

Melexis

INSPIRED ENGINEERING



HALF-YEAR REPORT **2022**

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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 EUR

	Half year ended 30/06/2022	Half year ended 30/06/2021
Total sales	392,472,583	314,735,209
Cost of sales	(215,679,644)	(182,374,279)
Gross margin	176,792,939	132,360,929
Research and development expenses	(42,545,727)	(38,815,670)
General and administrative expenses	(19,494,249)	(15,505,470)
Selling expenses	(7,635,414)	(7,128,546)
Operating result (EBIT)	107,117,550	70,911,243
Financial result (net)	10,209,512	908,555
Result before taxes	117,327,062	71,819,798
Income taxes	(21,122,355)	(10,555,178)
Net result of the period	96,204,706	61,264,620
Net profit of the Group	96,204,706	61,264,620
Attributable to owners of the parent	96,204,706	61,264,620

Condensed consolidated interim statement of financial position

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Current assets	361,335,171	291,861,874
Non-current assets	161,331,852	169,318,620
Current liabilities	80,803,744	69,211,560
Non-current liabilities	7,443,086	2,912,487
Equity	434,420,193	389,056,448

1.2 EXCHANGE RATES

Since the introduction of the euro on 1 January 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.	USD
Melexis GmbH	EUR
Melexis Bulgaria EOOD	BGN
Melexis Ukraine	UAH
Melexis Technologies SA	CHF
Melexis NV/BO France	EUR
Sentron AG	CHF
Melefn NV	EUR
Melexis Technologies NV	EUR
Melexis NV/BO Philippines	PHP
K.K. Melexis Japan Technical Research Center	JPY
Melexis Electronic Technology (Shanghai) Co., Ltd	CNY
Melexis (Malaysia) Sdn. Bhd.	MYR
Melexis Technologies NV/BO Malaysia	MYR
Melexis Dresden GmbH	EUR
Melexis France SAS	EUR
Melexis Korea Yuhan Hoesa	KRW

Assets and liabilities of Melexis Inc., Melexis Technologies SA, Sentron AG, 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

Total sales amounted to EUR 392,472,583, an increase of 25% compared to the first half year of 2021. Sales to automotive customers represented 90% of sales in the first half of 2022. ASSP sales represented 74% of all sales.

The increase in sales is driven by strong demand and order intake. The EUR/USD exchange rate evolution had a positive impact of 4% on sales compared to the first half year of 2021. Customer price increases also had a material impact on revenue growth in the first half year. In the first half of 2022, the outperforming product lines were current sensors, latches and switches and drivers, all in support of the electrification trend. Our magnetic position sensors keep going strong as well. Likewise, we have been observing continued traction for our temperature sensors.

Cost of sales

Costs of sales consist of materials (raw material and semifinished parts), subcontracting, labor, depreciation and other direct production expenses. They increased from EUR 182,374,279 in the first half year of 2021 to EUR 215,679,644 in the first half year of 2022. Expressed as a percentage of sales, the cost of sales was 55% in the first half year of 2022, compared to 58% in the first half year of 2021.

Gross margin

The gross margin, expressed as a percentage of sales, increased from 42.1% in the first half year of 2021 to 45.0% in the first half year of 2022, mainly because of sales leverage, customer price increases and the positive effect of the strong USD.

Research and development expenses

Research and development expenses amounted to EUR 42,545,727 in the first half year of 2022, representing 10.8% of sales. The main research and development activities focused on magnetic sensors, inductive sensors, pressure sensors, temperature sensors, optical 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 and advertising expenses. The general, administrative and selling expenses increased by 20% compared to the first half year of 2021, mainly as a result of increased sales.

Financial result

The net financial result increased from EUR 908,555 gain in the first half year of 2021 to EUR 10,209,512 gain in the first half year of 2022. The (net) interest result increased from a loss of EUR 282,559 in the first half year of 2021 to a loss of EUR 266,218 in the first half year of 2022. The net exchange results (both realized and unrealized) in the first half year of 2022 amounted to a loss of EUR 2,728,027, compared to a loss of EUR 1,765,316 during the first half year of 2021. The fair value of our inflation swaps resulted in an unrealized financial gain of EUR 13,188,634 in the first half year of 2022.

Net income

There was an increase in net income from EUR 61,264,620 in the first half of 2021 to EUR 96,204,706 in the first half of 2022, mainly due to higher sales.

1.4 LIQUIDITY, WORKING CAPITAL AND CAPITAL RESOURCES

Cash and cash deposits amounted to EUR 39,269,557 as of 30 June 2022, in comparison to EUR 34,950,394 as of 31 December 2021.

In the first half year of 2022, operating cash flow before working capital changes amounted to EUR 139,147,869 compared to EUR 100,169,292 in the first half year of 2021. Net operating cash flow including working capital changes amounted to EUR 77,412,630, compared to EUR 58,880,210 in the first half year of 2021. The increase in net operating cash flow was mainly impacted by the increase in net income and inventory (note 2.6.5 F) as a result of increased sales.

The cash flow from investing activities was negative for an amount of EUR 15,618,422, mainly as a result of investments in fixed assets (mostly machinery and test equipment under construction).

The cash flow from financing activities was negative for an amount of EUR 57,491,999, mainly driven by the payment of the final dividend.

1.5 RISK FACTORS

Melexis, as any company, is continuously confronted with a number of market and competition risks or more specific risks related to the company (including but not limited to 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 2021.

Melexis believes that the most noteworthy risks that the company is facing for the coming half year would be the volatility in supply and demand, geopolitical tensions, inflationary pressures, and lingering COVID-19 consequences.

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 per 30 June 2022.

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 EUR

			Half year ended 30/06/2022	Year ended 31/12/2021
ASSETS				
Current assets	Cash and cash equivalents	Note 2.6.5 A	39,269,557	34,950,394
	Current investments, derivatives	Note 2.6.5 B	23,394,354	10,356,160
	Accounts receivable - trade	Note 2.6.5 C	100,709,911	80,229,168
	Accounts receivable - related companies	Note 2.6.5 D	1,058,694	5,179,602
	Assets for current tax	Note 2.6.5 E	10,728,574	5,976,258
	Inventories	Note 2.6.5 F	167,293,009	144,490,280
	Other current assets	Note 2.6.5 G	18,881,071	10,680,012
Total current assets			361,335,171	291,861,874
Non-current assets	Deferred tax assets	Note 2.6.5 H	21,459,414	25,230,552
	Other non-current assets	Note 2.6.5 D	2,927,485	3,140,921
	Property, plant and equipment	Note 2.6.5 I	129,133,020	132,020,095
	Intangible assets	Note 2.6.5 J	3,669,185	4,334,611
	Leased assets	Note 2.6.5 K	4,142,748	4,592,441
Total non-current assets			161,331,852	169,318,620
TOTAL ASSETS			522,667,023	461,180,495

in EUR

			Half year ended 30/06/2022	Year ended 31/12/2021
LIABILITIES				
Current liabilities	Derivative financial instruments	Note 2.6.5.B	942,762	-
	Lease liabilities	Note 2.6.5 K	917,182	1,718,141
	Accounts payable - trade	Note 2.6.5 L	23,424,172	22,667,627
	Accounts payable - related companies	Note 2.6.5 D	28,320,443	19,785,548
	Short-term employee benefits accruals	Note 2.6.5 M	14,783,467	17,810,905
	Accrued taxes	Note 2.6.5 N	3,196,991	789,822
	Other current liabilities	Note 2.6.5 O	6,480,776	4,002,058
	Deferred income	Note 2.6.5 P	2,737,950	2,437,459
Total current liabilities			80,803,744	69,211,560
Non-current liabilities	Lease liabilities	Note 2.6.5 K	3,295,086	2,908,663
	Other non-current liabilities	Note 2.6.5 Q	4,148,000	-
	Deferred tax liabilities	Note 2.6.5 H	-	3,824
Total non-current liabilities			7,443,086	2,912,487
Shareholders' capital			564,814	564,814
Legal reserve			56,520	56,520
Retained earnings			436,813,713	393,129,007
Cumulative translation adjustment			(3,015,264)	(4,694,303)
Equity attributable to company owners			434,419,783	389,056,038
Non-controlling interest			410	410
Total equity			434,420,193	389,056,448
TOTAL LIABILITIES AND EQUITY			522,667,023	461,180,495

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

2.2 CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

in EUR

	Half year ended 30/06/2022	Half year ended 30/06/2021
Total sales	392,472,583	314,735,209
Cost of sales	(215,679,644)	(182,374,279)
Gross margin	176,792,939	132,360,929
Research and development expenses	(42,545,727)	(38,815,670)
General and administrative expenses	(19,494,249)	(15,505,470)
Selling expenses	(7,635,414)	(7,128,546)
Result from operations (EBIT)	107,117,550	70,911,243
Financial income	15,963,081	3,697,471
Financial charges	(5,753,569)	(2,788,917)
Result before taxes	117,327,062	71,819,798
Income taxes	(21,122,355)	(10,555,178)
Net result of the period	96,204,706	61,264,620
Earnings per share non-diluted	2.38	1.52
Earnings per share diluted	2.38	1.52

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

2.3 CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

in EUR

	Half year ended 30/06/2022	Half year ended 30/06/2021
Net result	96,204,706	61,264,620
Other comprehensive income		
Recyclable components		
Cumulative translation adjustment	1,679,039	568,771
Total other comprehensive income/(loss) for the period, net of related tax effects	1,679,039	568,771
Total comprehensive income/(loss) for the period	97,883,745	61,833,391
Total comprehensive income attributable to owners of the parent	97,883,745	61,833,391

2.4 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

in EUR

	Number of shares	Share capital	Legal reserve	Retained earnings
31 December 2020	40,400,000	564,814	56,520	324,085,147
Net result		-	-	61,264,620
CTA movement		-	-	-
Dividend		-	-	(36,360,000)
Sale own shares		-	-	30,633,479
30 June 2021	40,400,000	564,814	56,520	379,623,246
Net result		-	-	69,843,595
CTA movement		-	-	(81)
Dividend		-	-	(52,520,000)
Sale own shares		-	-	(3,817,754)
31 December 2021	40,400,000	564,814	56,520	393,129,007
Net result		-	-	96,204,706
CTA movement		-	-	-
Dividend		-	-	(52,520,000)
Sale own shares		-	-	-
30 June 2022	40,400,000	564,814	56,520	436,813,713

	Reserve treasury shares	CTA	Non- controlling interest	Total equity
31 December 2020	(3,817,835)	(6,112,907)	410	314,776,149
Net result	-	-	-	61,264,620
CTA movement	-	568,771	-	568,771
Dividend	-	-	-	(36,360,000)
Sale own shares	-	-	-	30,633,479
30 June 2021	(3,817,835)	(5,544,136)	410	370,883,018
Net result	-	-	-	69,843,595
CTA movement	-	849,834	-	849,753
Dividend	-	-	-	(52,520,000)
Sale own shares	3,817,835	-	-	82
31 December 2021	-	(4,694,303)	410	389,056,448
Net result	-	-	-	96,204,706
CTA movement	-	1,679,039	-	1,679,039
Dividend	-	-	-	(52,520,000)
Sale own shares	-	-	-	-
30 June 2022	-	3,015,263	410	434,420,193

2.5 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

in EUR (indirect method)

		Half year ended 30/06/2022	Half year ended 30/06/2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result		96,204,706	61,264,620
Adjustments for operating activities:			
Deferred taxes	Note 2.6.5 H	3,771,138	1,110,477
Unrealized financial result		(9,287,375)	(1,338,044)
Accrued income tax		21,566,014	15,268,992
Government grants		1,173,937	351,133
Depreciations		22,781,878	22,193,231
Depreciations leased assets		910,824	862,836
Financial result		2,026,748	456,046
Operating cash flow before working capital changes		139,147,869	100,169,292
Accounts receivable, net		(20,477,925)	(15,569,751)
Other current assets		(14,118,418)	(8,509,416)
Other non-current assets		213,431	553,577
Due to related companies	Note 2.6.5 D	8,534,894	(416,900)
Due from related companies	Note 2.6.5 D	4,120,908	(513,777)
Accounts payable		737,002	4,727,641
Short-term employee benefits accruals		(3,027,437)	1,446,960
Other current liabilities		2,523,673	661,300
Other non-current liabilities		5,387,429	(14,258)
Inventories		(26,411,366)	(8,662,911)
Interest paid		(58,586)	(77,247)
Income tax paid		(19,158,845)	(14,914,300)
Net cash from operating activities		77,412,630	58,880,210
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	Note 2.6.5 I	(15,343,378)	(17,333,973)
Purchase of intangible assets		(277,345)	(1,078,419)
Interests received		2,302	4,007
Investments, proceeds from current investments		-	244,971
Net cash used in investing activities		(15,618,422)	(18,163,414)

Condensed consolidated interim statement of cash flow (continued)

CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment from long-term debts	Note 2.6.5 R	-	(32,013,406)
Repayment leasings		(884,171)	(1,286,824)
Impact of exchange results on financing items		(4,087,828)	(1,611,750)
Dividend payment		(52,520,000)	(36,360,000)
Sale of shares		-	30,633,560
Net cash used in financing activities		(57,491,999)	(40,638,420)
Effect of exchange rate changes on cash		16,956	5,117
(Decrease) increase in cash		4,319,164	83,492
Cash at the beginning of the period		34,950,394	58,883,048
Cash at the end of the period	Note 2.6.5 A	39,269,557	58,966,541

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

2.6 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.6.1 Company information

Melexis 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 (in FTE) 1,649 people at the end of June in 2022 and 1,452 at the end of June in 2021.

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 16 August 2022 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 31 December 2021. Melexis has not applied early any new IFRS requirements that are not yet effective in 2022.

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 31 December 2021, 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 30 June 2022. The Group has not applied new IFRS requirements that are not yet effective as per 30 June 2022.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union:

- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022).** The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.
 - Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
 - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
 - Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.
- **Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021, with early application permitted).** The amendments extend, by one year, the May 2020 amendment that

provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued).

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- **IFRS 17 'Insurance contracts' (effective 1 January 2023).**

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer pop effective date to annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance.

The EU regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).** The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes

in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023).** The

amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2022 and have not been endorsed by the European Union:

- **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2023),** affect only the

presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023).** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.
- **Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021, effective 1 January 2023).** The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

At any time, management aims at providing a fair representation of the financial statements to its stakeholders according to 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.

The Group elected not to adopt early the new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per 30 June 2022.

2.6.4 Changes in Group's organization

There have been no changes in the Group structure in the first half year of 2022.

2.6.5 Notes

A. CASH AND CASH EQUIVALENTS

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Cash at bank and in hand	39,269,557	34,950,394
Total	39,269,557	34,950,394

B. 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 30/06/2022	Year ended 31/12/2021
Outstanding FX hedge contracts, not exceeding 1 year	USD	50,000,000	50,000,000
Outstanding inflation hedge contracts, exceeding 1 year	EUR	30,000,000	30,000,000

FX hedge contracts are entered into in order to hedge (part of) the outstanding balance sheet exposure in foreign currency (USD) while inflation hedge contracts are used to hedge Belgian salary payments.

Fair value

The fair value of derivatives is based upon mark to market valuations. All derivative financial instruments are measured at fair value derived from level 2 input criteria. For FX swaps, this is calculated using the forward rate of the appropriate currency pair on 30 June.

The following table presents an overview of the fair value of outstanding derivatives, classified as an asset under Current investments, Derivatives:

Fair value in EUR

Assets	Half year ended 30/06/2022	Year ended 31/12/2021
Outstanding FX hedge contracts - level 2	-	150,440
Outstanding inflation swaps - level 2	23,394,354	10,205,720
Total, classified under current investment	23,394,354	10,356,160

The following table presents an overview of the fair value of outstanding derivatives, classified as a liability under Derivative financial instruments:

Fair value in EUR

Liabilities	Half year ended 30/06/2022	Year ended 31/12/2021
Outstanding FX hedge contracts - level 2	942,762	-
Total, classified under Derivative financial instruments	942,762	-

As of 30 June 2022, there were no outstanding derivatives for which hedge accounting was applied as defined under IFRS 9. As a result, no changes in the fair value of hedging instruments were recognized in a hedging reserve.

C. TRADE RECEIVABLES

Trade receivables are measured at fair value and are subsequently measured at amortized cost, less allowance for credit losses. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Trade accounts receivables	100,778,062	80,297,319
Allowance for doubtful accounts	(68,151)	(68,151)
Total	100,709,911	80,229,168

As of 30 June 2022, trade receivables of EUR 10,153,575 were past due.

The aging analysis of these receivables, including allowance for doubtful accounts, is as follows:

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Not due	90,556,336	73,394,734
<30 days	8,074,921	5,794,097
>30 <60 days	940,049	209,953
>60 days	1,138,605	830,384
Total	100,709,911	80,229,168

In the following aging analysis, the distinction is made between the receivables for which an allowance for doubtful accounts is made and the receivables for which no allowance for doubtful accounts is needed:

in EUR

30 June 2022	Allowance for doubtful accounts	No allowance for doubtful accounts	Total receivables
Not due	-	90,556,336	90,556,336
<30 days	-	8,074,921	8,074,921
>30 <60 days	-	940,049	940,049
>60 days	(68,151)	1,206,756	1,138,605
Total	(68,151)	100,778,062	100,709,911

The credit control department reviews on a regular basis the outstanding balances of customers. When there is a significant increase in the credit risk of a customer, an allowance for doubtful accounts is made. The analysis of the increased credit risk is performed according to the credit loss model of IFRS 9. The output of the analysis did not result in material amounts to be accounted for.

Melexis uses an early warning system to detect potential bad debtors. In this system, the most recent available financial information of the customer (with focus on credit ratios) is combined with an analysis of their (future) order and payment behavior. The analysis is done on a weekly basis and thoroughly investigated by the credit control team. No additional impairment or credit losses needed to be taken in the first half year of 2022.

D. 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:

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

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

- Xtrion NV owns 50% + 1 share of the outstanding Melexis shares. The shares of Xtrion NV are controlled directly and/or indirectly by Mr. Roland Duchâtelet, Mr. Rudi De Winter and Ms. Françoise Chombar. Mr. Duchâtelet and Ms. Chombar are directors at Melexis NV.
- Xtrion NV owns 48.4% 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 Silicon Foundries SE 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 99.9%.
- Xtrion NV owns 86.2% of the outstanding shares of X-CelePrint Ltd.
- Xtrion NV owns 24% of the outstanding shares of Anvo-Systems Dresden GmbH.
- Mr. Roland Duchâtelet is a member of Elex NV's key management personnel.
- Elex NV owns 99.9% of the outstanding shares of Fremach International NV.

2. Outstanding balances on 30 June 2022

The following balances were outstanding:

Receivables

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Elex NV	104	2,033
Xtrion NV	-	4,840
X-FAB Group	1,047,391	5,164,721
Xpeqt Group	11,199	8,007
Total	1,058,694	5,179,602

Payables

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Elex NV	7,564	137,033
Xtrion NV	268,383	112,430
X-FAB Group	26,944,995	18,564,840
Xpeqt Group	1,099,501	972,585
Anvo-Systems Dresden GmbH	-	(1,340)
Total	28,320,443	19,785,548

3. Transactions during the year

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

Sales/purchases of goods and equipment

in EUR

Sales to	Half year ended 30/06/2022	Half year ended 30/06/2021
Fremach Group (mainly integrated circuits or ICs)	11,102	13,608
Xpeqt Group	1,040	-
X-FAB Group (mainly test & assembly services)	8,459	7,666

in EUR

Purchases from	Half year ended 30/06/2022	Half year ended 30/06/2021
X-FAB Group (mainly wafers)	134,171,134	112,215,713
Xpeqt Group (mainly equipment and goods)	2,980,221	1,535,293
Xtrion NV (mainly IT infrastructure)	62,993	48,892

Sales/purchases of services

in EUR

Sales to	Half year ended 30/06/2022	Half year ended 30/06/2021
Elex NV	10,485	10,080
Xpeqt Group (infrastructure office building)	54,348	49,761
Xtrion NV (infrastructure office building)	24,000	67,445
X-FAB Group	212,668	220,822
Anvo-Systems Dresden GmbH (mainly test services)	-	56,831

in EUR

Purchases from	Half year ended 30/06/2022	Half year ended 30/06/2021
Xtrion NV (mainly IT and related support)	954,704	1,131,302
Elex NV (mainly IT and related support)	677,914	474,434
X-Celeprint Ltd	-	12,000
Xpeqt Group	1,700,391	1,370,394
X-FAB Group	4,203,841	1,545,287

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 7:87, 7:96 and 7:97 of the Belgian Code on Companies and Associations dealing with conflicts of interest between related parties.

E. ASSETS FOR CURRENT TAX

The most important component of the current tax assets is the overpayment of Belgian taxes for financial year 2022 amounting to EUR 8.9 million.

F. INVENTORIES

In order to support our sales growth, inventories increased from EUR 144,490,280 to EUR 167,293,009 in the first half year of 2022, an increase of 16% compared to December 2021.

G. OTHER CURRENT ASSETS

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Other receivables	13,648,015	7,713,241
Prepaid expenses	5,233,056	2,966,771
Total	18,881,071	10,680,012

The other receivables mainly relate to VAT.

Prepaid expenses are expenses paid in advance for the whole year, for example insurance fees, license fees, etc. These increase at the beginning of the year and decrease towards the end.

H. COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets are as follows:

in EUR

	1 January 2022	Charged to income statement	Charged to equity	30 June 2022
Amortization and depreciation of intangible assets, property, plant and equipment	26,188,000	(454,000)	-	25,734,000
Fair value adjustments financial instruments	(2,589,040)	(3,023,828)	-	(5,612,868)
Tax attributes carried forward	935,000	(258,000)	-	677,000
Other	696,592	(35,310)	-	661,282
Total	25,230,552	(3,771,138)	-	21,459,414

Components of deferred tax liabilities are as follows:

in EUR

	1 January 2022	Charged to income statement	Charged to equity	30 June 2022
Other	3,824	(3,824)	-	-
Total	3,824	(3,824)	-	-

I PROPERTY, PLANT AND EQUIPMENT

in EUR

	Land & buildings	Machinery & equipment	Furniture & vehicles	Fixed assets under construction	Total
Cost:					
Balance year ended 31 December 2021	72,297,306	341,105,696	23,954,203	11,100,825	448,458,030
Additions of the year	481,397	2,701,540	1,756,682	10,112,256	15,051,875
Retirements (-)	(237,051)	(8,262,987)	(1,735,001)	-	(10,235,039)
Transfers	446,437	10,276,822	576,322	(11,452,333)	(152,752)
CTA	288,874	1,366,240	128,237	7,706	1,791,057
Total half year ended 30 June 2022	73,276,962	347,187,311	24,680,443	9,768,455	454,913,171
Accumulated depreciation:					
Balance year ended 31 December 2021	25,011,118	273,984,876	17,441,943	-	316,437,937
Additions of the year	1,396,382	15,984,077	1,977,043	-	19,357,502
Retirements (-)	-	(9,727,490)	(1,598,624)	-	(11,326,115)
CTA	123,510	1,068,383	118,933	-	1,310,826
Total half year ended 30 June 2022	26,531,011	281,309,846	17,939,293	-	325,780,149
Carrying amount half year ended 30 June 2022	46,745,951	65,877,465	6,741,150	9,768,455	129,133,021
Carrying amount year ended 31 December 2021	47,286,188	67,120,820	6,512,260	11,100,825	132,020,093

Additions of the year mainly relate to test equipment and infrastructure under construction.

Retirements: no material amount of compensation from third parties has been included in the consolidated statement of comprehensive income.

Fixed assets under construction: this mainly relates to the construction in progress of test equipment and infrastructure.

Retirements are mainly linked to items with zero net book value which are not in use anymore by the company.

There are currently no restrictions in title for any of our PPE assets nor are they pledged as security for liabilities. The purchase commitments related to PPE assets are disclosed in note 2.6.5 T.

J. INTANGIBLE ASSETS

Intangible assets mainly consist of software license fees and amount to EUR 3,669,185 per 30 June 2022.

K. LEASED ASSETS AND LIABILITIES

This note provides information for leased assets where Melexis is a lessee. The balance sheet shows the following amounts related to leased assets:

in EUR

30 June 2022	Land and building	Furniture and vehicles	Total
Leased assets			
Balance year ended 31 December 2021	7,415,435	629,756	8,045,191
Additions of the year	1,331,971	58,929	1,390,900
Retirements (-)	(2,305,585)	(41,231)	(2,346,816)
CTA	147,305	-	147,305
End of the period	6,589,126	647,454	7,236,579
Accumulated depreciation			
Balance year ended 31 December 2021	3,195,581	257,167	3,452,748
Additions of the period	859,131	77,385	936,516
Retirements (-)	(1,427,513)	(17,996)	(1,445,509)
CTA	150,076	-	150,076
End of the period	2,777,275	316,556	3,093,832
NET BOOK VALUE	3,811,851	330,897	4,142,748

The balance sheet shows the following amounts related to lease liabilities:

in EUR

30 June 2022	Current liabilities	Non-current liabilities	Total
Beginning of the period	1,718,141	2,908,663	4,626,804
End of the period	917,182	3,295,086	4,212,268

The table below shows the duration of the outstanding lease contracts:

in EUR

30 June 2022	Land and building	Furniture and vehicles	Total
< 1 year	842,128	75,054	917,182
> 1 year < 5 years	3,033,254	261,832	3,295,086
TOTAL	3,875,383	336,886	4,212,268

The statement of profit and loss shows the following amounts relating to leases:

in EUR

30 June 2022	Total
Depreciation charges leased buildings	859,131
Depreciation charges leased vehicles	77,385
Interest expense (included in finance cost)	47,707
Expenses related to short-term leases or low-value assets (included in admin expenses)	198,746

L. ACCOUNTS PAYABLE

Trade payables are non-interest bearing and are normally settled on 30-day terms.

In the first half year of 2022, trade accounts payables increased from EUR 22,667,627 to EUR 23,424,172, an increase of 3% compared to December 2021 due to the sales growth.

M. SHORT-TERM EMPLOYEE BENEFITS ACCRUALS

In the first half year of 2022, accrued expenses decreased from EUR 17,810,905 to EUR 14,783,467, a decrease of 17% compared to December 2021.

N. ACCRUED TAXES

In the first half year of 2022, accrued taxes increased from EUR 789,822 to EUR 3,196,991. Accrued taxes mainly consist of income taxes.

O. OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

in EUR

	Half year ended 30/06/2022	Year ended 31/12/2021
Accrued real estate withholding tax	261,000	362,000
Accrued financial services	478,623	346,076
Accrued design services	3,027,863	1,368,772
Accrued management services	348,665	193,913
Accrued HR services	571,195	659,967
Accrued insurances	217,411	439,633
Accrued IT services	6,000	20,041
Accrued licenses and royalties	756,356	205,000
Other	813,664	406,656
Total	6,480,776	4,002,058

P. DEFERRED INCOME

The deferred income relates to shipments that were not delivered to the customer before the half-year end. As this performance obligation was not met, revenue was not recognized at half-year end but will be recognized when the shipment will be delivered to the customer. The performance obligation was met shortly after half-year and revenue was recognized in July. A contract liability is recognized in case a payment for a customer is due before a related performance obligation is satisfied.

Q. OTHER NON-CURRENT LIABILITIES

As a change in business conditions led to an increased importance of the warranty risk, Melexis set up a warranty provision which is based on a reliable estimate of historical data.

R. LONG- AND SHORT-TERM DEBT

As per 30 June 2022, Melexis does not have any long- or short-term debt. The Group has unused committed credit lines for a total of EUR 132 million.

S. OPERATING SEGMENTS

Operating segments

Melexis products and production processes that are regularly evaluated have only one operating segment. They have evolved in such a way that the distinction between automotive and non-automotive segments is no longer relevant. Operating decisions are taken during a committee led by the CEO, based on performance assessments.

Information about transactions with major customers

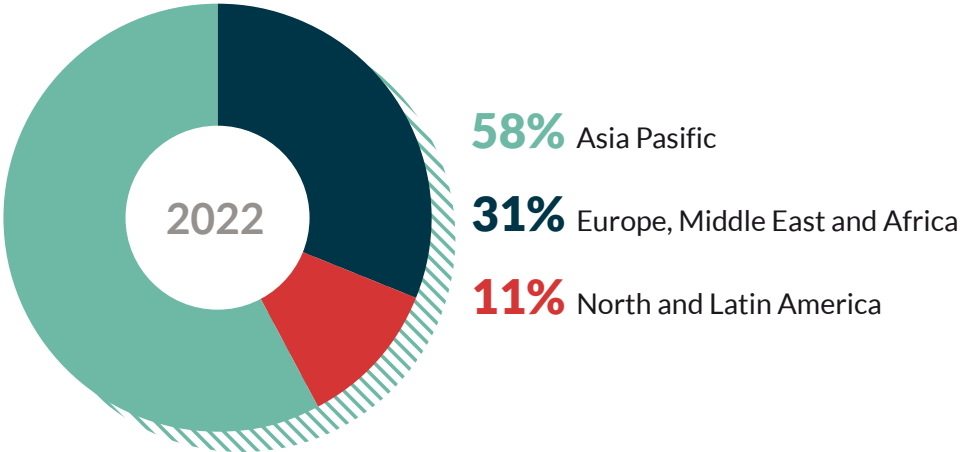
The following table summarizes sales by customer for the 10 most important customers, as % of total sales. It consists of the sales to the end customer and not to the subcontractors or distributors.

in %

	Half year ended 30/06/2022	Half year ended 30/06/2021	Year ended 31/12/2021
Customer A	14	14	14
Customer B	6	6	6
Customer C	5	6	6
Customer D	5	6	5
Customer E	5	4	4
Customer F	3	2	2
Customer G	2	2	2
Customer H	2	2	2
Customer I	2	2	2
Customer J	2	2	2
Total	45	45	45

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.

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

in EUR

	Half year ended 30/06/2022	Half year ended 30/06/2021
Europe, Middle East and Africa	122,119,940	111,242,648
Germany	49,239,284	45,988,108
France	8,183,981	8,210,727
United Kingdom	4,047,473	4,495,175
Poland	5,403,822	6,942,481
Switzerland	12,116,505	9,471,912
Serbia	1,263,382	1,162,055
Czech Republic	3,815,497	3,290,411
Austria	5,584,772	5,613,714
Netherlands	91,104	176,433
Romania	10,064,649	8,135,474
Bulgaria	2,227,638	2,483,171
Spain	1,131,718	1,014,517
Lithuania	5,407,707	2,716,509
Hungary	3,445,675	2,686,880
Italy	5,113,803	4,637,323
Other	4,982,931	4,217,758
North and Latin America	42,628,821	34,126,278
United States	26,830,148	21,141,991
Canada	4,426,758	2,734,765
Mexico	11,367,423	10,215,195
Brazil	1,492	34,327
Other	3,000	-
Asia Pacific	227,723,822	169,366,283
Japan	29,955,856	20,057,596
China	51,340,540	37,573,832
Hong Kong	36,080,391	29,045,212
Thailand	32,064,234	28,109,928
South Korea	26,595,666	16,658,355
Philippines	11,961,481	11,094,837
Taiwan	17,142,720	13,571,445
India	4,942,016	2,998,443
Singapore	16,821,567	9,720,438
Other	819,350	536,196
TOTAL	392,472,583	314,735,209

T. COMMITMENTS & ESTIMATED LIABILITIES

Purchase commitments

The Group had purchase commitments for a total of EUR 18,451,358 on 30 June 2022.

U. LITIGATION

There are currently no litigations.

V. 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 can use derivative financial instruments to manage the foreign exchange risk, interest risk and inflation risk.

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

(1) Credit risks

Credit 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. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties having similar characteristics.

(2) Interest rate risk

On 30 June 2022, the Group did not have any outstanding bank debt.

(3) Liquidity risk

Liquidity risk arises from the possibility that the Group is unable to meet its financial obligations upon maturity, due to the inability to convert assets into cash without incurring a loss. To prevent this, the Group keeps a significant cash reserve in combination with multiple unused committed credit lines.

(4) Foreign exchange risk

The currency risk of the Group occurs due to the fact that the Group operates and has sales in USD. The Group uses derivative contracts to manage foreign exchange risk. The table with outstanding derivatives per 30 June is taken up in note 2.6.5 B.

(5) Inflation risk

The inflation risk of the Group arises from the possibility that the salaries will increase due to inflation. The Group uses inflation hedge contracts to hedge Belgian salary payments. For more information, please refer to note 2.6.5 B.

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 current investments is calculated by reference to the market value on the stock exchange on which the shares are listed.

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 30 June 2022 was minimal since their deviation from their respective fair values was not significant.

W. CLIMATE CHANGE

The world needs to continue the fight against climate change and seek solutions for both CO₂ and power consumption reduction. The call for green products has never been greater than today, a demand that will only increase in the coming years in all markets and impact mobility and energy consumption. The European Green Deal is striving to make Europe the first climate-neutral continent and will pave the way for a better future. Melexis is especially well positioned to contribute to the electrification trend in the automotive industry that is currently seeing an acceleration on the back of a heightened and justified attention to combating climate change. A decline in demand for Melexis' products, a large part

of which support the transition to a lower carbon economy, is unlikely. Therefore, we have not impaired any assets year to date.

Melexis is continuously looking for ways to reduce emissions and energy use by designing sustainable products for our customers who are also increasingly looking to minimize their impact on the environment. To do so, Melexis adheres to the Greenhouse Gas or GHG Protocol and is now measuring its scope 1 and 2 emissions. In consultation with an external consultant, all our sites have now been assessed and their baseline measurements regarding CO₂ emissions have been determined. These initial values provide the starting point for annual comparisons and allow for the establishment of future key performance indicators. Besides that, Melexis continuously evaluates the possible impact of climate change in its business creation process. For more information on our initiatives with regard to a lower carbon economy, please refer to chapter 6 of our annual report 2021.

An important environmental risk that Melexis faces is linked primarily to climate change, such as the higher occurrence of natural hazards. Melexis is mapping, proactively and together with our suppliers, business continuity risks including natural hazards, at every stage of the supply chain and ensuring mitigation of the main risks.

Another risk related to climate change is the potential need for increased expenditures and investments by players in the semiconductor industry to ensure compliance with new regulations to reduce the CO₂ footprint. The production of wafers for instance is very energy and water intensive. Moreover, the environmental footprint of transportation of ICs is high, given the global nature of the semiconductor

supply chain. Therefore, regulation in view of climate change could put pressure on the industry and lead to substantial increases in the cost of doing business. In the first half of 2022, expenses related to climate change were not material.

There is no substantial impact of climate change considerations on the financial judgments and estimates made in this annual report.

X. RUSSIA'S INVASION OF UKRAINE

It goes without saying that our most important concern today is our people in Kyiv. We are in close contact with local colleagues throughout these challenging times and we are committed to help them.

A dedicated taskforce set up at the end of December 2021 has been monitoring the situation and supporting our colleagues. Contingency plans have been put in place. Melexis is supporting Ukrainian colleagues and their families who can and want to leave Ukraine to cross the border and - if such is their wish - go to Sofia. We prioritize relocation to Sofia where we have job opportunities.

Since access to the office in Kyiv is limited due to health and safety reasons, we are supporting remote working. A back-up solution for the continuation of some of the existing Kyiv development projects is being set up, in combination with outsourcing and additional hiring.

In Kyiv we have a team of around 60 people who perform R&D activities. There is no immediate impact on our manufacturing operations and current product delivery engagements. These events do not have a material impact on the figures.



The consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 16 August 2022 and were signed on its behalf by Marc Biron.

Marc Biron
Managing Director, Chief Executive Officer (CEO)

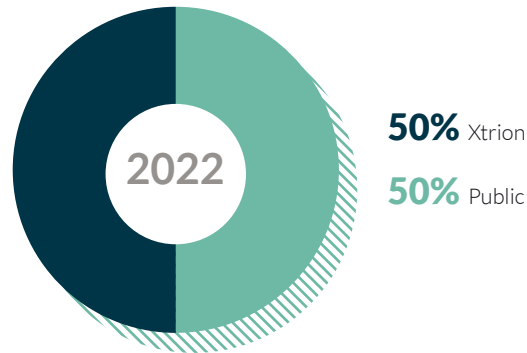
3 SHAREHOLDER INFORMATION

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

3.1 SHAREHOLDER STRUCTURE

Situation on 30 June 2022

Company	Number of Shares	Participation Rate
Xtrion NV	20,200,001	50% + 1 share
Public	20,199,999	50%
Total	40,400,000	100%



3.2 SHAREHOLDER CONTACT INFO

Investor Relations

Email: investor@melexis.com
Rozendaalstraat 12, B-8900 Ieper, Belgium
www.melexis.com/en/investors

3.3 FINANCIAL CALENDAR 2022

Dividend pay date

20 October 2022 (ex coupon 18 October 2022)

Announcement of Q3 results

26 October 2022

Announcement of full-year results

1 February 2023

3.4 DIVIDEND

Taking into account the current and future cash flow situation and if no rewarding investment opportunities can be found, Melexis NV intends to pay out regular (interim) dividends, in order to maximize the return on equity for its shareholders.

Gross (interim) dividend per share out of distributable reserves:

- 2017:** EUR 1.30 interim dividend
EUR 0.80 final dividend
- 2018:** EUR 1.30 interim dividend
EUR 0.90 final dividend
- 2019:** EUR 1.30 interim dividend
- 2020:** EUR 1.30 interim dividend
EUR 0.90 final dividend
- 2021:** EUR 1.30 interim dividend
EUR 1.30 final dividend
- 2022:** EUR 1.30 interim dividend

The Board of Directors decided to pay out an interim dividend of 1.30 EUR gross per share. The Melexis shares will start trading ex coupon on 18 October 2022 (opening of the market). The record date is 19 October 2022 (closing of the market) and the dividend will be payable as from 20 October 2022.



4

STATUTORY AUDITOR'S REVIEW OPINION
ON THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS OF
MELEXIS NV FOR THE SIX-MONTH PERIOD
ENDING 30 JUNE 2022



To the Board of Directors
MELEXIS NV

Statutory auditor's report on review of consolidated condensed financial information for the period ended 30 June 2022

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Melexis NV and its subsidiaries as of 30 June 2022 and the related condensed consolidated interim statement of profit and loss, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow 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 condensed consolidated financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Hasselt, 24 August 2022

The statutory auditor
PwC Bedrijfsrevisoren BV
represented by

Sofie Van Grieken

Sofie Van Grieken
Bedrijfsrevisor

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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