



# WAFER

Innovation &  
Growth

Interim report  
Q2/2022



# Quarterly overview

In EUR million	Q2 2022	Q1 2022	Q2 2021	H1 2022	H1 2021
<b>Statement of profit or loss</b>					
Sales	442.2	417.0	341.1	859.2	657.1
Gross profit	145.1	135.6	105.2	280.7	193.8
Gross margin %	32.8	32.5	30.8	32.7	29.5
EBITDA	147.0	186.0	108.0	333.0	199.7
EBITDA margin %	33.2	44.6	31.7	38.8	30.4
EBIT	102.8	143.7	69.6	246.5	123.8
EBIT margin %	23.2	34.5	20.4	28.7	18.8
Financial result	-3.1	-4.4	1.4	-7.5	2.2
Income taxes	-8.6	-24.5	-7.0	-33.2	-3.5
Result for the period	91.1	114.8	64.0	205.8	122.5
Earnings per share EUR	2.66	3.47	1.83	6.13	3.50
<b>Capital expenditure and net cash flow</b>					
Capital expenditure in property, plant and equipment, and intangible assets	165.0	205.7	52.8	370.7	89.7
Net cash flow	-123.4	36.9	43.3	-86.5	71.2

In EUR million	June 30, 2022	Dec. 31, 2021
<b>Statement of financial position</b>		
Total assets	3,195.7	2,455.4
Equity	1,811.1	1,318.8
Equity ratio %	56.7	53.7
Net financial assets	597.2	572.8

<b>Non-financial performance indicators</b>		H1 2022	FY 2021
Efficiency of the use of silicon (100 percent corresponds to the 2015 base)	%	99	99
Energy use per wafer area (100 percent corresponds to 2015 base)	%	87	89
Waste recycling ratio	%	71	72
Water usage for production per wafer area (100 percent corresponds to 2015 base)	%	88	90
Occupational accidents at work per million working hours	Number	4.4	4.4
Occupational accidents (per working days) with chemicals per year (number of affected employees)		2	2
<b>Employees (excluding temporary employees)</b>		<b>4,321</b>	<b>4,117</b>

# Company profile

Siltronic AG is one of the world's leading producers of hyperpure silicon wafers and has been a partner to many major semiconductor manufacturers for decades. Siltronic is globally oriented and operates production facilities in Asia, Europe and the USA. Silicon wafers are the foundation of the modern semiconductor industry and the basis for chips in all electronic applications - from computers and smartphones to electric cars and wind turbines. The international company is highly customer-oriented and focused on quality, precision, innovation and growth. Siltronic AG employs around 4,300 people in 10 countries and has been listed in the Prime Standard of the German Stock Exchange since 2015. Siltronic AG shares are included in both the MDAX and TecDAX stock market indices.

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# Management Report on Interim Consolidated Financial Statements

## Group basics

The Annual Report 2021 provides a detailed overview of the business activities, objectives and strategy of Siltronic AG. The statements made therein are still valid. There were no significant changes in H1 2022.

The development of the key financial performance indicators in H1 2022 is shown in the table below. The exact definition of all key performance indicators can be found in the Annual Report 2021 on page 24.

### Financial key performance indicators

In EUR million	H1 2022	H1 2021	FY 2021
EBITDA margin in %	38.8	30.4	33.2
Net cash flow	-86.5	71.2	1.7
Sales	859.2	657.1	1,405.4
EBIT	246.5	123.8	316.9
Capital expenditure	370.7	89.7	425.6
Net financial assets	597.2	528.4	572.8

## Macroeconomic situation and industry trends

Global gross domestic product (GDP) growth was 6.1 per cent in 2021, according to the International Monetary Fund (IMF). For 2022, the Fund initially expected growth of 4.4 percent and thus a progressive recovery from the consequences of the Corona pandemic. Due to the war in Ukraine, the IMF reduced its forecast for 2022 to 3.6 percent. This was to take account of the economic damage caused by the war and, at the same time, the negative impact of increased energy and food in particular on poorer regions of the world.

In its forecast, the IMF clearly points to the uncertainties associated with the estimates, especially in light of geopolitical tensions, high levels of private sector debt, and supply chain problems triggered by Covid-19 which still persist.

GDP in the euro area increased by 0.62 per cent in the first quarter of 2022 compared to the fourth quarter of 2021, according to the OECD.

The euro has depreciated sharply against the US dollar year to date. The Japanese yen, in turn, weakened against the euro in the first half of 2022.

The semiconductor device market has experienced massive growth so far this year. According to data from the Semiconductor Industry Association (SIA), global sales in the first five months of 2022 were up 19.9 percent over the same period last year due to increased demand.

Sales of silicon wafers increased 0.7 percent in the second quarter of 2022 over the first quarter of this year and 4.8 percent over the second quarter of 2021, according to the industry association SEMI.

Sources:  
 IMF World Economic Outlook Update January 2022 and April 2022  
 OECD data as of July 8, 2022  
 WSTS Press Release July 5, 2021  
 SEMI SMG Press Release 28. July 2022

# Overall statement by the Executive Board on business performance and economic position

Siltronic AG's business continued to develop very positively in the first half of 2022. Although sales volumes were limited by production capacity, as expected, sales increased significantly compared to the previous half-year.

The strong increase in sales is mainly due to significant increases in selling prices and was further supported by the appreciation of the US dollar against the euro, particularly in the second quarter.

Demand for wafers of all diameters remained high and exceeded available production capacity for 200 mm and 300 mm. Demand is driven by ongoing megatrends such as the increasing digitalization of all areas of life, cloud and online services, and the trend to electromobility. In many applications, silicon consumption per end device continues to increase. In the smartphone sector, for example, this is due to the increasing proportion of 5G-capable devices. In the automotive sector, it is due to the rising proportion of electric vehicles and the increasing functionality of electronic control and assistance systems.

These trends are expected to continue over the next few years, providing a solid foundation for the long-term growth of the semiconductor and wafer industries.

However, the earnings trend in the first half of 2022 was hampered by rising unit costs. Energy costs increased significantly, particularly at the German sites. However, there were also year-on-year cost increases for raw materials and supplies and for freight costs.

We therefore continue to work ambitiously on realizing further cost-saving opportunities and increasing productivity.

Further challenges arise from currently unreliable supply chains around the world. However, thanks to a forward-looking purchasing policy and good exception management, this had no direct impact on production in the first half of 2022.

In order to support the strong market demand and expansion projects of important customers in the future, Siltronic AG started construction of a highly modern and cost-efficient 300 mm fab at its Singapore site in October 2021. A large part of the new capacity has been secured with long-term supply contracts with customers. In the first half of 2022, Siltronic received net advance payments of EUR 189.1 million. Construction work in Singapore is progressing according to plan so far.

A second important investment project is the expansion at the Freiberg site, which primarily aims to modernize the crystal growing system. Again, very good progress was made in the first half of the year. Completion of the construction work is expected in the coming months as planned.

These investments also strengthen the research and development site in Burghausen, which provides technological support for the planned expansions at the other sites.

In June, Siltronic issued an ESG-linked promissory note loan for the first time in the company's history. Demand was high despite the challenging environment. As a result, a loan volume of EUR 300 million was secured at attractive conditions, to be used for general corporate financing.

However, the continuing opportunities and prospects of the growing semiconductor market are contrasted by some potential uncertainties. Besides ongoing geopolitical tensions, rising inflation, lockdowns in China, and the consequences of the war in Ukraine have recently weighed on the economy. Nevertheless, we expect the fundamental growth drivers in our industry to remain intact: Namely, the global long term growth of semiconductor demand as well as the structural shortage of 300 mm wafers.

The overall economic development has recently also triggered a significant rise in interest rates. This results in a massive reduction in our pension provisions. Combined with the profit, this leads to an increase in our equity ratio from 53.7 percent on December 31, 2021, to 56.7 percent.

The Management Board is content with the business and earnings development in the first half of 2022. The outlined growth drivers for our business are intact and we continue to expect a long-term increase in the demand for wafer area, although this may be subject to certain fluctuations.

With the ongoing investment in a cost-efficient plant, we are laying the foundation for Siltronic AG's further profitable growth in the coming years. We will further consolidate our position as one of the technology leaders with the new state-of-the-art production capacities.

## Siltronic on the stock exchange

At mid-year, Siltronic's share price was EUR 70.90, 50 percent below the 2021 end-of-year closing price of EUR 141.45.

Siltronic AG's overall share price performance at the beginning of the year was strongly influenced by the public takeover bid by GlobalWafers, which failed at the end of January. As a result of the non-completion, the Siltronic shares tendered for sale, which had been listed under a separate ISIN, were booked back into the original shares on February 7, 2022. The resulting increase in free float led to Siltronic shares moving back up from the SDAX to the MDAX in March.

In May 2022, the Annual General Meeting of Siltronic AG approved a dividend of EUR 3.00 per share for the past fiscal year 2021. This corresponds to a dividend yield of slightly above 2.1 percent based on the closing price at the end of 2021.

Wacker Chemie AG remains the largest single shareholder with 30.8 percent, followed by GlobalWafers with 13.7 percent. Based on the voting rights notifications received by the reporting date of June 30, 2022, the largest institutional investors were DWS with 5.27 percent next to the State of Norway with 3.41 percent.

A total of nine analysts from renowned national and international banks covered Siltronic AG shares as of June 30, 2022. The analysts' average target price at the end of June was EUR 109.00.

For the latest information on investor relations releases, voting rights announcements and analyst estimates, please visit our website at <https://www.siltronic.com/en/investors.html>.

Performance of Siltronic shares vs. indices 2022

in %



Performance of Siltronic shares vs. competitors 2022

in %



# Economic development from January to June 2022

## Financial performance

### Exchange rate, price increases and wafer area drive sales

		H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
								Q2 to Q1	Q2 to Q2
Sales	In EUR million	859.2	657.1	202.1	442.2	417.0	341.1	25.2	101.1
	in %			30.8				6.0	29.6

#### Half-year comparison

Siltronic achieved sales of EUR 859.2 million in the first half of 2022, an increase of EUR 202.1 million or 30.8 percent year-on-year. Price increases in invoicing currency, the increase in wafer area sold and exchange rate developments each contributed strongly to the increase in sales.

In the first six months of 2022, the euro averaged 1.10 against the US dollar, compared to an average of 1.21 in the first half of 2021.

#### Sequential quarterly comparison

Sales also developed favourably in a sequential quarterly comparison.

Siltronic achieved sales of EUR 442.2 million in the second quarter of 2022. This represents a quarter-on-quarter increase of EUR 25.2 million or 6.0 percent. The increase was driven by exchange rates. The sold wafer area and price increases in invoicing currency supported the revenue development.

### Increased gross profit

		H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
								Q2 to Q1	Q2 to Q2
Cost of sales	in EUR million	578.5	463.3	115.2	297.1	281.4	235.9	15.7	61.2
	in %			24.9				5.6	25.9
Gross profit	in EUR million	280.7	193.8	86.9	145.1	135.6	105.2	9.5	39.9
	in %			44.8				7.0	37.9
Gross margin	in %	32.7	29.5		32.8	32.5	30.8		

#### Half-year comparison

The cost of sales increased by EUR 115.2 million in the first half of 2022.

This was driven by the larger wafer area sold, a disproportionate increase in costs for energy and raw materials compared to the wafer area sold, and exchange rate developments. In addition, scheduled depreciation increased in the course of investments. The manufacturing costs per wafer area have risen, with exchange rates and energy costs having the greatest influence.

Since the increase in manufacturing costs of EUR 115.2 million was clearly overcompensated by the increase in turnover of EUR 202.1 million, the gross profit increased. The gross profit grew by EUR 86.9

million to EUR 280.7 million in the first half of 2022 and the gross margin increased from 29.5 percent to 32.7 percent.

#### Sequential quarterly comparison

Compared to the previous quarter, the cost of sales increased by EUR 15.7 million, which, in addition to exchange rate developments, is primarily due to rising costs for raw materials and higher scheduled depreciation. In the quarterly comparison, the increase in turnover (EUR 25.2 million) clearly outweighed the increase in cost of sales.

The EUR 9.5 million higher gross profit means a gross margin of 32.8 percent after 32.5 percent in the previous quarter.

**Selling expenses, R&D and general administration costs only 9 percent of sales**

In EUR million	H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
							Q2 to Q1	Q2 to Q2
Selling expenses	16.2	17.2	-1.0	8.0	8.2	8.4	-0.2	-0.4
R&D expenses	44.4	39.4	5.0	22.4	22.0	20.2	0.4	2.2
Administration expenses	17.4	19.6	-2.2	8.7	8.7	10.1	-	-1.4
<b>Total</b>	<b>78.0</b>	<b>76.2</b>	<b>1.8</b>	<b>39.1</b>	<b>38.9</b>	<b>38.7</b>	<b>0.2</b>	<b>0.4</b>
In % of sales	9.1	11.6		8.8	9.3	11.3		

Sales, research and development (R&D) and general administration costs were EUR 78.0 million in the first half of 2022. This corresponds to 9.1 percent of turnover.

The increase in research and development (R&D) costs is due to generally higher activities in this area.

Due to the takeover offer of GlobalWafers, additional expenses for external capital market and legal advice were incurred in the first half of 2021. The absence of these costs in 2022 explains the decline in administrative costs in the half-year comparison.

**EUR 50 million termination fee dominates the balance of other operating income/expenses**

In EUR million	H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
							Q2 to Q1	Q2 to Q2
Balance of exchange rate effects	-6.0	7.8	-13.8	-3.0	-2.9	3.8	-0.1	-6.8
Sundry other operating income and expenses	49.8	-1.6	51.4	-0.2	50.0	-0.7	-50.2	0.5
<b>Balance of other operating income and expenses</b>	<b>43.8</b>	<b>6.2</b>	<b>37.6</b>	<b>-3.2</b>	<b>47.1</b>	<b>3.1</b>	<b>-50.3</b>	<b>-6.3</b>

The development of the US dollar had a positive impact on Siltronic's sales revenues in the first half of 2022, while that of the Japanese yen had a negative impact. As in previous periods, Siltronic is implementing currency hedging measures to mitigate future adverse exchange rate developments. These currency hedges have the opposite effect to the development of sales revenues and gross margins in the balance of other operating income (OI) and other operating expenses (OI).

In the first half of 2022, there was a net expense from exchange rate effects of EUR 6.0 million. In the first half of 2021, there was income of EUR 7.8 million.

In the second quarter, an exchange rate-related expense of EUR 3.0 million was recorded after EUR 2.9 million in the first quarter.

As a result of the failed takeover by GlobalWafers, Siltronic received a termination fee of EUR 50.0 million in Q1 2022.

**Neglecting the Termination Fee, EBITDA and EBITDA margin pick up despite cost increases in energy and raw materials**

		H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
								Q2 to Q1	Q2 to Q2
EBITDA	In EUR million	333.0	199.7	133.3	147.0	186.0	108.0	-39.0	39.0
	in %			66.8				-21.0	36.1
<b>EBITDA margin</b>	<b>in %</b>	<b>38.8</b>	<b>30.4</b>		<b>33.2</b>	<b>44.6</b>	<b>31.7</b>		
Depreciation, amortization and impairment less reversals thereof		-86.5	-75.9	-10.6	-44.2	-42.3	-38.4	-1.9	-5.8
EBIT	In EUR million	246.5	123.8	122.7	102.8	143.7	69.6	-40.9	33.2
	in %			99.1				-28.5	47.7
EBIT margin	in %	28.7	18.8		23.2	34.5	20.4		

*Half-year comparison*

The EBITDA of EUR 333.0 million achieved in the first half of 2022 was very significantly higher than the comparable figure for 2021, when EUR 199.7 million was achieved. The increase of EUR 133.3

million includes the termination fee. Without the termination fee, the increase would have been EUR 83.3 million.

The EBITDA of EUR 333.0 million corresponds to an EBITDA margin of 38.8 percent.



Without the termination fee, EBITDA in the first half of 2022 would have been EUR 283.0 million after EUR 199.7 million in the previous year. Disregarding the termination fee, the EBITDA margin in the first half of 2022 was 32.9 percent (previous year: 30.4 percent).

The increase in depreciation and amortisation in the half-year comparison relates exclusively to scheduled depreciation and amortisation. This also applies to the sequential quarterly comparison.

#### Sequential quarterly comparison

#### Profit of EUR 206 million in H1 2022

		H1 2022	H1 2021	Change	Q2 2022	Q1 2022	Q2 2021	Change	
								Q2 to Q1	Q2 to Q2
Financial result	In EUR million	-7.5	2.2	-9.7	-3.1	-4.4	1.4	1.3	-4.5
Result before income tax	In EUR million	239.0	126.0	113.0	99.7	139.3	71.0	-39.6	28.7
	in %			89.7				-28.4	40.4
Income taxes	In EUR million	-33.2	-3.5	-29.7	-8.6	-24.5	-7.0	15.9	-1.6
Tax rate	in %	14	3		9	18	10		
<b>Result for the period</b>	<b>In EUR million</b>	<b>205.8</b>	<b>122.5</b>	<b>83.3</b>	<b>91.1</b>	<b>114.8</b>	<b>64.0</b>	<b>-23.7</b>	<b>27.1</b>
<i>attributable to Siltronic AG shareholders</i>		<i>184.1</i>	<i>105.1</i>	<i>79.0</i>	<i>79.9</i>	<i>104.2</i>	<i>54.9</i>	<i>-24.3</i>	<i>25.0</i>
<i>attributable to others</i>		<i>21.7</i>	<i>17.4</i>	<i>4.3</i>	<i>11.2</i>	<i>10.6</i>	<i>9.1</i>	<i>0.6</i>	<i>2.1</i>
<b>Earnings per share</b>	<b>In EUR</b>	<b>6.13</b>	<b>3.50</b>	<b>2.63</b>	<b>2.66</b>	<b>3.47</b>	<b>1.83</b>	<b>-0.81</b>	<b>0.83</b>

The financial result reflects the declining capital markets.

The tax rate for the first quarter of 2022 is higher than usual due to the taxation of the termination fee in Germany.

Apart from the termination fee, most of the profit before income tax is generated by a manufacturing company that was granted a limited period of tax exemption. The tax exemption was part of the government's programme to attract high-tech manufacturing companies. This explains the low tax rate in the group.

EBITDA in Q2 2022 of EUR 147.0 million was EUR 39.0 million below the previous quarter, which included a EUR 50.0 million termination fee.

Excluding the termination fee, the EBITDA margin in the first quarter was 32.6 per cent. In the second quarter of 2022, 33.2 per cent was achieved. The margin increased despite the cost increases.

A profit for the period of EUR 205.8 million was generated in the first half of 2022 (H1 2021: EUR 122.5 million). EUR 114.8 million of the profit for the period was generated in the first quarter, which included the termination fee, and EUR 91.1 million in the second quarter.

Earnings per share were EUR 2.66 in the quarter under review, compared to EUR 3.47 in the first quarter of 2022. Cumulative earnings per share for the first half of 2022 were EUR 6.13, compared to EUR 3.50 in the first half of 2021.

## Financial position

Total assets increased from EUR 2,455.4 million as of December, 2021 by 30.0 percent up to EUR 3,195.7 million as of June 30, 2022.

The main reasons for the significant increase are a very strong cash flow from operating activities, which is why cash and cash

equivalents have not decreased despite high investments in property, plant and equipment, as well as the inflow of cash from the issuance of a promissory note loan.

### Property, plant and equipment increases due to capital expenditure

In EUR million	June 30, 2022	Dec. 31, 2021	Change
Intangible assets	22.0	23.0	-1.0
Property, plant and equipment	1,608.4	1,275.8	332.6
Right-of-use assets	106.8	103.5	3.3
Financial investments	30.6	22.2	8.4
Other assets	37.7	36.3	1.4
<b>Non-current assets</b>	<b>1,805.5</b>	<b>1,460.8</b>	<b>344.7</b>

In H1 2022, capital expenditure including intangible assets totalled at EUR 370.7 million and depreciation added up to EUR 86.5 million.

The majority of the investments related to the construction of a second factory for 300 mm wafers in Singapore and the expansion of production in Germany.

Non-current assets accounted for 56.5 percent at balance sheet (December 31, 2021: 59.5 percent).

### Cash and cash equivalents increase due to issuance of a promissory note loan

In EUR million	June 30, 2022	Dec. 31, 2021	Change
Inventories	247.6	211.8	35.8
Trade receivables including contract assets	221.5	182.7	38.8
Other assets	52.5	47.3	5.2
Cash and cash equivalents and financial investments	868.6	552.8	315.8
<b>Current assets</b>	<b>1,390.2</b>	<b>994.6</b>	<b>395.6</b>

Inventories and trade receivables increased due to demand.

Cash and cash equivalents and short-term investments increased by EUR 315.8 million in the first half of the year. The reason for this is the issue of a promissory note loan, which resulted in payments of EUR 300.0 million.

The payments for investments in property, plant and equipment and intangible assets amounting to EUR 362.6 million and the payments of EUR 90.0 million to the shareholders for the dividend of the previous year were financed by the cash inflows from operating activities. Net cash inflows from operating activities amounted to EUR 464.8 million.

## Equity ratio of 56.7 percent

In EUR million	June 30, 2022	Dec. 31, 2021	Change
<b>Equity</b>	<b>1,811.1</b>	<b>1,318.8</b>	<b>492.3</b>
Pension provisions	111.7	404.8	-293.1
Customer prepayments	434.0	254.2	179.8
Financing liabilities due to banks	300.0	–	300.0
Lease liabilities	104.5	99.5	5.0
Other provisions and liabilities	66.6	70.7	-4.1
<b>Non-current liabilities</b>	<b>1,016.8</b>	<b>829.2</b>	<b>187.6</b>
Trade liabilities	191.9	164.3	27.6
Customer prepayments	45.9	33.1	12.8
Lease liabilities	6.2	6.3	-0.1
Other provisions and liabilities	123.8	103.7	20.1
<b>Current liabilities</b>	<b>367.8</b>	<b>307.4</b>	<b>60.4</b>

The increase in equity by EUR 492.3 million is due to the half-year profit of EUR 205.8 million less the dividend payment of EUR 90.0 million and an interest-related decrease in pension obligations of EUR 305.2 million. The change in exchange rates resulted in an improvement in equity of EUR 63.9 million.

The reason for the decrease in pension obligations was the interest rate development in Germany and the USA. As of 30 June 2022, the pension provision in the USA was discounted at 4.16 per cent, compared to 2.51 per cent as of 31 December 2021. In Germany, the interest rate rose from 1.23 per cent to 3.3 per cent. The interest-related decline in pension obligations totalling EUR 331.3 million significantly exceeds the loss in value of the plan assets netted against this amount of EUR 37.0 million.

Siltronic received further advance payments in the first half of 2022 due to long-term supply contracts with customers.

The financial liabilities to banks relate to the issue of a promissory note loan.

Non-current liabilities as of June 30, 2022 amounted to 31.8 percent of total assets (December 31, 2021: 33.8 percent).

## Free cash flow positive despite very high investments, net cash flow negative as expected

In EUR million	H1 2022	H1 2021	Change
Cash flow from operating activities	464.8	181.3	283.5
Proceeds/payments for capital expenditure including intangible assets	-362.2	-97.5	-264.7
<b>Free cash flow</b>	<b>102.6</b>	<b>83.8</b>	<b>18.8</b>
Increase/decrease of prepayments received (customer prepayments)	-189.1	-12.6	-176.5
<b>Net cash flow</b>	<b>-86.5</b>	<b>71.2</b>	<b>-157.7</b>
Proceeds/payments for capital expenditure including intangible assets	-362.2	-97.5	-264.7
Proceeds/payments from fixed-term deposits (fixed-term deposits, securities)	-336.5	-136.9	-199.6
<b>Cash flow from operating activities</b>	<b>-698.7</b>	<b>-234.4</b>	<b>-464.3</b>

The increase in cash flow from operating activities is due to the inflow of the termination fee in the amount of EUR 50.0 million and advance payments from customers in the amount of EUR 189.1 million.

Investments in property, plant and equipment and intangible assets mainly relate to investments in the new 300mm wafer plant in Singapore and the expansion of production in Germany.

In the first half of 2022, EUR 189.1 million more was received than repaid due to customer prepayments.

The cash outflows for investments in the first half of 2022 resulted primarily from the EUR 300.0 million inflow from the promissory note loan. The investments relate to cash investments with a term of more than three months.

**Net financial assets just under EUR 600 million**

In EUR million	June 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	412.4	424.3	-11.9
Financial investments	484.8	148.5	336.3
Financing Liabilities due to banks	-300.0	-	-300.0
<b>Net financial assets</b>	<b>597.2</b>	<b>572.8</b>	<b>24.4</b>

The driver for the increased net financial assets was that the cash flow from operating activities of EUR 464.8 million exceeded the payments for investments in tangible and intangible assets (EUR 362.6 million) and the dividend to shareholders (EUR 90.0 million).

## Risk and opportunity change report

Material risks are presented in the risk report (pp. 49 to 58) of the Annual Report 2021. Since the beginning of the fiscal year 2022 we have observed increasing uncertainty, in particular due to the further escalation of the war between Russia and Ukraine, the associated sanctions, rising inflation worldwide and continuing difficulties in global supply chains. In our statement on the first quarter of 2022 we already reported on a potential interruption to production due to a lack of natural gas supplies and dynamic price increases for many operating and raw materials. Since then, the situation has escalated further. Economic forecasts have been lowered in the meantime and more signs of an economic slowdown are being observed. In view of these negative risk factors, we have further adjusted our risk assessments in the first half of the year.

### Change in risk assessments

On June 8, 2022, the German government raised the warning level according to the gas emergency plan to level two of three, which triggers preparations for a natural gas shortage. Our experts at the German production sites in Freiberg and Burghausen are in close contact with our local energy suppliers and the relevant authorities. In addition, the procurement department is in close consultation with our suppliers who could be directly or indirectly affected by supply problems. Our employees constantly assess the dynamic situation and adjust our precautionary measures and emergency concepts as required. Natural gas is required for air conditioning of the clean rooms, in particular at the Freiberg site. Natural gas is also required by many other suppliers for the production of a wide range of production media and for electricity, which is important to us. In

the event of an embargo, direct or indirect supply disruptions for these suppliers are also possible. An interruption of production in Germany due to a lack of natural gas supplies could have a significant negative impact on our sales and earnings situation. We therefore now rate the risk of a production interruption as "high".

Furthermore, we are observing supply bottlenecks as well as dynamic and perpetuating price increases for many important operating and raw materials that extend beyond fiscal 2022. Unexpected price increases may have a negative impact on earnings, and it may take some time to qualify new suppliers. In this environment, we have therefore already raised our risk assessment for procurement from "medium" to "high" as of the first quarter of 2022.

We also take a more critical view of the overall economic and political environment and we have upgraded our assessments of the global economic downturn and trade conflicts, wars and political crises from "medium" to "high", accordingly.

In view of credit agreements which have been finalized, we have changed the rating of the financing/liquidity risk from "High" to "Medium".

Siltronic is currently not aware of any risks that could affect the Company's ability to continue as a going concern.

**Changed risk assessment for 2022 (as of July 29, 2022)**

Risk	Risk Assessment			Change compared to previous year
	Low	Medium	High	
<b>Overall environment</b>				
Economic downturn			•	↑
Coronavirus pandemic		•		→
trade tensions, wars and political crises			•	↑
<b>Industry and market risk</b>				
Competition, demand controlled by customers, cycles in the wafer market			•	→
Investments			•	→
Product development risk		•		→
<b>Procurement risk</b>			•	↑
<b>Production risk and product liability risk</b>			•	↑
<b>Legal and regulatory risk</b>				
General legal risk	•			→
Tax risk			•	→
Risk relating to environmental laws	•			→
Regulatory risk		•		→
<b>Security of IT systems and data</b>		•		→
<b>HR risk</b>		•		→
<b>Pension risk</b>		•		→
<b>Financial risk</b>				
Credit risk financial institutions	•			→
Credit risk customers	•			→
Market risk/ currency risk			•	→
Finance/ liquidity risk		•		↓

<sup>1)</sup> AR: Annual Report      → unchanged      ↑increased ↓ decreased

We assess the relevant risks according to the probability of occurrence and the degree of impact on business activities, net assets, financial position, results of operations and cash flow. For better readability, we have classified risks according to the following matrix:

Risk assessment		Probability of occurrence		
		< 25 percent	25 – 75 percent	> 75 percent
Effects on the development of the Group's net assets, financial position and result of operations	< EUR 10 mn	Low	Low	Medium
	EUR 10 – 50 mn	Low	Medium	High
	> EUR 50 mn	Medium	High	High

# Forecast update

## Expected macroeconomic and sector development

In April, the International Monetary Fund (IMF) adjusted its forecast for the development of the global gross domestic product (GDP) for 2022 downwards. Global economic performance is now forecast to grow by 3.6 percent. This takes into account the above-average uncertainty caused by the war in Ukraine as well as rising food and energy prices. In January, the IMF was still assuming growth of 4.4 percent.

According to the IMF, developments will largely depend on further developments in regard to geopolitical tensions, economic effects of high levels of debt in the private sector, and on some continuing supply chain issues.

Economic output in the euro area is expected to grow by 2.8 percent in 2022 (2021: plus 5.3 percent).

The forecast for the US economy predicts an increase in GDP of 3.7 percent for 2022, somewhat weaker than last year's growth of 5.7 percent.

Japan is expected to grow by 2.4 percent in 2022 (2021: plus 1.6 percent).

China's gross domestic product is expected to grow at a much weaker rate of 4.4 percent in 2022, well below the previous years (2021: 8.1 percent).

A significant increase is predicted for the global semiconductor industry in the calendar year 2022. According to the latest outlook from WSTS (World Semiconductor Trade Statistics), global sales of semiconductor components are expected to surge by 16.3 percent compared to the previous year.

However, there are inherent uncertainties associated with the forecast due to the unknown further impact of inflation and geopolitical tensions.

#### Sources:

IMF World Economic Outlook Update, April 2022

WSTS Semiconductor Market Forecast, Press Release, June 7, 2022

## Siltronic's future performance

Siltronic remains committed to its corporate goals and the short- and long-term objective of sustainably expanding its business activities in order to further strengthen its position as one of the leading manufacturers of semiconductor wafers. This includes investments in technology and quality, the continuation of operational excellence and cost reduction programs, and capacity expansion in line with market growth. Ensuring high profitability and a stable cash flow are also key targets. A detailed description of the strategic goals can be found on page 23 of the Annual Report 2021.

High demand for wafers results in continued high utilization of our production facilities and rising selling prices in 2022. This was already reflected in our forecast of March 9, 2022.

In the first half of 2022, the euro weakened significantly against the US dollar. Since a short-term reversal is not expected, this will have a sustained positive impact on Siltronic's sales. We therefore adjust our forecast range for sales growth in the current fiscal year to plus 21 to 27 percent.

Concurrently, exchange rates and price increases in purchasing lead to higher costs in the reporting currency. Thus, we now expect cost increases of about EUR 140 million for the full year.

Based on current project progress, investments are still expected at around EUR 1.1 billion in 2022. Financing is secured by existing liquidity, cash flow from operating activities including advance payments from customers, and loans. We continue to rule out equity capital measures for 2022.

Guidance for all other key figures remains unchanged compared to the March 2022 forecast.

In view of economic and geopolitical uncertainties and the further course of the Corona pandemic, the Group's actual performance may differ from the expected performance stated here, either positively or negatively.

The following table shows the expected KPI development for the year 2022.

**Forecast 2022 (as of July 29, 2022)**

	<b>Forecast March 9, 2022 (Annual Report)</b>	<b>Forecast May 10, 2022 (Q1 2022)</b>	<b>Forecast July 29, 2022 (Q2 2022)</b>
Sales	increase from 15 to 22 percent	increase from 15 to 22 percent	increase from 21 to 27 percent
EBITDA margin	34 to 37 percent	34 to 37 percent	34 to 37 percent
Depreciation and amortization	around EUR 185 million	around EUR 185 million	around EUR 185 million
EBIT	significant increase	significant increase	significant increase
Tax rate	10 to 15 percent	10 to 15 percent	10 to 15 percent
Capital expenditure	around EUR 1,100 million (2/3 for new factory in Singapore)	around EUR 1,100 million (2/3 for new factory in Singapore)	around EUR 1,100 million (2/3 for new factory in Singapore)
Net cash flow	significantly negative	significantly negative	significantly negative
Earnings per share	significant increase	significant increase	significant increase



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# Condensed Interim Financial Statements

## Consolidated statement of profit or loss

In EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	442.2	341.1	859.2	657.1
Cost of sales	-297.1	-235.9	-578.5	-463.3
<b>Gross profit</b>	<b>145.1</b>	<b>105.2</b>	<b>280.7</b>	<b>193.8</b>
Selling expenses	-8.0	-8.4	-16.2	-17.2
Research and development expenses	-22.4	-20.2	-44.4	-39.4
General administration expenses	-8.7	-10.1	-17.4	-19.6
Other operating income	40.4	11.2	115.3	39.1
Other operating expenses	-43.6	-8.1	-71.5	-32.9
<b>Operating result</b>	<b>102.8</b>	<b>69.6</b>	<b>246.5</b>	<b>123.8</b>
Interest income	1.1	1.1	2.0	1.9
Interest expenses	-0.7	-0.6	-1.4	-1.1
Other financial result	-3.5	0.9	-8.1	1.4
<b>Financial result</b>	<b>-3.1</b>	<b>1.4</b>	<b>-7.5</b>	<b>2.2</b>
Result before income tax	99.7	71.0	239.0	126.0
Income taxes	-8.6	-7.0	-33.2	-3.5
<b>Result for the period</b>	<b>91.1</b>	<b>64.0</b>	<b>205.8</b>	<b>122.5</b>
<i>of which</i>				
<i>attributable to Siltronic AG shareholders</i>	<i>79.9</i>	<i>54.9</i>	<i>184.1</i>	<i>105.1</i>
<i>attributable to non-controlling interests</i>	<i>11.2</i>	<i>9.1</i>	<i>21.7</i>	<i>17.4</i>
Result per common share in EUR (basic/diluted)	2.66	1.83	6.13	3.50

## Consolidated statement of financial position

In EUR million	June 30, 2022	Dec. 31, 2021
Intangible assets	22.0	23.0
Property, plant and equipment	1,608.4	1,275.8
Right-of-use assets	106.8	103.5
Securities and fixed-term deposits	30.6	22.2
Other financial assets	0.1	0.2
Other non-financial assets	22.7	21.9
Deferred tax assets	14.9	14.2
<b>Non-current assets</b>	<b>1,805.5</b>	<b>1,460.8</b>
Inventories	247.6	211.8
Trade receivables	205.4	170.0
Contract assets	16.1	12.7
Securities and fixed-term deposits	456.2	128.5
Other financial assets	12.5	6.8
Other non-financial assets	39.2	40.5
Income tax receivables	0.8	–
Cash and cash equivalents	412.4	424.3
<b>Current assets</b>	<b>1,390.2</b>	<b>994.6</b>
<b>Total assets</b>	<b>3,195.7</b>	<b>2,455.4</b>
In EUR million	June 30, 2022	Dec. 31, 2021
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	467.3	373.1
Other equity items	91.3	–277.8
<b>Equity attributable to Siltronic AG shareholders</b>	<b>1,653.2</b>	<b>1,189.9</b>
Equity attributable to non-controlling interests	157.9	128.9
<b>Equity</b>	<b>1,811.1</b>	<b>1,318.8</b>
Provisions for pensions	111.7	404.8
Other provisions	57.3	60.2
Income tax liabilities	7.2	8.4
Deferred tax liabilities	1.6	2.0
Customer prepayments	434.0	254.2
Lease liabilities	104.5	99.5
Financing liabilities due to banks	300.0	–
Other financial liabilities	0.5	0.1
<b>Non-current liabilities</b>	<b>1,016.8</b>	<b>829.2</b>
Other provisions	8.5	6.4
Income tax liabilities	34.6	28.8
Trade liabilities	191.9	164.3
Customer prepayments	45.9	33.1
Lease liabilities	6.2	6.3
Other financial liabilities	27.9	14.6
Other non-financial liabilities	52.8	53.9
<b>Current liabilities</b>	<b>367.8</b>	<b>307.4</b>
Total liabilities	1,384.6	1,136.6
<b>Total equity and liabilities</b>	<b>3,195.7</b>	<b>2,455.4</b>

## Consolidated statement of cash flows

In EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021
Result for the period	91.1	64.0	205.8	122.5
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	44.2	38.4	86.5	75.9
Other non-cash expenses and income	10.8	-2.2	20.2	-3.2
Result from disposal of non-current assets	0.6	0.8	1.1	1.5
Interest result	-0.4	-0.5	-0.7	-0.7
Interest paid	-0.5	-0.4	-0.9	-0.9
Interest received	4.8	1.4	6.6	2.2
Tax result	8.6	7.0	33.2	3.5
Taxes paid	-27.3	-2.1	-31.3	-5.5
Changes in inventories	-13.9	-10.8	-29.2	-22.9
Changes in trade receivables	-1.7	0.7	-22.7	-10.5
Changes in contract assets	1.7	-1.2	-3.3	0.8
Changes in other assets without prepayments	8.2	-3.3	0.4	-5.2
Changes in provisions	1.0	2.4	3.6	5.9
Changes in trade liabilities	-5.5	10.1	8.5	4.4
Changes in other liabilities	-19.1	-10.5	-2.1	0.9
Changes in prepayments	88.5	10.9	189.1	12.6
<b>Cash flow from operating activities</b>	<b>191.1</b>	<b>104.7</b>	<b>464.8</b>	<b>181.3</b>
Payments for capital expenditure (including intangible assets)	-226.4	-50.6	-362.6	-97.7
Proceeds from the disposal of property, plant and equipment	0.4	0.1	0.4	0.2
Payments for securities and fixed-term deposits	-352.4	-91.5	-451.6	-214.7
Proceeds from securities and fixed-term deposits	64.4	46.5	115.1	77.8
<b>Cash flow from financing activities</b>	<b>-514.0</b>	<b>-95.5</b>	<b>-698.7</b>	<b>-234.4</b>
Dividends	-90.0	-60.0	-90.0	-60.0
Repayment portion of lease liability	-1.2	-1.1	-2.2	-2.6
Proceeds from the issuance of promissory notes	300.0	-	300.0	-
<b>Cash flow from financing activities</b>	<b>208.8</b>	<b>-61.1</b>	<b>207.8</b>	<b>-62.6</b>
Changes due to exchange- rate fluctuations	12.0	-1.6	14.2	2.4
<b>Changes in cash and cash equivalents</b>	<b>-102.1</b>	<b>-53.5</b>	<b>-11.9</b>	<b>-113.3</b>
at the beginning of the period	514.5	234.8	424.3	294.6
<b>at the end of the period</b>	<b>412.4</b>	<b>181.3</b>	<b>412.4</b>	<b>181.3</b>

### Additional financial information (Not part of condensed interim financial statements and unaudited)

In EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021
Cash flow from operating activities	191.1	104.7	464.8	181.3
Increase/decrease of prepayments received (customer prepayments)	-88.5	-10.9	-189.1	-12.6
Cash flow from investing activities	-226.0	-50.5	-362.2	-97.5
<b>Net cash flow</b>	<b>-123.4</b>	<b>43.3</b>	<b>-86.5</b>	<b>71.2</b>

# Consolidated statement of comprehensive income

In EUR million	H1 2022		H1 2021	
	Before tax	After tax	Before tax	After tax
Result for the period	205.8	205.8	122.5	122.5
Items not reclassified to profit or loss:				
Remeasurement of defined benefit plans	305.2	305.2	140.2	140.2
Items that have been or may subsequently be reclassified to profit or loss:				
Difference from foreign currency translation	71.2	71.2	16.8	16.8
<i>thereof reclassified to profit or loss</i>	–	–	–	–
Changes in market values of derivative financial instruments (cash flow hedge)	0.2	–	–10.5	–7.7
<i>thereof reclassified to profit or loss</i>	11.9	9.1	–7.6	–5.5
<b>Sum of items that have been or may subsequently be reclassified to profit or loss:</b>	<b>71.4</b>	<b>71.2</b>	<b>6.3</b>	<b>9.1</b>
Other comprehensive income / loss	376.6	376.4	146.5	149.3
<b>Total comprehensive income / loss</b>		<b>582.2</b>		<b>271.8</b>
of which				
<i>attributable to Siltronic AG shareholders</i>		553.3		252.9
<i>attributable to non-controlling interests</i>		28.9		18.9
In EUR million	Q2 2022		Q2 2021	
	Before tax	After tax	Before tax	After tax
Result for the period	91.1	91.1	64.0	64.0
Items not reclassified to profit or loss:				
Remeasurement of defined benefit plans	183.1	183.1	16.2	16.2
Items that have been or may subsequently be reclassified to the income statement:				
Difference from foreign currency translation	54.6	54.6	–13.4	–13.4
<i>thereof reclassified to profit or loss</i>	–	–	–	–
Changes in market values of derivative financial instruments (cash flow hedge)	–3.8	–3.0	–2.7	–1.9
<i>thereof reclassified to profit or loss</i>	7.8	5.9	–4.0	–2.8
<b>Sum of items that have been or may subsequently be reclassified to the income statement:</b>	<b>50.8</b>	<b>51.6</b>	<b>–16.1</b>	<b>–15.3</b>
Other comprehensive income / loss	233.9	234.7	0.1	0.9
<b>Total comprehensive income / loss</b>		<b>325.8</b>		<b>64.9</b>
of which				
<i>attributable to Siltronic AG shareholders</i>		309.1		57.1
<i>attributable to non-controlling interests</i>		16.7		7.8

## Consolidated statement of changes in equity

In EUR million	Subscribed capital	Capital reserves	Variance from foreign currency translation	Effects of net investments in foreign operations	Changes in market values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Retained earnings /net Group result	Total	Non-controlling interests	Total equity
Balance as of January 1, 2021	120.0	974.6	-35.1	-7.1	9.0	-455.1	179.8	786.1	85.7	871.8
Result for the period	-	-	-	-	-	-	105.1	105.1	17.4	122.5
Other comprehensive income and loss	-	-	15.3	-	-7.7	140.2	-	147.8	1.5	149.3
<b>Total comprehensive income and loss</b>	-	-	<b>15.3</b>	-	<b>-7.7</b>	<b>140.2</b>	<b>105.1</b>	<b>252.9</b>	<b>18.9</b>	<b>271.8</b>
Dividends	-	-	-	-	-	-	-60.0	-60.0	-	-60.0
<b>Balance as of June 30, 2021</b>	<b>120.0</b>	<b>974.6</b>	<b>-19.8</b>	<b>-7.1</b>	<b>1.3</b>	<b>-314.9</b>	<b>224.9</b>	<b>979.0</b>	<b>104.6</b>	<b>1,083.6</b>
Balance as of January 1, 2022	120.0	974.6	25.9	-7.1	-6.7	-289.9	373.2	1,190.0	128.9	1,318.9
Result for the period	-	-	-	-	-	-	184.1	184.1	21.7	205.8
Other comprehensive income and loss	-	-	63.9	-	-	305.2	-	369.1	7.3	376.4
<b>Total comprehensive income and loss</b>	-	-	<b>63.9</b>	-	-	<b>305.2</b>	<b>184.1</b>	<b>553.2</b>	<b>29.0</b>	<b>582.2</b>
Dividends	-	-	-	-	-	-	-90.0	-90.0	-	-90.0
<b>Balance as of June 30, 2022</b>	<b>120.0</b>	<b>974.6</b>	<b>89.8</b>	<b>-7.1</b>	<b>-6.7</b>	<b>15.3</b>	<b>467.3</b>	<b>1,653.2</b>	<b>157.9</b>	<b>1,811.1</b>

# Condensed consolidated notes

## Basis of presentation and accounting policies

These condensed financial statements (“interim financial statements”) for the six-month period ended June 30, 2022 comprise Siltronic AG and its subsidiaries, together referred to as the “Group”. Siltronic AG is a listed company subject to German law.

The interim financial statements of the Siltronic Group as of June 30, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim financial statements (IAS 34) as endorsed by the European Union, and are presented in condensed form. The accounting and valuation methods applicable for the fiscal year 2021 have been amended by new accounting standards if applicable and effective for the first time in 2022. There are no significant effects resulting from this. Apart from this, the accounting and valuation methods remained unchanged.

Siltronic AG is a company domiciled in Munich / Germany, Einsteinstrasse 172 and is registered at the Munich District Court (Amtsgericht) under HRB 150884.

## Use of assumptions and estimates

When the interim financial statements are being prepared, it is necessary to make estimates and assumptions affecting the amounts and the reporting of the recognized assets and debts, income and expenses, and contingent liabilities. All assumptions and estimates are based on projections that were valid on the reporting date. The actual values may differ from assumptions and estimates if the economic conditions referred to do not develop in line with the expectations as of the reporting date.

The determination of taxes followed the procedure applied at year-end by assessing the income tax expense at the balance sheet date of this interim period.

As of each reporting date, the net defined benefit liability must be reassessed and the discount factor newly determined. The derivation of the discount rate in Germany is based on a so-called ‘bond universe’. The net defined benefit liability as of June 30, 2022 was calculated using discount factors of 3.30 percent in Germany and 4.16 percent in the US (June 30, 2021: 1.14 percent in Germany and 2.39 percent in the US). As of December 31, 2021, the actuarial interest rate was 1.23 percent in Germany and 2.51 percent in the US.

## Segment reporting

The Group is engaged in one reportable segment. That includes the development, production and sale of semiconductor silicon wafers with a wide variety of features satisfying numerous product specifications to meet customers' very precise technical specifications. Wafers are utilized in the manufacturing of semiconductor devices. Based on the fact that in the wafer industry the allocation of

resources is derived from a wide variety of product specifications from customers, the Group is only operating in one segment.

The following table shows the breakdown of sales by geographical region:

In EUR million	H1 2022							Siltronic Group
	Germany	Europe excluding Germany	United States	Taiwan and (mainland) China	Korea	Asia excluding Taiwan, (mainland) China and Korea	Others	
External sales of contracts with customers by customer location	65.5	99.3	85.2	292.7	194.8	114.7	7.0	859.2

In EUR million	H1 2021							Siltronic Group
	Germany	Europe excluding Germany	United States	Taiwan and (mainland) China	Korea	Asia excluding Taiwan, (mainland) China and Korea	Others	
External sales of contracts with customers by customer location	44.0	66.0	62.1	236.3	164.2	81.2	3.3	657.1



## Information on fair value

The fair value of a financial instrument is the price that would be achieved in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table shows the carrying amounts and fair values of the Group's financial assets and financial liabilities:

In EUR million	June 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables (AC) 1)	205.4	205.4	170.0	170.0
Securities (FVTPL) 2)	76.5	76.5	89.1	89.1
Securities and fixed-term deposits (AC) 1)	410.3	410.3	61.5	62.3
Other financial assets	12.6	12.6	7.0	7.0
Derivatives for which hedge accounting is used (Hedge Accounting) 3)	4.2	4.2	0.9	0.9
Derivatives for which hedge accounting is not used (FVTPL) 2)	6.0	6.0	3.5	3.5
Other (AC) 1)	2.4	2.4	2.6	2.6
Cash and cash equivalents (AC) 1)	412.4	412.4	424.3	424.3
<b>Total financial assets</b>	<b>1,117.2</b>	<b>1,117.2</b>	<b>751.9</b>	<b>752.7</b>
Trade liabilities (AC) 1)	191.9	191.9	164.3	164.3
Promissory note loans (AC) 1)	300.0	299.7	–	–
Other financial liabilities	28.4	28.4	14.7	14.7
Derivatives for which hedge accounting is used (Hedge Accounting) 3)	17.3	17.3	10.2	10.2
Derivatives for which hedge accounting is not used (FVTPL) 2)	8.4	8.4	2.9	2.9
Other (AC) 1)	2.6	2.6	1.6	1.6
<b>Total financial liabilities</b>	<b>520.3</b>	<b>520.0</b>	<b>179.0</b>	<b>179.0</b>

<sup>1)</sup> AC = Amortized cost

<sup>2)</sup> FVTPL = Fair Value through profit or loss

<sup>3)</sup> Hedge Accounting = Not assigned to the measurement categories. Hedging relationships continue to be accounted for in accordance with IAS 39.

The financial assets and liabilities measured at fair value in the statement of financial position were allocated to one of the three categories in accordance with the fair value hierarchy described in IFRS 13. Allocation to these categories shows which of the fair values reported were settled through market transactions and the extent to which the measurement was based on models in the absence of observable market transactions. With respect to the definition of the

fair value levels and the corresponding financial assets and financial liabilities and the valuation of these items reference is made to the 2021 consolidated financial statements.

The following table shows the fair value hierarchy classification of financial assets and liabilities measured at fair value in the statement of financial position:

### Fair value hierarchy

In EUR million	As of June 30, 2022			
	Level I	Level II	Level III	Total
<b>Financial assets, measured at fair value</b>				
Fair value through profit or loss (FVTPL)				
Derivatives for which hedge accounting is not used	–	6.0	–	6.0
Securities	76.5	–	–	76.5
Fair value through other operating income				
Derivatives for which hedge accounting is used	–	4.2	–	4.2
<b>Total</b>	<b>76.5</b>	<b>10.2</b>	<b>–</b>	<b>86.7</b>
<b>Financial liabilities, measured at fair value</b>				
Fair value through profit or loss (FVTPL)				
Derivatives for which hedge accounting is not used	–	8.4	–	8.4
Fair value through other operating income				
Derivatives for which hedge accounting is used	–	17.3	–	17.3
<b>Total</b>	<b>–</b>	<b>25.7</b>	<b>–</b>	<b>25.7</b>

In EUR million	As of December 31, 2021			
	Level I	Level II	Level III	Total
<b>Financial assets, measured at fair value</b>				
Fair value through profit or loss (FVTPL)				
Derivatives for which hedge accounting is not used	–	3.5	–	3.5
Securities	89.1	–	–	89.1
Fair value through other operating income				
Derivatives for which hedge accounting is used	–	0.9	–	0.9
<b>Total</b>	<b>89.1</b>	<b>4.4</b>	<b>–</b>	<b>93.5</b>
<b>Financial liabilities, measured at fair value</b>				
Fair value through profit or loss (FVTPL)				
Derivatives for which hedge accounting is not used	–	2.9	–	2.9
Fair value through other operating income				
Derivatives for which hedge accounting is used	–	10.2	–	10.2
<b>Total</b>	<b>–</b>	<b>13.1</b>	<b>–</b>	<b>13.1</b>

The market value determined at Level I is based on unadjusted, quoted prices in active markets for the assets and liabilities in question or those that are identical. Quoted prices in an active market are available for all securities of the Group. All securities are classified as Level I securities.

The financial instruments allocated to Level II are measured using methods based on parameters that are either directly or indirectly derived from observable market data. These include hedging and non-hedging derivative financial instruments.

At Level III, the market value is determined on the basis of parameters for which no observable prices are available.

Siltronic reviews on an annual basis whether its financial instruments are appropriately allocated to the hierarchy levels. No changes to the valuation method occurred compared to the end of the prior fiscal year and no non-recurring fair value measurements took place. No reclassifications between the levels of the fair value hierarchy were carried out in the period under review.

## Related party disclosures

The disclosure requirements according to IAS 24 refer to transactions with (a) the minority shareholder Wacker Chemie AG and its controlling shareholder Dr. Alexander Wacker Familiengesellschaft mbH (holding more than 50 percent of the voting shares in Wacker Chemie AG), (b) Pensionskasse (pensions fund) and (c) members of the Executive Board and Supervisory Board of the Company.

The following amounts are included in the statement of profit or loss and result from transactions with Wacker Chemie AG:

In EUR million	H1 2022	H1 2021
Sales	0.4	0.3
Purchased material and services (primarily cost of sales)	100.8	78.2
Lease expenses (several functional costs)	0.1	0.1

The following table shows transactions to Wacker Chemie AG in the statement of financial position:

In EUR million	June 30, 2022	Dec. 31, 2021
Right-of-use assets	1.6	1.4
Other assets	23.3	21.8
Inventories	32.9	22.0
Lease liabilities	1.6	1.4
Trade liabilities	21.5	15.5

The inventories and trade payables mainly relate to raw material purchases. The other assets relate to advance payments made.

## Income taxes

The calculation of effective income taxes was unchanged from the methods applied at the end of the year, whereby the calculation of the tax expense was based on the balance sheet date of these interim financial statements. The alternative option according to IAS 34, according to which an estimate is used, was not applied. Deferred tax assets were capitalised on temporary differences insofar as these lead to probable realisable tax benefits within the period of medium-term planning.

## Foreign exchange rates

The financial statements of consolidated companies outside Germany are translated into euro following the concept of functional currency. For all foreign Group companies, the functional currency equals the local currency because these entities operate their business on a stand-alone basis from a financial, commercial and organizational perspective. Assets and liabilities are translated using the spot rates prevailing at the balance sheet date, equity is translated using historical rates, and amounts in the statement of profit and

loss are translated using the average exchange rates of the quarter. Amounts resulting from the variance between spot rates at different balance sheet dates are shown separately under “Other equity items” within equity.

The following table shows the main exchange rates in relation to the euro:

### Exchange rates

	ISO-Code	Spot rate			Average for the period		
		June 30, 2022	June 30, 2021	Dec. 31, 2021	Q2 2022	H1 2022	H1 2021
US-Dollar	USD	1.04	1.19	1.13	1.07	1.09	1.21
Japanese Yen	JPY	142	132	130	138	134	130
Singapore Dollar	SGD	1.45	1.60	1.53	1.47	1.49	1.61

## Major events in period under review and events after June 30, 2022

The significant events of the reporting period with regard to their impact, nature and occurrence are described in the interim group management report. There were no significant events after the end of the reporting period on 30 June 2022 up to the date of preparation of this interim report.

Munich, July 25, 2022

The Executive Board of Siltronic AG



Dr. Christoph von Plotho  
(CEO)



Rainer Irle  
(CFO)

# Further Information

## Responsibility statement

To the best of our knowledge, we assure that in accordance with the applicable accounting principles for interim reporting for the Group's interim financial statements in compliance with generally accepted accounting principles, we have provided a truthful picture of the assets, financial and earnings situation of the Group and that the Group's interim management report outlines the business performance, including the Company's profit and the Group's situation, such that it provides a picture in line with the actual circumstances and describes the key opportunities and risks of the expected performance of the Group in the remainder of the fiscal year.

Munich, July 25, 2022  
The Executive Board of Siltronic AG



Dr. Christoph von Plotho  
(CEO)



Rainer Irle  
(CFO)

# Review Report

To Siltronic AG, Munich

We have reviewed the condensed consolidated interim financial statements - comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the condensed notes to the consolidated financial statements - and the interim group management report of Siltronic AG for the period from 1 January to 30 June 2022, which are part of the half-year financial report pursuant to § 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting", as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in

accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports..

Munich, July 25, 2022  
KPMG AG  
Wirtschaftsprüfungsgesellschaft

Koeplin  
Wirtschaftsprüfer  
(German Public Auditor)

Schäfer  
Wirtschaftsprüferin  
(German Public Auditor)

## Financial calendar

October 28, 2022 Quarterly Statement Q3 2022

## Contact

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## Imprint

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### **Note on the Interim Report**

This Interim Report is also available in German. If there are differences between the two, the German version takes priority. The Interim Report is available as a PDF document.

### **Disclaimer**

This interim Report contains forward-looking statements based on assumptions and estimates made by Siltronic's Executive Board. Although we assume that the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. Siltronic does not plan to update the forward-looking statements, nor does it assume the obligation to do so. Due to rounding, it is possible that individual figures in this report and other reports do not exactly add. The contents of this report address women and men equally. For better legibility, only the male language form (e.g. customer, employee) is used.

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