277</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>436,658,995</b>	<b>433,158,497</b>

## 2.2 CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

in Euro

	Half year ended 30/06/2019	Half year ended 30/06/2018
Product sales	236,357,864	280,158,173
Revenues from research and development	180,915	916,919
<b>Total sales</b>	<b>236,538,779</b>	<b>281,075,092</b>
Cost of sales	(140,032,910)	(152,142,823)
<b>Gross margin</b>	<b>96,505,869</b>	<b>128,932,269</b>
Research and development expenses	(39,274,031)	(37,689,710)
General and administrative expenses	(15,361,310)	(14,326,922)
Selling expenses	(7,693,248)	(7,183,418)
<b>Result from operations (EBIT)</b>	<b>34,177,280</b>	<b>69,732,219</b>
Financial income	828,310	3,304,637
Financial charges	(1,532,527)	(3,010,158)
<b>Result before Taxes</b>	<b>33,473,063</b>	<b>70,026,698</b>
Income Taxes	(3,952,645)	(13,124,561)
<b>Net result of the period</b>	<b>29,520,418</b>	<b>56,902,136</b>
Earnings per share non-diluted	0.73	1.41
Earnings per share diluted	0.73	1.41

The accompanying notes to this condensed consolidated interim income statement form an integral part of these consolidated interim financial statements

## 2.3 CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

in Euro

	Half year ended 30/06/2019	Half year ended 30/06/2018
Net result	29,520,418	56,902,136
<b>Other comprehensive income</b>		
<b>Recyclable components</b>		
Fair value adjustments cash flow hedges	-	48,598
Cumulative translation adjustment	300,478	317,187
<b>Total other comprehensive income/ (loss) for the period, net of related tax effects</b>	300,478	365,785
<b>Total comprehensive income/ ( loss ) for the period</b>	29,820,896	57,267,921
<b>Total comprehensive income attributable to attributable to owners of the parent</b>	29,820,896	57,267,921

## 2.4 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

in Euro

	Number of shares	Share capital	Legal reserve	Retained earnings
<b>December 31st, 2017</b>	<b>40,400,000</b>	<b>564,814</b>	<b>56,520</b>	<b>303,381,229</b>
Net result	-	-	-	56,902,136
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend	-	-	-	(32,044,515)
<b>Transactions with owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,044,515)</b>
<b>June 30th, 2018</b>	<b>40,400,000</b>	<b>564,814</b>	<b>56,520</b>	<b>328,238,851</b>
Net result	-	-	-	58,549,142
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend	-	-	-	(52,068,589)
<b>Transactions with owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,068,589)</b>
<b>December 31st, 2018</b>	<b>40,400,000</b>	<b>564,814</b>	<b>56,520</b>	<b>334,719,404</b>
Net result	-	-	-	29,520,418
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend	-	-	-	(36,048,473)
<b>Transactions with owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,048,473)</b>
<b>June 30th, 2019</b>	<b>40,400,000</b>	<b>564,814</b>	<b>56,520</b>	<b>328,191,348</b>

Melexis NV holds 1.785 own shares and Melexis Technologies NV holds 344.356 shares of Melexis NV, in total representing 0.86% of shares outstanding. During 2018 and 2019 no additional purchase of own shares was done, therefore the amount of own shares held by Melexis NV and Melexis Technologies NV remains the same.

Reserve treasury shares	Hedge reserve	CTA	Non controlling interest	Total equity
(3,817,835)	(48,598)	(5,843,905)	10,471	294,302,696
-	-	-	-	56,902,136
-	-	317,187	-	317,187
-	48,598	-	-	48,598
-	<b>48,598</b>	<b>317,187</b>	-	<b>365,785</b>
-	-	-	-	(32,044,515)
-	-	-	-	<b>(32,044,515)</b>
<b>(3,817,835)</b>	-	<b>(5,526,718)</b>	<b>10,471</b>	<b>319,526,102</b>
-	-	-	-	58,549,142
-	-	16,331	-	16,331
-	-	-	-	-
-	-	16,331	-	16,331
-	-	-	-	(52,068,589)
-	-	-	-	<b>(52,068,589)</b>
<b>(3,817,835)</b>	-	<b>(5,527,096)</b>	<b>10,471</b>	<b>326,006,277</b>
-	-	-	-	29,520,418
-	-	300,478	-	300,478
-	-	-	-	-
-	-	<b>300,478</b>	-	<b>300,478</b>
-	-	-	-	(36,048,473)
-	-	-	-	<b>(36,048,473)</b>
<b>(3,817,835)</b>	-	<b>(5,226,618)</b>	<b>10,471</b>	<b>319,778,700</b>

## 2.5 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

in Euro (indirect method)

		Half Year Ended 30/06/2019	Half Year Ended 30/06/2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net result		29,520,418	56,902,136
<b>Adjustments for operating activities:</b>			
Deferred taxes	Note 2.6.5 D	1,316,753	1,422,180
Unrealized exchange results		436,435	(837,912)
Accrued income tax		4,360,483	9,189,507
Government grants		323,430	116,838
Depreciations		23,347,274	18,231,689
Depreciations leased assets		835,283	-
Financial results		358,892	871,372
<b>Operating cash flow before working capital changes</b>		<b>60,498,968</b>	<b>85,895,810</b>
Accounts receivable, net		6,766,352	(7,127,370)
Other current assets		(12,721,175)	(1,903,027)
Other non-current assets		(3,600)	600
Due to related companies	Note 2.6.5 I	685,807	(58,309)
Due from related companies	Note 2.6.5 I	48,345	221,062
Accounts payable		(4,644,687)	3,466,068
Accrued expenses		(107,001)	(349,000)
Other current liabilities		1,469,698	448,659
Deferred income and derivative financial instruments		(785,420)	(1,300,183)
Inventories		(11,774,981)	(18,910,676)
Interest paid		(204,127)	118,884
Income tax paid		(17,506,338)	(35,100,562)
<b>Net cash from operating activities</b>		<b>21,721,841</b>	<b>25,401,956</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	Note 2.6.5 C	(12,849,566)	(39,826,185)
Purchase of intangible assets		(2,034,867)	(689,570)
Repayment leasings		(806,886)	-
Interests received		49,431	5,477
Investments, proceeds from current investments		86,500	260,518
<b>Net cash used in investing activities</b>		<b>(15,555,388)</b>	<b>(40,249,760)</b>

## Condensed consolidated interim statement of cash flow (continued)

<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment from long-term debts	Note 2.6.5 F	(1,044,038)	(37,379)
Proceeds of long-term debts		28,000,000	-
Impact of exchange results on financing items		(308,432)	183,987
Dividend payment		(36,048,473)	(32,044,515)
<b>Net cash used in financing activities</b>		<b>(9,400,943)</b>	<b>(31,897,907)</b>
Effect of exchange rate changes on cash		19,899	30,951
(Decrease) increase in cash		(3,214,592)	(46,714,760)
Cash at beginning of the period		34,521,923	75,477,538
Cash at the end of the period	Note 2.6.5 A	31,307,332	28,762,778

The accompanying notes to this interim statement of cash flows form an integral part of the condensed consolidated interim financial statements.

The movement in net debt is as follows:

*in Euro*

	<b>Jan 1st, 2019</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>Jun 30th, 2019</b>
			<b>Foreign exchange movements</b>	
Current portion of long-term debts	1,040,201	(1,044,038)	3,837	-
Long term debts	34,000,000	28,000,000	-	62,000,000
Total debt	35,040,201	26,955,962	3,837	62,000,000

## 2.6 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2.6.1 Company information

Melexis NV is a limited liability company incorporated under Belgian law. The company has been operating since 1988. The company designs, develops, tests and markets advanced integrated semiconductor devices mainly for the automotive industry. The company sells its products to a wide customer base in the automotive industry in Europe, Asia and North America.

The Melexis Group of companies employed, on average 1,525 people at the end of June in 2019 and 1,385 at the end of June in 2018.

The registered office address of the company is located at Rozendaalstraat 12, 8900 Ieper, Belgium. The company is listed on Euronext.

The consolidated statements were authorized for issue by the Board of Directors subsequent to their meeting held on August 19th, 2019 in Tessenderlo.

### 2.6.2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the company for the year ended December 31st, 2018. Melexis has not applied early any new IFRS requirements that are not yet effective in 2019.

### 2.6.3 Summary of significant accounting policies

The accounting policies applied, computation and presentation are consistent with those applied in the annual consolidated financial statements ended December 31st, 2018, except as described below.

During the current financial year, the company has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective as per June 30th, 2019. The Group has not applied new IFRS requirements that are not yet effective as per June 30th, 2019.

The following amendments and annual improvements to standards are mandatory for the first time for the financial year beginning 1 January 2019 and have been endorsed by the European Union:

- IFRS 16, 'Leases' (effective 1 January 2019). This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



- IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019). This interpretation clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

The following new standards and amendments to standards have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2019 and have been endorsed by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020). The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.
- Amendments to the definition of material in IAS 1 and IAS 8 (effective 1 January 2020). The amendments clarify the definition of material and make IFRS more consistent. The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The amendments are not expected to have a significant impact on the preparation of financial statements

At any time, management aims at providing a fair representation of the financial statements to its stakeholders according IFRS legislation. In case of changes in IFRS legislation that materially impact, but are not yet adopted by Melexis, management ensures timely disclosure of the impact on Melexis' financial statements. There is no impact expected, except as described below.

Melexis is implementing IFRS 16 on the basis of the cumulative catch-up approach where the right of use asset equals the lease liability. For more information on the impact of the implementation of IFRS 16 we refer to note 2.6.5 L.

#### **2.6.4 Changes in Group's organization**

There have been no changes in the group structure during 2019.

## 2.6.5 Notes

### A. CASH AND CASH EQUIVALENTS

*in Euro*

	Half year ended 30/06/2019	Year ended 31/12/2018
Cash at bank and in hand	31,307,332	34,521,923
<b>Total</b>	<b>31,307,332</b>	<b>34,521,923</b>

### B. OTHER CURRENT ASSETS

*In Euro*

	Half year ended 30/06/2019	Year ended 31/12/2018
Other receivables	12,862,760	6,299,380
Prepaid expenses	4,772,848	2,353,831
<b>Total</b>	<b>17,635,608</b>	<b>8,653,210</b>

The other receivables mainly relate to VAT.

## C. PROPERTY, PLANT AND EQUIPMENT

in Euro

	Land & buildings	Machinery & equipment	Furniture & vehicles	Right of use assets	Fixed assets under construction	Total
<b>Cost:</b>						
Balance year ended December 31st, 2018	54,499,122	299,269,965	18,079,506	-	15,254,159	387,102,752
Additions of the year	1,302,309	7,048,841	1,848,744	5,176,382	2,294,105	17,670,381
Retirements (-)	(4,150)	(48,248)	(467,107)	-	-	(519,505)
Transfers	-	3,738,207	-	-	(3,738,207)	-
CTA	109,620	566,401	20,945	(37,350)	8,319	667,936
<b>Total half year ended June 30th, 2019</b>	<b>55,906,902</b>	<b>310,575,166</b>	<b>19,482,088</b>	<b>5,139,032</b>	<b>13,818,376</b>	<b>404,921,564</b>
<b>Accumulated depreciation:</b>						
Balance year ended December 31st, 2018	17,648,126	200,264,236	11,773,059	-	-	229,685,421
Additions of the period	1,117,907	16,445,176	1,393,491	836,616	-	19,793,189
Retirements (-)	(1,735)	(48,248)	(446,432)	-	-	(496,414)
Transfers	-	-	-	-	-	-
CTA	44,458	269,614	4,304	(30,082)	-	288,294
<b>Total half year ended June 30th, 2019</b>	<b>18,808,757</b>	<b>216,930,777</b>	<b>12,724,422</b>	<b>806,534</b>	<b>-</b>	<b>249,270,490</b>
<b>Carrying amount half year ended June 30th, 2019</b>	<b>37,098,145</b>	<b>93,644,389</b>	<b>6,757,666</b>	<b>4,332,498</b>	<b>13,818,376</b>	<b>155,651,074</b>
<b>Carrying amount year ended December 31st, 2018</b>	<b>36,850,996</b>	<b>99,005,729</b>	<b>6,306,448</b>	<b>-</b>	<b>15,254,159</b>	<b>157,417,332</b>

Additions of the year mainly relate to test equipment.  
Retirements: no material amount of compensation from

third parties which have been included in the consolidated interim statement of comprehensive income.

#### D. COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets are as follows:

*in Euro*

	01/01/2019	Charged to income statement	Charged to equity	30/06/2019
Amortization and depreciation of intangible assets, property, plant and equipment	22,450,000	(830,000)	-	21,620,000
Fair value adjustments financial instruments	(29,763)	25,586	-	(4,177)
Tax losses carried forward	2,290,000	(574,000)	-	1,716,000
Other	283,712	61,661	-	345,373
<b>Total</b>	<b>24,993,949</b>	<b>(1,316,753)</b>	-	<b>23,677,196</b>

Components of deferred tax liabilities are as follows:

*in Euro*

	01/01/2019	Charged to income statement	Charged to equity	30/06/2019
Other	(270,962)	-	(1,353)	(272,315)
<b>Total</b>	<b>(270,962)</b>	-	<b>(1,353)</b>	<b>(272,315)</b>

## E. DERIVATIVES

### Notional amounts

The following table presents the evolution of the aggregate notional amounts of the Group's outstanding derivative financial instruments:

		Half year ended 30/06/2019	Year ended 31/12/2018
Outstanding FX hedge contracts, not exceeding 1 year	USD	13,000,000	20,000,000

FX hedge contracts are entered into in order to hedge (part of) the outstanding balance sheet exposure in foreign currency (USD).

### Fair value

The fair value of derivatives is based upon mark to market valuations. The following table presents an overview of the fair value of outstanding derivatives, classified as an asset under current investment, derivatives:

#### Fair value in Euro

Assets	Half year ended 30/06/2019	Year ended 31/12/2018
Outstanding FX hedge contracts - level 2	14,119	100,619
<b>Total, classified under current investment</b>	<b>14,119</b>	<b>100,619</b>

These financial instruments are classified as financial assets at fair value through profit or loss.

## F. LONG AND SHORT TERM DEBTS

in Euro

	Half year ended 30/06/2019	Year ended 31/12/2018
<b>Secured loans</b>		
Bank loan (in CHF) at floating interest rate, average rate for 1H18 was 2.50% (1); repaid in 2019	-	40,201
Total secured loans	-	40,201
<b>Unsecured loans</b>		
Unsecured loans (in EUR) at floating interest rate, average rate for 1H19 was 0.85%, repaid in 2019	-	7,500,000
Unsecured loans (in EUR) at floating interest rate, average rate for 1H19 was 0.85%, repaid in 2019	-	7,500,000
Unsecured loans (in EUR) at floating interest rate, average rate for 1H19 was 0.80%, maturing in 2028	37,000,000	-
Unsecured loans (in EUR) at floating interest rate, average rate for 1H19 was 1.03%, maturing in 2028	15,000,000	10,000,000
Unsecured loans (in EUR) at floating interest rate, average rate for 1H19 was 0.98%, maturing in 2028	10,000,000	10,000,000
Total unsecured loans	62,000,000	35,000,000
Total debt	62,000,000	35,040,201
Current maturities	-	1,040,201
Long-term portion of debts	62,000,000	34,000,000

(1) The loan is secured by a mortgage on the building of Bevaix, Switzerland.

As per June 30th, 2019 there are engagements for the following financial covenants:

### For Melexis NV:

- Net debt/EBITDA ratio  $\leq$  3,5
- Tangible net worth/total assets  $\geq$  30%

As per June 30th, 2019 Melexis is respecting all its financial covenants.

## G. OTHER CURRENT LIABILITIES

in Euro

	Half year ended 30/06/2019	Year ended 31/12/2018
Accrued real estate withholding tax	157,300	102,000
Accrued financial services	366,167	311,945
Accrued design services	1,559,591	405,050
Accrued management services	481,294	454,526
Accrued HR services	277,807	94,939
Accrued transport services	10,000	133,000
Accrued insurances	245,171	90,680
Accrued IT services	249,101	142,798
Accrued licenses and royalties	579,000	481,348
Other	283,600	479,306
<b>Total</b>	<b>4,209,032</b>	<b>2,695,592</b>

The other current liabilities relate to services rendered by both third party suppliers and affiliated companies for which we did not yet receive an invoice. EUR 3,932,286

refers to third party supplier services and EUR 276,746 refers to rendered services from affiliated companies.

## H. OPERATING SEGMENTS

### Operating segments

Melexis products and production processes that are regularly evaluated by the chief operating decision maker have only one operating segment. Operating decisions are taken for each individual product during a committee lead by the CEO, based on performance assessments.

### Information about transactions with major customers

The following table summarizes sales by customer for the 10 most important customers, as % of total sales. It consists of the sales to the end customer and not to the sub-contractors or distributors.

*in%*

	Half year ended 30/06/2019	Half year ended 30/06/2018	Year ended 31/12/2018
Customer A	16	16	16
Customer B	7	6	6
Customer C	6	6	6
Customer D	6	6	6
Customer E	3	3	4
Customer F	3	3	3
Customer G	3	3	3
Customer H	3	2	2
Customer I	2	2	2
Customer J	2	2	2
<b>Total</b>	<b>51</b>	<b>48</b>	<b>51</b>



### Information about geographical areas

The Melexis Group's activities are conducted predominantly in EMEA (Europe, Middle-East and Africa), APAC (Asia Pacific) and NALA (North and Latin America).

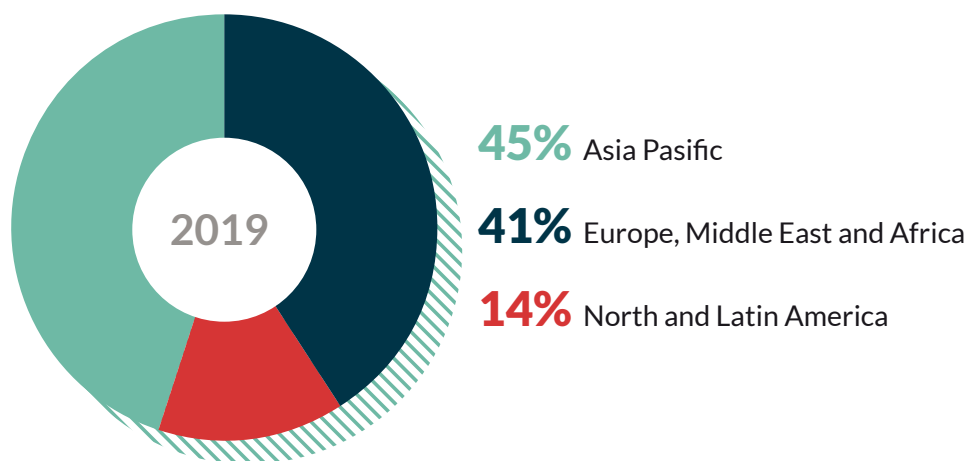
The origin of all revenue is in Belgium, as the invoicing entity is located in Belgium.

in Euro

	Europe, Middle East and Africa	North and Latin America	Asia Pacific	Total
<b>Half year ended 30/06/2019</b>				
Non current assets	171,822,841	2,175,414	11,545,746	185,544,001
<b>Half year ended 30/06/2018</b>				
Non current assets	158,441,465	1,543,314	11,164,161	171,148,940
<b>Year ended 31/12/2018</b>				
Non current assets	173,930,334	1,557,444	12,079,226	187,567,003

Due to the fact that the production sites are mainly located in Europe, the assets are also centralized in Europe (see table above).

The following table summarizes sales by destination, which is determined by the customer's billing address:



in Euro

	Half year ended 30/06/2019	Half year ended 30/06/2018
<b>Europe, Middle East and Africa</b>	<b>96,743,117</b>	<b>112,790,616</b>
Germany	42,592,773	54,329,290
France	5,617,208	6,559,130
United Kingdom	6,119,314	6,600,381
Poland	7,970,166	7,633,462
Switzerland	6,184,929	5,980,841
Ireland	1,900,079	2,111,317
Czech Republic	1,366,092	1,924,683
Austria	6,862,724	7,028,980
Netherlands	555,539	751,751
Romania	6,631,225	9,133,741
Bulgaria	2,096,238	2,468,905
Spain	991,090	620,671
South Africa	130,599	411,019
Hungary	1,369,598	1,973,750
Italy	3,487,464	2,562,242
Other	2,868,081	2,700,453
<b>North and Latin America</b>	<b>33,095,663</b>	<b>32,079,466</b>
United States	22,002,457	21,168,939
Canada	3,099,901	2,954,699
Mexico	7,941,596	7,881,216
Brazil	51,709	74,613
<b>Asia Pacific</b>	<b>106,699,999</b>	<b>136,205,011</b>
Japan	16,155,908	22,237,398
China	22,731,418	32,500,525
Hong Kong	12,517,486	18,116,644
Thailand	24,435,195	29,263,559
South Korea	12,045,360	12,931,654
Philippines	5,465,122	3,718,220
Taiwan	4,780,671	7,242,713
India	1,624,096	1,333,591
Singapore	6,447,497	8,144,716
Other	497,248	715,991
<b>TOTAL</b>	<b>236,538,779</b>	<b>281,075,092</b>

## I. RELATED PARTIES

### 1. Shareholders' structure and identification of major related parties

Melexis NV is the parent company of the Melexis Group that includes following entities which have been consolidated:

<b>Melexis Inc.</b>	US entity
<b>Melexis GmbH</b>	German entity
<b>Melexis Bulgaria EOOD</b>	Bulgarian entity
<b>Melexis Ukraine</b>	Ukrainian entity
<b>Melexis Technologies SA</b>	Swiss entity
<b>Melexis NV/BO France</b>	French branch
<b>Sentron AG</b>	Swiss entity
<b>Melefin NV</b>	Belgian entity
<b>Melexis Technologies NV</b>	Belgian entity
<b>Melexis NV/BO Philippines</b>	Philippine branch
<b>K.K. Melexis Japan Technical Research Center</b>	Japanese Entity
<b>Melexis Electronic Technology (Shanghai) Co., Ltd</b>	Chinese entity
<b>Melexis Switzerland SA</b>	Swiss entity
<b>Melexis (Malaysia) Sdn. Bhd.</b>	Malaysian entity
<b>Melexis Technologies NV/BO Malaysia</b>	Malaysian branch
<b>Melexis Dresden GmbH</b>	German entity
<b>Melexis France SAS</b>	French entity
<b>Melexis Korea Yuhan Hoesa</b>	South Korean entity

The shareholders of Melexis NV and related parties are as follows:

- Xtrion NV owns 53.58% of the outstanding Melexis shares. The shares of Xtrion are controlled directly and/or indirectly by Mr. Roland Duchâtelet, Mr. Rudi De Winter and Mrs. Françoise Chombar. Mr. Roland Duchâtelet and Mrs. Françoise Chombar are directors at Melexis NV.
- Elex NV is 99.9% owned by Mr. Roland Duchâtelet. One share is held by Mr. Roderick Duchâtelet.
- Xtrion NV owns 48.2% of the outstanding shares of X-FAB Silicon Foundries SE, producer of wafers, which are the main raw materials for the Melexis products. X-FAB Silicon Foundries SE sells the majority of its products also to third parties. X-FAB is listed on Euronext Paris since 2017
- Melexis, as in prior years, purchases part of its test equipment from the Xpeq Group. Xpeq Group develops, produces and sells test systems for the semiconductor industry. Xpeq Group is owned by Xtrion NV for 99.99%. One share is held by Mrs Françoise Chombar and one share is held by Mr Roland Duchâtelet.
- Xtrion NV owns 86% of the outstanding shares of X-Celeprint Ltd.
- Xtrion NV owns 58% of the outstanding shares of Microgen Systems Inc.
- Xtrion NV owns 24% of the outstanding shares of Anvo-Systems Dresden GmbH.
- Elex NV owns 99.9% of the outstanding share of Fremach International NV.

## 2. Outstanding balances at June 30th, 2019

The following balances were outstanding:

### Receivables of in Euro

	Half year ended 30/06/2019	Year ended 31/12/2018
Elex	2,033	2,033
Xtrion	4,840	4,840
Fremach	-	13,975
X-FAB Group	92,131	114,462
Xpeqt Group	13,015	25,054
<b>Total</b>	<b>112,019</b>	<b>160,364</b>

### Payables to in Euro

	Half year ended 30/06/2019	Year ended 31/12/2018
Elex	71,369	62
Xtrion	122,927	507,129
X-FAB Group	13,186,784	10,866,700
Xpeqt Group	1,228,401	2,549,720
Anvo-Systems Dresden	(249)	(185)
X-Celeprint	44,000	44,000
<b>Total</b>	<b>14,653,232</b>	<b>13,967,425</b>

### 3. Transactions during the year

In the course of the year, following transactions have taken place:

#### Sales/ purchases of goods and equipment

in Euro

Sales to	Half year ended 30/06/2019	Half year ended 30/06/2018
Fremach	10,965	17,485
Xpeqt Group	1,040	1,040

in Euro

Purchases from	Half year ended 30/06/2019	Half year ended 30/06/2018
X-FAB Group ( mainly wafers )	81,128,472	101,959,423
Xpeqt Group ( mainly equipment and goods )	2,957,988	7,519,070
Elex	-	226,374
Xtrion ( mainly IT infrastructure )	94,664	178,807

#### Sales/purchases of services

in Euro

Sales to	Half year ended 30/06/2019	Half year ended 30/06/2018
Elex	10,080	10,080
Xpeqt Group ( infrastructure office building )	66,063	64,985
Xtrion ( infrastructure office building )	24,000	24,000
X-FAB Group	441,447	324,572
Anvo-Systems Dresden ( mainly test services )	77,878	40,663

in Euro

Purchases from	Half year ended 30/06/2019	Half year ended 30/06/2018
Xtrion NV ( mainly IT and related support )	1,103,899	861,687
Elex ( mainly IT and related support )	522,477	597,312
X-Celeprint	-	33,727
Xpeqt Group	1,650,371	1,851,530
X-FAB Group	2,646,574	1,079,184
Anvo-Systems Dresden ( mainly R&D services )	-	44,226

The Board of Directors and the Audit Committee have reviewed and analyzed the major transactions and concluded these transactions are within the normal course of business and that there are sufficient elements to conclude that the remuneration is based on arm's length principles.

As a result there was no need to apply articles 523 and 524 of the Belgian Company Code dealing with conflicts of interest between related parties.

## J. COMMITMENTS & ESTIMATED LIABILITIES

### Purchase commitments

The Group had purchase commitments for a total of EUR 4,631,824 at June 30th, 2019.

### K. LITIGATION

There are currently no litigations.

### L. LEASE ARRANGEMENTS

The group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 9 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was between 0.8% and 2.11%. There were previously no leases recognized as finance leases.

The cumulative catch-up approach has been applied, as if the recognized contracts started on 1 January 2019.

The recognised right-of-use assets relate to the following types of assets:

	Half year ended 30/06/2019	Year started 01/01/2019
Buildings	4,217,867	4,983,443
Company cars	114,631	155,589
<b>Total right of use assets</b>	<b>4,332,498</b>	<b>5,139,032</b>

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- property, plant and equipment - increase by EUR 5,139,032
- lease liabilities - increase by 5,139,032

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Until the 2018 financial year, leases of buildings, equipment and cars were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The impact of IFRS 16 on EBITDA is limited, there is an increase of EUR 835,283.

## M. FINANCIAL INSTRUMENTS

### Financial risk management

Melexis operates internationally, which could give an exposure to market risks from changes in interest and foreign exchange rates. Melexis uses financial derivative instruments to manage the foreign exchange risks.

Risk management policies have been defined on Group level, and are carried out by the local companies of the Group.

#### (1) Credit risks

The Group has no significant concentration of credit risk with any single counterparty or Group of counterparties having similar characteristics. The Group has a policy to ensure that sales are only made to new and existing customers with an appropriate credit history.

#### (2) Interest rate risk

The Group doesn't use derivatives to manage interest rate risks of the outstanding bank debt.

The schedule of long-term-debt repayments is disclosed in Note 2.6.5.F.

#### (3) Liquidity risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the company within the normal terms of trade. To manage the risk the company periodically assesses the financial viability of customers.

#### (4) Foreign exchange risk

The currency risk of the Group mainly occurs due to the fact that the Group operates and has sales in USD. The Group uses derivative contracts to manage foreign exchange risks. The table with outstanding derivatives is taken up in Note 2.6.5.E.

### Fair value of financial assets and liabilities

The fair value of foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. For all of these instruments, the fair values are confirmed to the Group by the financial institutions through which the Group has entered into these contracts.

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

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

The fair value of the long-term loans is based on the current rates available for debt with the same maturity profile and approximates their carrying amounts.

Management believes that the exposure to interest rate risk of financial assets and liabilities as of June 30th, 2019 was minimal since their deviation from their respective fair values was not significant.



The consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 19 August, 2019 and were signed on its behalf by Françoise Chombar.

Françoise Chombar  
Managing Director, Chief Executive Officer (CEO)

A handwritten signature in black ink, consisting of a stylized 'F' followed by a series of loops and a long horizontal stroke.



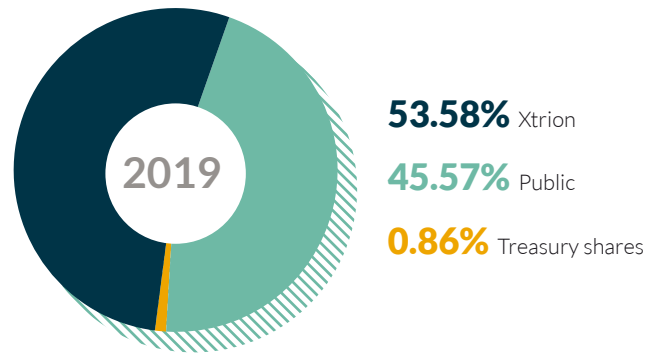
# 3 SHAREHOLDER INFORMATION

- **Listing** Euronext
- **Reuters ticker** MLXS.BR
- **Bloomberg ticker** MELE BB

## 3.1 SHAREHOLDER STRUCTURE

Situation on June 30th, 2019.

Company	Number of Shares	Participation Rate
Xtrion	21,644,399	53.58%
Treasury Shares	346,141	0.86%
Public	18,409,460	45.57%
Total	40,400,000	100.00%



## 3.2 SHAREHOLDER CONTACT INFO

### Investor Relations

Phone: +32 13 67 07 79

Fax: +32 13 67 21 34

Rozendaalstraat 12, B-8900 Ieper, Belgium

[www.melexis.com/investorrelations.aspx](http://www.melexis.com/investorrelations.aspx)

## 3.3 FINANCIAL CALENDAR 2019

**Announcement of Q3 results** October 23rd, 2019

**Announcement of Full Year Results** February 5th, 2020

## 3.4 DIVIDEND

Gross (interim-) dividend per share for accounting year

**2014:** EUR 1.00 interim dividend

**2015:** EUR 1.30 interim dividend and EUR 0.60 final dividend

**2016:** EUR 1.30 interim dividend and EUR 0.70 final dividend

**2017:** EUR 1.30 interim dividend and EUR 0.80 final dividend

**2018:** EUR 1.30 interim dividend and EUR 0.90 final dividend

The Board of Directors decided to pay out an interim dividend of 1.30 EUR gross per share, payable as from October 24th, 2019.



4

STATUTORY AUDITOR'S REVIEW OPINION  
ON THE UNAUDITED CONDENSED  
CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS OF MELEXIS NV FOR  
THE SIX MONTH PERIOD ENDING 30 JUNE  
2019



To the Board of Directors  
MELEXIS NV

**Statutory auditor's report on review of  
consolidated condensed financial information for the period ended June 2019.**

**Introduction**

We have reviewed the accompanying consolidated condensed statement of financial position of Melexis nv and its subsidiaries as of June 30, 2019 and the related consolidated condensed statement of profit and loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Hasselt, 20 August 2019

The statutory auditor  
PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren cvba  
Represented by

Sofie Van Grieken  
Réviseur d'Entreprises / Bedrijfsrevisor

Koen Vanstraelen  
Réviseur d'Entreprises / Bedrijfsrevisor

---

PwC Bedrijfsrevisoren cvba - PwC Reviseurs d'Entreprises scrl - Financial Assurance Services  
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe  
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com  
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB /  
BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

**Earnings per share**

Profit attributable to equity holders of Melexis divided by the weighted average number of ordinary shares.

**Earnings per share diluted**

Profit attributable to equity holders of Melexis divided by the fully diluted weighted average number of ordinary shares.

**Revenue**

Product sales + Revenues from Research and Development

**EBIT (Earnings Before Interests and Taxes)**

Turnover/sales – cost of sales – research and development expenses – general and administrative expenses – selling expenses – other operating expenses

**EBITDA (Earnings Before Interests and Taxes + Depreciation, Amortization and impairment)**

EBIT + depreciation, amortization and impairment.

**Shareholders' equity**

Shareholders' capital + retained earnings (inclusive current year's result) +/- reserves (reserve treasury shares, revaluation reserve hedge, revaluation reserve fair value, legal reserve) +/- Cumulative translation adjustment.

**Net Indebtedness**

Current portion of long-term debt + long-term debt less current portion + bank loans and overdrafts – current investments - cash and cash equivalents

**Working capital**

(Total current assets – cash and cash equivalents – current investments) – (current liabilities – bank loans and overdrafts – current portion of long-term debt – derivative financial instruments)

**Net cash from operating activities**

Net Result +/- adjustments for operating activities +/- changes in working capital

**Capital expenditure**

Investments in property, plant and equipment

**ROE (Return On Equity)**

Net income/shareholders' equity

**Liquidity**

Current assets/current liabilities

**Solvency**

Shareholders' equity/total assets

**Tangible net worth**

Total assets – liabilities – intangible assets



**Melexis** 

[www.melexis.com](http://www.melexis.com)