



Regulated information

Further financial impact of arbitration proceedings with a supplier

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As reported in the second quarter results release dated July 28, 2022 and in the half-year report published on September 6, 2022, X-FAB recorded a provision in its condensed consolidated financial statements totaling USD 13.8 million in the second quarter of 2022 for expenses relating to interest payments to be paid to a supplier and for associated legal fees. The provision was required as a consequence of an arbitration decision concerning a trade dispute with a supplier for the supply of materials.

Following additional final clarification by the arbitrator, and contrary to X-FAB's initial interpretation of the arbitration award, it has now become clear that the supplier is not obliged to supply the disputed materials in return for the further USD 36.8 million that was paid to the supplier in the third quarter based on the arbitration award. This will have a one-off negative impact of USD 36.8 million on the third quarter's operating profit (EBIT) and EBITDA, since this further expense was not recorded as an expense in the short-term earnings guidance previously provided in the second quarter results release. Accordingly that guidance for earnings and cash flows is lowered by the amount of this one-off additional expense of USD 36.8 million.

X-FAB will provide more detailed information on the financial results of the third quarter on October 27, 2022 as part of its regular financial reporting.

The full impact of the arbitration has now been accounted for. The dispute relates to the years 2019 and 2020 and does not affect X-FAB's positive long-term business outlook and guidance.



About X-FAB

X-FAB is the leading analog/mixed-signal and MEMS foundry group manufacturing silicon wafers for automotive, industrial, consumer, medical, and other applications. Its customers worldwide benefit from the highest quality standards, manufacturing excellence and innovative solutions by using X-FAB's modular CMOS processes in geometries ranging from 1.0 to 0.13 μm , and its special silicon carbide and MEMS long-lifetime processes. X-FAB's analog-digital integrated circuits (mixed-signal ICs), sensors and micro-electro-mechanical systems (MEMS) are manufactured at six production facilities in Germany, France, Malaysia, and the US. X-FAB employs more than 4,000 people worldwide.

For more information, please visit www.xfab.com.

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Forward-looking information

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Forward-looking statements contained in this press release regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless legally required. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this press release.

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