HALF-YEAR REPORT **2024**

Melexis

INNOVATION WITH HEART

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1 COMMENTS ON THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS PREPARED ACCORDING TO IFRS STANDARDS AS ADOPTED BY THE EU

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 30/06/2024	Half year ended 30/06/2023
Total sales	**487,543,382**	**465,251,318**
Cost of sales	(271,993,481)	(251,191,328)
Gross margin	**215,549,901**	**214,059,990**
Research and development expenses	(53,459,769)	(50,468,413)
General and administrative expenses	(24,517,398)	(24,290,958)
Selling expenses	(9,485,556)	(10,727,257)
Operating result (EBIT)	**128,087,179**	**128,573,362**
Financial result (net)	(4,730,295)	(2,319,929)
Result before taxes	**123,356,884**	**126,253,433**
Income taxes	(21,341,451)	(23,437,368)
Net result of the period	**102,015,433**	**102,816,065**
Net profit of the Group	102,015,433	102,816,065
Attributable to owners of the parent	102,015,433	102,816,065

Condensed consolidated interim statement of financial position

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Current assets	450,932,747	450,059,843
Non-current assets	440,165,384	416,021,296
Current liabilities	95,863,216	124,028,831
Non-current liabilities	241,648,682	190,985,062
Equity	553,586,233	551,067,246

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**
Melefin 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**
Xpeqt NV	**EUR**
Xpeqt EOOD	**BGN**

Assets and liabilities of Melexis Inc., Melexis Technologies 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, K.K. Melexis Japan Technical Research Center and Xpeqt EOOD 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 487,543,382, an increase of 5% compared to the first half year of 2023. Sales to automotive customers represented 89% of sales in the first half of 2024.

The increase in sales is mainly driven by applications outside the powertrain. The outperforming product lines were magnetic position sensors, temperature sensors and embedded motor drivers.

Cost of sales

Cost of sales consists of materials (raw material and semi-finished parts), subcontracting, labor, depreciation and other direct production expenses. They increased from EUR 251,191,328 in the first half year of 2023 to EUR 271,993,481 in the first half year of 2024, mainly due to wafer price increases. Expressed as a percentage of sales, the cost of sales was 56% in the first half year of 2024, compared to 54% in the first half year of 2023.

Gross margin

The gross margin, expressed as a percentage of sales, decreased from 46% in the first half year of 2023 to 44% in the first half year of 2024. This represents a normalization after a positive contribution from inventory effects in the previous year.

Research and development expenses

Research and development expenses amounted to EUR 53,459,769 in the first half year of 2024, representing 11% of sales, which is in line with the first half year of 2023. The main research and development activities focused on current sensors, magnetic sensors, inductive sensors, pressure sensors, temperature sensors, optical sensors, sensor interfaces, embedded motor drivers, embedded lighting , smart motor drivers and latch & switch.

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 decreased by 3% compared to the first half year of 2023, mainly as a result of cost optimization measures.

Financial result

The net financial result amounted to EUR 4,730,295 loss in the first half of 2024 compared to EUR 2,319,929 loss in the first half of 2023. The (net) interest result changed from a loss of EUR 918,296 in the first half year of 2023 to a loss of EUR 5,059,106 in the first half of 2024 due to an increase in total debt. The net exchange results (both realized and unrealized) in the first half year of 2024 amounted to a gain of EUR 429,873, compared to a loss of EUR 510,734 in the first half year of 2023.

Net income

There was a decrease in net income from EUR 102,816,065 in the first half of 2023 to EUR 102,015,433 in the first half of 2024, mainly due to a decrease of the gross margin and the financial result.

1.4 LIQUIDITY, WORKING CAPITAL AND CAPITAL RESOURCES

Cash and cash deposits amounted to EUR 38,550,929 as of 30 June 2024, in comparison to EUR 39,348,841 as of 31 December 2023.

In the first half year of 2024, operating cash flow before working capital changes amounted to EUR 153,180,616 compared to EUR 152,088,594 in the first half year of 2023. Net operating cash flow including working capital changes amounted to EUR 81,114,724, compared to EUR -68,401,460 in the first half year of 2023. The increase in net operating cash flow was mainly impacted by a significant decrease in operational advance payments to an important supplier.

The cash flow from investing activities was negative for an amount of EUR -26,939,584, mainly as a result of investments in fixed assets (mainly the new building in Kuching and test equipment).

The cash flow from financing activities amounted to EUR -54,969,092, mainly due to the dividend payment, partially compensated by proceeds of long-term debt.

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, inflation, interest rates, customer concentration, dependence on key personnel, product liability, IP or litigation). More information on risk factors can be found in the annual report 2023.

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 (such as the Russian invasion of Ukraine, which has not directly impacted Melexis' operations in Kyiv) and intense competition within the automotive market. Melexis also identified risks related to climate change which can be found in a separate chapter about climate change (note 2.6.5.X).

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 2024.

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.

2 UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

in EUR

			Half year ended 30/06/2024	Year ended 31/12/2023
ASSETS				
Current assets	Cash and cash equivalents	Note 2.6.5 A	38,550,929	39,348,841
	Current investments, derivatives	Note 2.6.5 B	138,006	—
	Accounts receivable - trade	Note 2.6.5 C & D	119,497,678	120,206,343
	Assets for current tax	Note 2.6.5 E	11,129,580	3,727,334
	Inventories	Note 2.6.5 F	256,846,988	254,348,153
	Other current assets	Note 2.6.5 G	24,769,565	32,429,173
Total current assets			**450,932,747**	**450,059,843**
Non-current assets	Deferred tax assets	Note 2.6.5 I	33,309,378	33,331,820
	Other non-current assets	Note 2.6.5 H	192,862,519	181,233,403
	Property, plant and equipment	Note 2.6.5 J	204,787,970	195,883,945
	Intangible assets	Note 2.6.5 K	1,479,629	2,075,226
	Leased assets	Note 2.6.5 L	7,725,887	3,496,902
Total non-current assets			**440,165,384**	**416,021,296**
TOTAL ASSETS			**891,098,131**	**866,081,139**

in EUR

			Half year ended 30/06/2024	Year ended 31/12/2023
LIABILITIES				
Current liabilities	Derivative financial instruments	Note 2.6.5 B	—	259,214
	Lease liabilities	Note 2.6.5 L	1,042,721	1,526,743
	Accounts payable - trade	Note 2.6.5 M & D	62,284,098	80,030,373
	Short-term employee benefits accruals	Note 2.6.5 N	15,253,297	23,680,221
	Accrued taxes	Note 2.6.5 O	3,817,164	2,642,293
	Other current liabilities	Note 2.6.5 P	9,048,724	12,964,363
	Deferred income	Note 2.6.5 Q	4,417,212	2,925,624
Total current liabilities			**95,863,216**	**124,028,831**
Non-current liabilities	Long-term debt less current portion	Note 2.6.5 S	229,818,512	184,659,096
	Lease liabilities	Note 2.6.5 L	6,786,600	1,989,751
	Other non-current liabilities	Note 2.6.5 R	4,479,119	3,625,947
	Deferred tax liabilities	Note 2.6.5 I	564,451	710,268
Total non-current liabilities			**241,648,682**	**190,985,062**
Equity:	Shareholders' capital		564,814	564,814
	Legal reserve		56,520	56,520
	Retained earnings		557,824,997	553,305,064
	Cumulative translation adjustment		(4,860,507)	(2,859,562)
Equity attributable to company owners			**553,585,823**	**551,066,837**
	Non-controlling interest		410	410
Total equity			**553,586,233**	**551,067,246**
TOTAL EQUITY AND LIABILITIES			**891,098,131**	**866,081,139**

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 30/06/2024	Half year ended 30/06/2023
Total revenue	**487,543,382**	**465,251,318**
Cost of sales	(271,993,481)	(251,191,328)
Gross margin	**215,549,901**	**214,059,990**
Research and development expenses	(53,459,769)	(50,468,413)
General and administrative expenses	(24,517,398)	(24,290,958)
Selling expenses	(9,485,556)	(10,727,257)
Income from operations (EBIT)	**128,087,179**	**128,573,362**
Financial income	2,973,777	4,393,085
Financial charges	(7,704,072)	(6,713,014)
Profit or loss before tax	**123,356,884**	**126,253,433**
Income tax	(21,341,451)	(23,437,368)
Net profit or loss for the period	**102,015,433**	**102,816,065**
Earnings per share non-diluted	2.53	2.54
Earnings per share diluted	2.53	2.54

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 30/06/2024	Half year ended 30/06/2023
Net result		102,015,433	102,816,065
Other comprehensive income			
Recyclable components			
Cumulative translation adjustment		(2,000,946)	(261,186)
Non-recyclable components			
Remeasurement of post-employment benefit obligation, after tax	Note 2.6.5 R	(535,500)	—
Total other comprehensive income/(loss) for the period, net of related tax effects		**(2,536,446)**	**(261,186)**
Total comprehensive income/(loss) for the period		**99,478,987**	**102,554,879**
Total comprehensive income attributable to owners of the parent		**99,478,987**	**102,554,879**

2.4 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

in EUR

	Number of shares	Share capital	Legal reserve	Retained earnings	CTA	Non-controlling interest	Total equity
31 December 2022	**40,400,000**	**564,814**	**56,520**	**485,241,671**	**(3,780,183)**	**410**	**482,083,231**
Net income		—	—	102,816,066	—	—	102,816,065
Other comprehensive income		—	—	—	(261,186)	—	(261,186)
Dividends		—	—	(88,880,000)	—	—	(88,880,000)
30 June 2023	**40,400,000**	**564,814**	**56,520**	**499,177,736**	**(4,041,370)**	**410**	**495,758,110**
Net income				106,647,328			106,647,328
Other comprehensive income				—	1,181,809		1,181,808
Dividends				(52,520,000)			(52,520,000)
31 December 2023	**40,400,000**	**564,814**	**56,520**	**553,305,064**	**(2,859,561)**	**410**	**551,067,246**
Net income				102,015,433			102,015,433
Other comprehensive income				(535,500)	(2,000,946)		(2,536,446)
Dividends				(96,960,000)			(96,960,000)
30 June 2024	**40,400,000**	**564,814**	**56,520**	**557,824,996**	**(4,860,507)**	**410**	**553,586,233**

2.5 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

in EUR

		Half year ended 30/06/2024	Half year ended 30/06/2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		102,015,433	102,816,065
Adjustments for operating activities			
Unrealized financial result		(330,249)	1,010,041
Other provisions		139,172	631,244
Deferred income		1,491,588	842,632
Depreciation and amortization		22,538,756	21,844,963
Depreciation leased assets		1,044,804	925,947
Financial result		4,939,660	580,334
Income tax expense/income		21,341,451	23,437,368
Operating cash flow before working capital changes		**153,180,616**	**152,088,594**
Accounts receivable, net		708,664	(25,598,942)
Other current assets		7,659,608	(2,201,330)
Other non-current assets		(11,629,117)	(139,143,471)
Due to related companies	Note 2.6.5 D	—	7,700,066
Due from related companies	Note 2.6.5 D	—	32,562
Accounts payable		(17,746,275)	2,678,223
Employee benefit liabilities		(8,461,520)	(3,310,928)
Other current liabilities		(3,915,639)	2,585,365
Inventories		(6,218,411)	(36,825,673)
Cash generated from operations		**113,577,927**	**(41,995,534)**
Interest paid		(5,020,316)	(1,215,406)
Income tax paid		(27,442,887)	(25,190,520)
Net cash from operating activities		**81,114,724**	**(68,401,460)**

		Half year ended 30/06/2024	Half year ended 30/06/2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	Note 2.6.5 J	(27,127,609)	(38,769,223)
Purchase of intangible assets		–	(323,010)
Interest received		188,025	656,518
Investments, proceeds, from current investments		–	11,628,646
Net cash used in investing activities		**(26,939,584)**	**(26,807,069)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment leasings		(960,962)	(370,547)
Repayment and proceeds from long-term debts		45,159,416	134,967,605
Impact of exchange results on financing items		(2,207,546)	549,696
Dividend payment		(96,960,000)	(88,880,000)
Net cash used in financing activities		**(54,969,092)**	**46,266,754**
Effect of exchange rate changes on cash		(3,960)	(428,659)
(Decrease) increase in cash		(797,912)	(49,370,433)
Cash at beginning of the period		**39,348,841**	**85,080,008**
Cash at end of the period (Note 2.6.5 A)		**38,550,929**	**35,709,575**

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) 1,885 people at the end of June in 2023 and 1,951 at the end of June in 2024.

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 19 August 2024 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 2023. Melexis has not applied early any new IFRS requirements that are not yet effective in 2024.

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 2023, 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 2024. The Group has not applied new IFRS requirements that are not yet effective as per 30 June 2024.

The following new standard and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2024 and have been endorsed by the European Union:

1. **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2024),** 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.

◦ Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

2. **Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements.** The amendment describes the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.

3. **Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (effective 1 January 2024).** The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does

not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

The following Standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2024 and have not been endorsed by the European Union:

1. **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective 1 January 2025).** IAS 21 previously did not cover how to determine exchange rates in case there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on: Determining when a currency is exchangeable into another and when it is not; determining the exchange rate to apply in case a currency is not exchangeable and additional disclosures to provide when a currency is not exchangeable.

2. **Amendments to IFRS 9 and to IFRS 7: the Classification and Measurement of Financial Instruments (effective on 1 January 2026).** On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

◦ Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

◦ Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

◦ Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement environment, social and governance (ESG) targets); and

◦ Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

3. **IFRS 18 Presentation and Disclosure in Financial Statements (effective on 1 January 2027).** The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

◦ the structure of the statement of profit or loss;

◦ required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

◦ enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes.

4. **IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective on 1 January 2027).** The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 'Subsidiaries without Public Accountability: Disclosures' permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

1. **IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016).** It concerns an interim standard on the accounting for certain balances that arise from rate–regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral

accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first-time adoption or subsequently) and on presentation and disclosure.

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 2024.

2.6.4 Changes in Group's organization

There have been no changes in the Group structure in the first half of 2024.

2.6.5 Notes

A. CASH AND CASH EQUIVALENTS

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Cash at bank and in hand	38,550,929	39,348,841
Total	**38,550,929**	**39,348,841**

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 30/06/2024	Year ended 31/12/2023
Outstanding FX hedge contracts, not exceeding 1 year	USD	60,000,000	50,000,000

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. 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 30/06/2024	Year ended 31/12/2023
Outstanding FX hedge contracts - level 2	138,006	—
Total, classified under current investment	**138,006**	**—**

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 30/06/2024	Year ended 31/12/2023
Outstanding FX hedge contracts - level 2	—	259,214
Total, classified under derivative financial instruments	**—**	**259,214**

As of 30 June 2024, 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.

The advance payments of the group, as disclosed in note 2.6.5.U, are not accounted for under IFRS 9 as the settlement will be in wafers and not in cash or another financial instrument.

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 30/06/2024	Year ended 31/12/2023
Trade accounts receivable	119,555,618	120,264,283
Allowance for doubtful accounts	(57,940)	(57,940)
Total	**119,497,678**	**120,206,343**

As of 30 June 2024, trade receivables of EUR 9,960,917 were past due.

The aging analysis of these receivables, is as follows:
in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Not due	109,536,761	101,418,140
<30 days	8,883,817	17,251,847
>30 <60 days	1,154,161	445,338
>60 days	(77,061)	1,091,019
Total	**119,497,678**	**120,206,343**

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 2024	Allowance for doubtful accounts	No allowance for doubtful accounts	Total receivables
Not due	—	109,536,761	**109,536,761**
<30 days	—	8,883,817	**8,883,817**
>30 <60 days	—	1,154,161	**1,154,161**
>60 days	(57,940)	(19,121)	**(77,061)**
Total	**(57,940)**	**119,555,618**	**119,497,678**

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 2024.

As per 30 June 2024, EUR 15,018 of the trade accounts receivables are related parties, compared to EUR 3.095 per 30 June 2023 (see Note 2.6.5.D).

D. RELATED PARTIES

1. Shareholder structure and identification of major related parties

Melexis NV is the parent company of the Melexis Group that includes following entities and branches 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
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
Xpeqt NV	Belgian entity
Xpeqt EOOD	Bulgarian entity

- Sensinnovat BV owns 25% + 1 share of the outstanding Melexis shares. The shares of Sensinnovat BV are controlled by Mr. Rudi De Winter and Ms. Françoise Chombar. Ms. Chombar is a director at Melexis NV.
- Elex NV owns 25% of the outstanding Melexis shares. Mr. Roland Duchâtelet is a member of Elex NV's key management personnel. Mr. Duchâtelet is a director at Melexis NV.
- Elex NV owns 99.9% of the outstanding shares of Fremach International NV.
- Fremach International NV has significant influence over WorkNomads AD.

*On 14 November 2023, Xtrion sold all shares it held in Melexis to Elex and Sensinnovat, its indirect shareholders. Xtrion sold 10,100,000 shares to Elex and 10,100,001 shares to Sensinnovat. After these changes to the shareholding structure of Melexis, X-FAB is no longer a related party of Melexis as based on IAS 24.9 (b) (significant influence as defined in IAS 28, no control or joint control). On 1 October 2023, Melexis NV acquired all shares in the share capital of Xpeqt NV which led to the fact that also Xpeqt NV is no longer a related party. As such, amounts included in the tables below are only applicable to the period 1 January 2023 to 14 November 2023.

2. Outstanding balances on 30 June 2024

The following balances were outstanding:

Receivables

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Elex NV	433	3,095
Fremach Group	2,914	—
Sensinnovat	11,670	—
Total	**15,018**	**3,095**

Payables

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Elex NV	49,621	52,345
Xtrion NV	6,896	279,424
Sensinnovat	34,329	9,759
Total	**90,846**	**341,529**

Transactions during the year

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

Sales/purchases of goods and equipment

in EUR

Sales to	Half year ended 30/06/2024	Half year ended 30/06/2023
Fremach Group (mainly integrated circuits or ICs)	5,828	13,050
Xpeqt Group*	—	1,040
X-FAB Group*		2,884
Purchases from	**Half year ended 30/06/2024**	**Half year ended 30/06/2023**
Sensinnovat	66,000	—
Xtrion NV (mainly IT infrastructure)	127,224	50,369
Xpeqt Group (mainly equipment and goods)*	—	4,275,934
X-FAB Group (mainly wafers)*	—	172,139,799

Sales/purchases of services

in EUR

Sales to	Half year ended 30/06/2024	Half year ended 30/06/2023
Elex NV	955	7,967
Xpeqt Group (infrastructure office building)*	–	60,404
Xtrion NV (infrastructure office building)	–	36,960
X-FAB Group*	–	291,928
Sensinnovat	19,290	
Worknomads EAD	–	324
Purchases from	**Half year ended 30/06/2024**	**Half year ended 30/06/2023**
Xtrion NV (mainly IT and related support)	620,958	1,018,050
Elex Group (mainly support services)	314,842	426,756
Xpeqt Group*	–	2,222,749
X-FAB Group (mainly test & assembly services)*	–	4,135,136
Worknomads EAD (R&D Services)	100,211	84,074
Sensinnovat BV	91,272	271,467

E. ASSETS FOR CURRENT TAX

The most important component of the current tax assets is the overpayment of Belgian taxes of EUR 8 million related to 2024.

F. INVENTORIES

Inventory is written off when no sales are expected or when the goods contain defects. As per 30 June 2024, EUR 3,719,576 of additional inventory was written off. EUR 2,894,441 of the inventory written off during the previous year was reversed as the business conditions to write-off these inventory items became redundant or the estimated sales value increased due to a change in business conditions.

Inventories increased from EUR 254,348,153 to EUR 256,846,988 in the first half year of 2024, an increase of 1% compared to December 2023.

G. OTHER CURRENT ASSETS

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Other receivables	17,450,563	27,600,253
Prepaid expenses	7,319,002	4,828,920
Total	**24,769,565**	**32,429,173**

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. OTHER NON-CURRENT ASSETS

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
X-FAB Group	192,862,519	181,233,403
Total	**192,862,519**	**181,233,403**

The 2023 mismatch between supply and demand related to automotive semiconductors has led market participants to establish new ways of contracting aimed at the long-term relationship between suppliers and their customers. During recent years, in line with developments within the sector, Melexis and its subsidiaries have also concluded various long-term agreements (LTAs) with different suppliers. The most important goal of the LTAs is to secure volumes and more predictable prices.

Given that the LTA with our main supplier X-FAB requires significant capacity expansions on their part, Melexis Technologies agreed, in line with current market practices, to prepay a part of the committed wafers. In February 2024 Melexis prepaid an additional EUR 8.9 million to X-FAB.

No triggering event occurred that would give rise to any indication for impairment of these non-current assets.

I. COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets are as follows:

in EUR

	1 January 2024	Charged to income statement	Charged to equity	30 June 2024
Tax amortization charges	29,171,460	(79,772)	—	29,091,688
Tax losses carried forward	2,368,000	(152,084)	—	2,215,916
Fair value adjustments hedge accounting	64,803	(64,803)	—	—
Miscellaneous	1,727,556	95,718	178,500	2,001,774
Total	**33,331,820**	**(200,941)**	**178,500**	**33,309,378**

Components of deferred tax liabilities are as follows:

in EUR

	1 January 2024	Charged to income statement	Charged to equity	30 June 2024
Fair value adjustments financial instruments	—	(34,501)	—	(34,501)
Other	(710,268)	180,319	—	(529,949)
Total	**(710,268)**	**145,818**	**—**	**(564,450)**

J. PROPERTY, PLANT AND EQUIPMENT

in EUR

	Land and buildings	Machinery and equipment	Furniture and vehicles	Fixed assets under construction	Total 30 June 2024	Total 30 June 2023
Cost						
Balance year ended 31 December 2023	77,795,693	390,208,420	32,970,386	54,993,993	555,968,492	471,741,974
Additions of the year	964,268	6,361,805	3,356,795	16,335,540	27,018,408	38,209,907
Retirements (-)	(296,430)	(6,401,889)	(830,277)		(7,528,596)	(5,910,163)
Transfers	38,991,680	10,497,903	1,275,041	(50,764,624)	—	—
CTA	(184,448)	(619,137)	(78,433)		(882,017)	(1,317,259)
End of the period	**117,270,764**	**400,047,102**	**36,693,512**	**20,564,909**	**574,576,287**	**502,724,432**
Accumulated depreciation						
Balance year ended 31 December 2023	31,201,183	307,042,308	21,841,056	—	360,084,547	336,663,297
Additions of the year	1,804,987	14,321,116	2,091,538		18,217,641	17,269,380
Retirements (-)	(65,618)	(6,401,889)	(827,928)		(7,295,435)	(5,715,049)
CTA	(122,131)	(1,040,052)	(56,252)		(1,218,435)	(1,279,061)
End of the period	**32,818,421**	**313,921,483**	**23,048,414**	**—**	**369,788,318**	**346,938,567**
Carrying amount half year ended 30 June 2024	**84,452,343**	**86,125,619**	**13,645,098**	**20,564,909**	**204,787,970**	**—**
Carrying amount year ended 31 December 2023	**46,594,510**	**83,166,112**	**11,129,330**	**54,993,993**	**195,883,945**	**—**

Additions of the year mainly relate to new infrastructure and testing equipment that was activated from infrastructure under construction (new probing facility in Malaysia).

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

K. INTANGIBLE ASSETS

Intangible assets mainly consist of software license fees and amount to EUR 1,479,629 per 30 June 2024.

L. 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 2024	Land and building	Furniture and vehicles	Total
Leased assets			
Balance year ended 31 December 2023	6,603,760	757,023	7,360,782
Additions of the year	5,121,652	179,785	5,301,436
Retirements (-)		(80,783)	(80,783)
CTA	(11,938)	—	(11,938)
End of the period	**11,713,473**	**856,025**	**12,569,497**
Accumulated depreciation			
Balance year ended 31 December 2023	3,468,965	394,913	3,863,880
Additions of the period	916,572	112,904	1,029,476
Retirements (-)		(60,596)	(60,596)
CTA	10,850	—	10,850
End of the period	**4,396,388**	**447,221**	**4,843,609**
NET BOOK VALUE	**7,317,085**	**408,804**	**7,725,887**

The additions are mainly related to the renewal of rented building contracts and some additional leased company cars.

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

in EUR

30 June 2024	Current liabilities	Non-current liabilities	Total
Beginning of the period	1,526,743	1,989,751	3,516,494
End of the period	**1,042,721**	**6,786,600**	**7,829,321**

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

in EUR

30 June 2024	Land and building	Furniture and vehicles	Total
< 1 year	924,069	118,652	1,042,721
> 1 year < 5 years	6,467,910	318,690	6,786,600
TOTAL	**7,391,979**	**437,342**	**7,829,321**

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

in EUR

30 June 2024	Total
Depreciation charges leased buildings	947,046
Depreciation charges leased vehicles	97,758
Interest expense (included in finance cost)	57,264
Expenses related to short-term leases or low-value assets (included in admin expenses)	311,108

M. ACCOUNTS PAYABLE

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

In the first half year of 2024, trade accounts payable decreased from EUR 80,030,373 to EUR 62,284,098, a decrease of 22% compared to December 2023 due to a timing effect.

As per 30 June 2024, EUR 90,846 of the trade accounts payables are related parties, compared to EUR 341,529 per 30 June 2023 (see Note 2.6.5.D).

N. SHORT-TERM EMPLOYEE BENEFITS ACCRUALS

In the first half year of 2024, accrued expenses decreased from EUR 23,680,221 to EUR 15,253,297, a decrease of 36% compared to December 2023, which is mainly due to a lower bonus accrual.

O. ACCRUED TAXES

In the first half year of 2024, accrued taxes increased from EUR 2,642,293 to EUR 3,817,164. Accrued taxes mainly consist of income taxes.

P. OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Accrued real estate withholding tax	195,500	128,000
Accrued financial services	700,919	807,524
Accrued design services	2,056,204	1,909,575
Accrued management services	118,027	225,027
Accrued HR services	682,111	1,047,439
Accrued transport services	30,000	41,989
Accrued insurances	261,464	126,136
Accrued IT services	387,981	376,876
Accrued licenses and royalties	63,003	31,165
Accrued other employee costs	180,000	171,799
Accrued utilities	230,314	282,095
Other	2,128,714	6,826,806
Accrued interests	2,014,486	989,933
Total	**9,048,724**	**12,964,363**

The decrease in 'Other' mainly relates to an exceptionally high balance in 2023 for the construction of the new building in Malaysia which was finished in the first half of 2024.

Q. 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.

R. OTHER NON-CURRENT LIABILITIES

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Warranty provision	3,764,961	3,625,947
Employee benefit obligations	714,158	
Total	**4,479,119**	**3,625,947**

Warranty provision

Melexis set up a warranty provision in accordance with the legal Melexis terms of sales and which is based on a reliable estimate of historical data. The estimation covers Melexis' experience of past claim rates and knowledge of current claims together with an assessment of rectification costs. The estimated period of usage of the underlying expenses is set at 1-2 years.

Employee benefit obligations

Melexis' employee benefit plans consist of defined benefit and defined contribution plans providing retirement, disability and surviving dependent's benefits with main contract in Belgium.

In Belgium, Melexis' defined contribution plans, while funded through group insurance contracts, must adhere to Belgian regulations guaranteeing a minimum 1.75% return on contributions. This rate, tied to a risk-free rate of 10-year government bond, places the investment risk until the legal minimum rates applicable, on the employer. This structure classifies the plans as defined benefit plans under IAS19. Under IAS 19, companies must recognize a liability for employee benefits earned but not yet paid, such as pensions. These future obligations are measured on a discounted basis to reflect their present value. A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets.

The Projected Unit Credit (PUC) method was used to estimate the defined benefit obligations, the defined benefit cost and the re-measurements of the net liability. There are 3 defined benefit plans in Melexis Belgium for which we show below the aggregated view as these do not differ materially from characteristics, regulatory environment, reporting segment or funding arrangement. In accordance with IAS 19 the disclosure is in the form of a weighted average

As per 30 June 2024, the defined benefit obligations for Belgium amounts to EUR 714,158.

Financial impact

The changes in defined benefit obligations and the financial impact are presented in the tables below. Due to the immateriality of the amounts of previous periods, no comparatives are presented.

in EUR

	Half year ended 30/06/2024
CHANGE IN DEFINED BENEFIT OBLIGATION	
Defined benefit obligation at end of prior year	7,894,876
Current service cost	1,182,392
Interest expense	276,243
Cash flows	
Benefit payments from plan assets	(214,537)
Participant contributions	354,097
Administrative expenses included in the DBO	(20,337)
Taxes included in the DBO	(148,405)
Remeasurements	
Effect of changes in demographic assumptions	110,304
Effect of changes in financial assumptions	455,191
Effect of experience adjustments	(167,471)
Defined benefit obligation at end of year	**9,722,354**

in EUR

	Half year ended 30/06/2024
CHANGE IN FAIR VALUE OF PLAN ASSETS	
Fair value of plan assets at end of prior year	7,744,829
Interest income	258,637
Cash flows	
Total employer contributions	1,150,098
Participant contributions	354,097
Benefit payments from plan assets	(214,537)
Administrative expenses paid from plan assets	(20,337)
Taxes paid from plan assets	(148,405)
Remeasurements	
Return on plan assets (excluding interest income)	(116,188)
Fair value of plan assets at end of year	**9,008,196**
Net defined pension liability	**714,158**

Components of defined benefit cost

in EUR

	Half year ended 30/06/2024
Service cost	1,182,392
Net interest cost	
Interest expense on DBO	276,243
Interest income on plan assets	(258,637)
Total net interest cost	17,606
Defined benefit cost included in P&L	**1,199,998**
Remeasurements (recognized in OCI)	
Effect of changes in demographic assumptions	110,304
Effect of changes in financial assumptions	455,191
Effect of experience adjustments	(167,471)
Return on plan assets (excluding interest income)	116,188
Total remeasurements included in OCI	**514,212**
Total defined benefit cost recognized in P&L and OCI	**1,714,210**

The following payments are to be expected benefit payments from the plan assets:

in EUR

	Half year ended 30/06/2024
Expected employer contributions	1,258,285
Expected total benefit payments	
Year 1	199,490
Year 2	193,571
Year 3	191,147
Year 4	252,798
Year 5	187,985
Next 5 years	815,437

The fair value of the plan assets are fully invested in insurance policies with guaranteed interest rates as provided by the insurer.

Assumptions

The principal assumptions used in determining the IAS 19 pension obligation for Melexis were as follows:

	Half year ended 30/06/2024
Discount rate	3.60 %
Inflation rate	2.25 %
Salary increases	4.25 %
Retirement age	following legal retirement age

Sensitivity Analysis

The below table summarizes the sensitivity analysis performed for significant assumptions as per 30 June 2024. The figures show the impact on the defined benefit obligation.

in EUR

Half year ended 30/06/2024	Present value defined benefit obligation	Change in defined benefit obligation	impact on defined benefit obligation
Discount rate -25 basis points	9,917,518	195,164	2.01 %
Discount rate +25 basis points	9,566,154	(156,200)	(1.61)%
Salary increase rate -25 basis points	9,633,056	(89,298)	(0.92)%
Salary increase rate +25 basis points	9,824,739	102,385	1.05 %

The sensitivity analysis presented above, demonstrate the potential impact on the defined benefit obligation if key assumptions were to change at the end of the reporting period. Each analysis focuses on the effect of a single significant assumption, while holding all others constant. These results may not be representative to fully reflect real-world changes, as it's unlikely that assumptions would shift independently in practice.

The weighted average duration of the defined benefit obligation at the end of the reporting period at a discount rate - 25 basis points is 8.25 years and at a discount rate + 25 basis points is 6.72 years.

The impact on the defined benefit obligation for changes in inflation rate is considered to be immaterial.

S. LONG AND SHORT-TERM DEBT

in EUR

	Half year ended 30/06/2024	Year ended 31/12/2023
Unsecured loans		
Unsecured loan (in EUR) at floating interest rate, maturing in 2027	50,000,000	30,000,000
Unsecured loan (in EUR) at floating interest rate, maturing in 2028	37,500,000	30,000,000
Unsecured loan (in MYR) at floating interest rate, maturing in 2030	36,573,533	22,215,657
Unsecured loan (in USD) at floating interest rate, maturing in 2032	40,354,974	38,372,441
Unsecured loan (in USD) at floating interest rate, maturing in 2032	65,390,005	64,070,998
Total debt	**229,818,512**	**184,659,096**
Long-term portion of debt	**229,818,512**	**184,659,096**

Melexis consolidated needs to comply with the following financial covenants at all times:

- Net debt/EBITDA ratio ≤ 3.5
- Tangible net worth/total assets ≥ 30%

As per 30 June 2024, Melexis is respecting all its financial covenants and expects that this will remain the case in the future. There are no major differences between the fair value and carrying amount of the debt, since the interest payable on those borrowings is close to current market rates.

T. OPERATING SEGMENTS

Operating segments

Melexis products and production processes that are regularly evaluated have only one operating segment: the development and sale of integrated circuits. As a result, regular financial reporting towards the CODM (Chief Operating Decision Maker, at Melexis this is CEO + CFO) is done in one segment and the full R&D resource allocation is done on project level by one corporate team.

Information about transactions with major customers

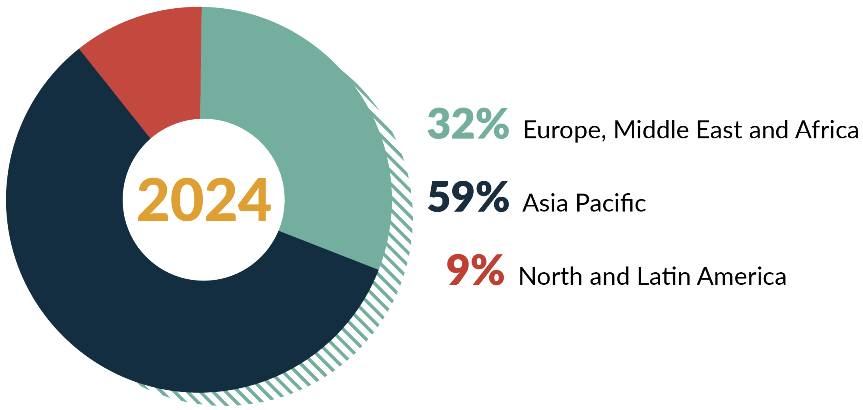
The following table summarizes sales by customer for the 10 most important customers, as % of total sales. It consists of the sales to the end customer and not to the subcontractors or distributors. All of these customers were included in the analysis of credit risk performed according to the credit loss model of IFRS 9. The output of this analysis did not result in material amounts to be accounted for.

in %

	Half year ended 30/06/2024	Half year ended 30/06/2023	Year ended 31/12/2023
Customer A	13	12	12
Customer B	6	7	6
Customer C	6	5	5
Customer D	4	5	4
Customer E	3	4	4
Customer F	3	4	2
Customer G	2	3	2
Customer H	2	2	2
Customer I	2	2	2
Customer J	2	1	2
TOTAL	**43**	**43**	**41**

Information about geographical areas

The Melexis Group's activities are conducted 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, determined by the customer's billing address:

in EUR

	Half year ended 30/06/2024	Half year ended 30/06/2023
Europe, Middle East and Africa (EMEA)	**153,672,810**	**147,295,828**
Germany	61,049,943	61,385,404
France	13,083,641	10,139,494
United Kingdom	980,831	3,866,901
Poland	4,535,063	3,615,726
Switzerland	12,017,857	9,998,716
Serbia	3,086,108	1,826,517
Czech Republic	5,371,934	4,420,880
Austria	8,089,476	7,159,405
The Netherlands	12,042	629,875
Romania	11,024,939	12,176,957
Bulgaria	1,994,571	2,261,651
Spain	1,527,398	1,134,207
Lithuania	6,479,035	7,582,816
Hungary	3,647,289	4,363,854
Italy	8,466,529	8,716,637
Other	12,306,154	8,016,788
North and Latin America (NALA)	**46,102,597**	**52,642,411**
United States	24,585,023	38,231,995
Canada	8,865,901	2,179,477
Mexico	12,650,450	12,228,668
Other	1,223	2,271
Asia Pacific (APAC)	**287,767,975**	**265,313,079**
Japan	37,861,219	37,035,623
China	57,305,337	72,183,316
Hong Kong	71,955,732	42,092,900
Thailand	39,329,575	35,881,175
South Korea	36,531,868	29,692,172
Philippines	12,780,005	9,643,813
Taiwan	1,858,551	10,232,347
India	9,826,731	6,272,015
Singapore	11,992,446	18,492,469

Other	8,326,511	3,787,249
Total	**487,543,382**	**465,251,318**

U. COMMITMENTS AND ESTIMATED LIABILITIES

Purchase commitments

On 30 June 2024 the Group had purchase commitments for tangible fixed assets amounting to EUR 15,632,151, mainly related to test equipment for production sites and outstanding works for the new building in Kuching. As of 31 December 2023, the amount was EUR 30,442,779.

The 2023 mismatch between supply and demand related to automotive semiconductors has led market participants to establish new ways of contracting aimed at the long-term relationship between suppliers and their customers. In line with these developments within the sector, Melexis and its subsidiaries have also concluded various long-term agreements (LTAs) with different suppliers. The most important goal of the LTAs is to secure volumes and more predictable prices. Given that these X-FAB LTAs require significant capacity expansions at X-FAB, Melexis Technologies agreed, in line with current market practices, to prepay a part of the committed wafers. For Melexis Technologies, the determination and allocation of such prepayments for capacity reservation involves the approval of an operational advance payment to X-FAB for a total amount of around EUR 189.2 million, i.e. 15% of the reserved capacity. The prepayments were scheduled to occur at the end of April 2023, end of September 2023, end of October 2023 and end of February 2024. The settlement of this prepayment will be done through wafer sales. For the impact on the balance sheet, we refer to note 2.6.5.H. There is no impact on the profit and loss accounts.

These advance payments are not accounted for under IFRS 9 as the settlement will be in wafers and not in cash or another financial instrument. Hence the advance payment is accounted for as a non-financial asset and no interest revenue on the prepayment is recognized. The operational advance payment towards X-FAB in the framework of the LTA has no interest component, which is in line with current market practices.

To mitigate the risk of supplier LTAs, Melexis also engaged in LTAs (2023-2025) with its main customers. These contracts do not contain financial components giving rise to material rights.

V. LITIGATION

The company is currently not involved in any litigation.

W. 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 2024, the Group does not use derivatives to manage interest rate risks of the 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.

Fair value of financial instruments

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.

The operational advance payment towards X-FAB in the framework of the LTA (see note 2.6.5.U) has no interest component which is in line with current market practices.

Management believes that the exposure to interest rate risk of financial assets and liabilities as of 30 June 2024 was minimal since their deviation from their respective fair values was not significant.

X. CLIMATE CHANGE

Earth's systems and processes have been influenced by human activity. Climate change, resource scarcity, environmental pollution – these are just some of the issues that humanity faces. To address this global problem, the Paris Agreement set a goal to limit the increase in global average temperature to below 2°C above pre-industrial levels and to attempt to limit the increase to 1.5°C. Melexis is committed to environmental sustainability, both in our products and in the way they are produced. We strive to minimize our environmental impact by analyzing and reducing our carbon footprint and increasing efficient use of natural resources on all our sites.

On a product level, Melexis contributes to the electrification trend in the automotive industry, which is seen as one of the most important strategies for reducing CO2 emissions. To grow our portfolio of sustainable solutions, in 2023, we announced the establishment of the new "Sustainable World" and "Alternative Mobility" product lines. You can read more about them in 5.2.1 and 5.2.2 of our annual report 2023.

From a process perspective, 2023 was marked by growth of our premises, with a focus on climate-friendly building solutions, the most significant being sustainable energy. This focus on environmental sustainability continues in 2024 with the completion of one major building and the ongoing construction of another.

Beyond energy, we kept on improving the environmental performance of our existing sites, minimizing our waste and water consumption. For more information on our environmental actions and performance data, please refer to chapter 6.7 of our annual report 2023.

We identified two main climate-related risks. The first one is the higher occurrence of natural hazards, such as floods and fires. What makes this risk significant is the fact that Melexis sites are geographically spread across 19 locations from the US to Japan, thus across various climatic zones. The second high-priority risk is increased investments by players in the semiconductor industry to ensure compliance with new regulations to reduce the environmental impact. The production of wafers for instance is 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. To address this risk, Melexis measures its greenhouse gas (GHG) emissions, covering all scopes 1, 2 and 3 in accordance with the GHG Protocol. Based on these measures, we are setting carbon targets and are searching for ways to reduce our footprint.

In 2024, 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.

Furthermore, Melexis is preparing and will publish as of 2025 (over fiscal year 2024) an integrated report in line with the Corporate Sustainability Reporting Directive (CSRD).

Y. GLOBAL MINIMUM TAX

Melexis group is within the scope of the OECD Pillar Two model rules (GloBE). Pillar Two legislation was enacted in Belgium, the jurisdiction in which Melexis NV is incorporated, and came into effect from 1 January 2024.

Under the new legislation, the group is liable to pay a top-up tax for the negative difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. An assessment has been made to verify which jurisdictions qualify for the Transitional Safe Harbors set forth by Pillar Two legislation. The assessment does not materially differ from the one that was made at the end of FY23. As such, the top-up taxes relate to the Group's operations in Bulgaria and Switzerland where the statutory tax rate is below 15%. All other jurisdictions qualify for the transitional safe harbors.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

The consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 19 August 2024 and were signed on its behalf by Marc Biron.

Marc Biron

Managing Director, Chief Executive Officer (CEO)

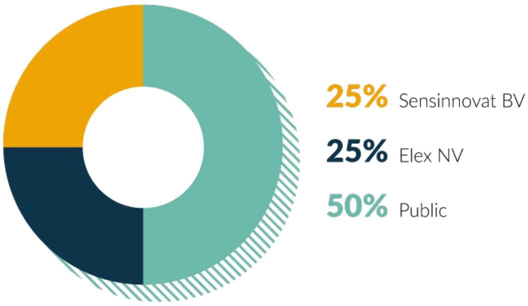
3 SHAREHOLDER INFORMATION

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

3.1 SHAREHOLDER STRUCTURE

Situation on 30 June 2024

Company	Number of shares	Participation rate
Sensinnovat BV	10,100,001	25%
Elex NV	10,100,000	25%
Public	20,199,999	50%
Total	40,400,000	100%



3.2 CONTACT INFO

Investor Relations

investor@melexis.com

Rozendaalstraat 12, B-8900 Ieper, Belgium

www.melexis.com/en/investors

3.3 FINANCIAL CALENDAR 2024

17 October 2024 (ex coupon 15 October 2024)
Dividend pay date

30 October 2024
Publication of Q3 results

5 February 2025
Publication of full-year results

3.4 DIVIDEND POLICY

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:

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
	EUR 2.20 final dividend
2023	EUR 1.30 interim dividend
	EUR 2.40 final dividend
2024	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 15 October 2024 (opening of the market). The record date is 16 October 2024 (closing of the market) and the dividend will be payable as from 17 October 2024.

4 STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF MELEXIS NV FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2024

To the Board of Directors
MELEXIS NV

Statutory auditor's report on review of consolidated condensed financial statement for the period ended 30 June 2024

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Melexis NV and its subsidiaries as of 30 June 2024 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 notes. The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. These condensed consolidated interim financial statements are characterised by a total assets of EUR 891.098.131 and a net profit for the period of EUR 102.015.433.

Scope of Review

We conducted our review in accordance with the 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 interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Diegem, 21 August 2024

The statutory auditor
PwC Bedrijfsrevisoren BV
Represented by

DocuSigned by:
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Mieke Van Leeuwe*
Réviseur d'Entreprises / Bedrijfsrevisor
*Acting on behalf of Mieke Van Leeuwe BV

5 GLOSSARY[1]

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 (including inventory write-offs)

Section 2.2 and 2.5: 128,087,179 + 22,538,756 + 1,044,804 = 151,670,739

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 + total liabilities linked to leased assets and liabilities (note 2.6.5 L)

Section 2.1: 0 + 229,818,512 + 0 - 0 - 38,550,929 + 7,829,321 = 199,096,904

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 + lease liabilities)

Section 2.1: (450,932,747 - 38,550,929 - 0) - (95,863,216 - 0 - 0 - 0 + 1,042,721) = 315,475,881

Net cash from operating activities

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

Capital expenditure (CAPEX)

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.

[1] and calculations for 30.06.2024 in EUR

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