

Interim Report H1 2020

January 1 to June 30, 2020

Elmos meets forecast for the second quarter 2020 – turning point in the current quarter

Q2 2020: Sales at 58.8 million Euro / EBIT margin at 5.4%

"While sales are currently still strongly influenced by the effects of the coronavirus pandemic, we see the turning point in the third quarter due to the development of incoming orders. We perceive a revival of business in the different regions, especially Asia," says Dr. Anton Mindl, CEO of Elmos Semiconductor SE. "Moreover, our development projects are running at full speed and customer acquisition is equally successful. Our position in the market as, among other things, the global leader in ultrasonic distance measurement and a key player for LED rear lighting, is leading to numerous new customer relationships in various markets. Interest is also growing steadily in our semiconductors for ambient lighting in vehicles, the market-leading gesture control for intuitive operation, and our highly sensitive yet robust evaluation ICs. Recently developed solutions that specifically address the pressure and temperature monitoring needs of high-performance batteries in electric vehicles have generated important design wins with market-leading customers. We are therefore convinced that in the medium and long term we will participate disproportionately in the dynamic growth of semiconductors in vehicles."

Interim group management report

January 1 to June 30

Key figures

in million Euro unless otherwise indicated	Q2 2020	Q2 2019 ¹	Change	H1 2020	H1 2019 ¹	Change
Sales	58.8	67.7	-13.2%	123.0	129.9	-5.3%
Gross profit	24.7	30.9	-20.1%	52.7	58.6	-10.0%
in % of sales	42.0%	45.6%		42.9%	45.1%	
Research and development expenses	12.8	9.2	39.2%	24.9	18.9	31.4%
in % of sales	21.8%	13.6%		20.2%	14.6%	
Operating income	2.4	11.7	-79.3%	8.2	19.5	-58.0%
in % of sales	4.1%	17.2%		6.6%	15.0%	
EBIT	3.2	11.5	-72.5%	10.2	20.1	-49.1%
in % of sales	5.4%	17.0%		8.3%	15.5%	
Consolidated net income after non-controlling interests	2.3	7.5	-70.1%	6.8	13.1	-48.0%
in % of sales	3.8%	11.1%		5.5%	10.1%	
Earnings per share (basic) in Euro	0.12	0.38	-67.5%	0.36	0.67	-45.8%
	6/30/2020	3/31/2020	Change	6/30/2020	12/31/2019	Change
Total assets	405.5	447.8	-9.4%	405.5	439.5	-7.7%
Shareholders' equity	310.3	343.1	-9.6%	310.3	339.7	-8.6%
in % of total assets	76.5%	76.6%		76.5%	77.3%	
Financial liabilities	47.5	48.9	-2.7%	47.5	49.1	-3.1%
Cash, cash equivalents, and marketable securities	87.1	133.5	-34.8%	87.1	123.3	-29.4%
Net cash	39.5	84.7	-53.3%	39.5	74.3	-46.8%
	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Cash flow from operating activities	-5.9	9.7	n/a	14.3	17.6	-18.7%
Capital expenditures	3.3	9.1	-63.7%	9.2	25.2	-63.8%
in % of sales	5.6%	12.2% ²		7.4%	17.5% ³	
Adjusted free cash flow	-10.3	-1.7	>100.0%	3.1	-12.1	n/a

¹ Prior-year amounts were adjusted; for purposes of comparison, information regarding the consolidated income statement relates exclusively to continuing operations.

² Percentage shown relates to sales from continuing and discontinued operations of 75,047 thousand Euro.

³ Percentage shown relates to sales from continuing and discontinued operations of 144,121 thousand Euro.

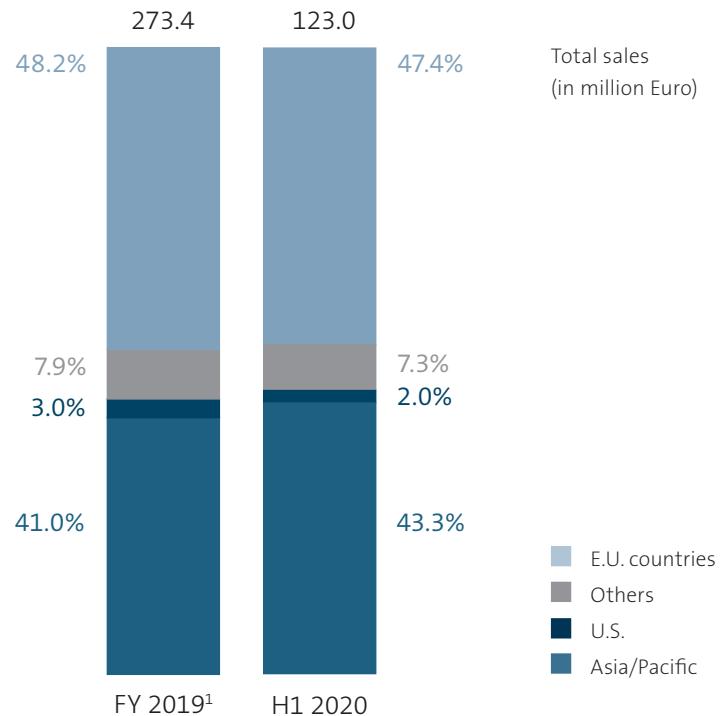
Definitions of selected financial indicators

- Adjusted free cash flow: Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment
- Capital expenditures: Capital expenditures in intangible assets and property, plant and equipment less capitalized development costs
- Further information on the key figures used can be found in the 2019 Annual Report at www.elmos.com

Profit, financial position, as well as assets and liabilities

- > The sales and earnings performance in the second quarter of 2020 is in line with the forecast given at the beginning of May and reflects first effects of coronavirus.
- > The ratio of orders received for the next three months to sales over the past three months, known as the book-to-bill ratio, was well below one at the end of the reporting period.
- > Research and development expenses reflect, among other things, the continuing high level of commitment to product development.
- > Operating cash flow is also impacted by tax payments in the reporting quarter.
- > As a result of the global coronavirus pandemic, Elmos introduced and successively expanded short-time work for certain areas from mid-April onwards. Currently all production departments and significant parts of administration are operating on short-time work. As part of this measure the Management Board and executives, as well as employees not affected by short-time work, are voluntarily waiving part of their salary in solidarity.

Sales by region



Economic environment

- According to the German Automotive Industry Association (VDA), the effects of the coronavirus pandemic and measures taken to contain it caused sales to fall sharply in the international car markets in the first half of 2020. The number of new car registrations fell in Western Europe (-39.5%), the United States (-23.5%), China (-22.5%), and Japan (-20.1%). The slump in most markets caused by the coronavirus is "historically unprecedented," the VDA continued.
- The global economy, and the automotive industry in particular, are exposed to various risks, especially from the pandemic. Their further development and possible effects cannot comprehensively be assessed at the present time.
- In contrast, the outlook for the automotive semiconductor market in the medium term continues to be positive. According to a study by 360iResearch from June 2020, this market is expected to grow at a CAGR of around 4.7% between 2019 and 2025.

¹ The figures relate exclusively to continuing operations.

Guidance

Guidance for the 3rd quarter 2020 (as of August 3, 2020)

Sales	37 to 41 million Euro
EBIT	-13 to -10 million Euro
Ø Exchange rate	1.15 EUR/USD

- > Due to the current situation – as explained under “Economic environment” – no full year guidance will be given.
- > The quarterly guidance refers solely to sales and EBIT, as additional figures (capital expenditures and adjusted free cash flow) usually provided are subject to stronger fluctuations during the year.

Opportunities and risks

- > The individual company risks and opportunities are described in our Annual Report 2019.
- > As the COVID-19 pandemic is so extensive, the pandemic risk, which is listed under economic, political, social and regulatory risks, also has a significant effect on the other individual risks listed in the Annual Report 2019, in particular on industry/market risks, as well as business and operational risks. The severe negative impact on the global economy is also affecting the business performance of Elmos. At the present time, we are unable to estimate the future course of the COVID-19 pandemic in the markets important to us. With the exception of the COVID-19 pandemic, there have been no material changes in the overall risk situation for Elmos in the first six months of 2020 compared to the previous year.
- > As also explained in the Annual Report, individual risks may cause substantial damage to the company in extreme cases. Such cases can neither be predicted nor ruled out. Apart from that, it must be noted that the occurrence of an individual risk might have material negative effects on the Company's financial, profit, and economic position, even without escalating to extremes.

Significant events

- > The conversion of Elmos into a European stock corporation (Societas Europaea, SE) was completed with the entry in the commercial register on July 1, 2020. Elmos now trades under the name of Elmos Semiconductor SE, strengthening its international position.
- > Elmos held its 21st Annual General Meeting as a virtual event on May 22, 2020. All items on the agenda were approved by a large majority.
- > As part of a public share buyback offer, a total of 1.54 million shares at 17.50 Euro each were bought back for a total of approximately 27 million Euro. The settlement took place at the beginning of the second quarter. Elmos now holds 9.9% of the share capital.
- > The cooperation with the Fraunhofer Institute for Microelectronic Circuits and Systems IMS in Duisburg, Germany, was ended when the agreed contract period expired on June 30, 2020.
- > Visit www.elmos.com for more events, new products and notifications on voting rights from the first half of 2020.

Condensed interim consolidated financial statements according to IFRS

January 1 to June 30

Condensed consolidated statement of financial position

Assets in thousand Euro	6/30/2020	12/31/2019
Intangible assets	31,334	32,864
Property, plant and equipment	134,113	137,803
Securities	42,889	17,324
Investments	1	1
Other financial assets	5,734	4,704
Deferred tax assets	75	56
Non-current assets	214,146	192,751
Inventories	91,124	78,759
Trade receivables	39,613	50,928
Securities	4,712	11,003
Other financial assets	1,277	3,418
Other receivables	9,954	7,242
Income tax assets	5,211	403
Cash and cash equivalents	39,458	95,018
Current assets	191,350	246,771
Total assets	405,495	439,522

Equity and liabilities in thousand Euro	6/30/2020	12/31/2019
Share capital	20,104	20,104
Treasury shares	-1,988	-469
Additional paid-in capital	57,631	82,490
Surplus reserve	102	102
Other equity components	-282	123
Retained earnings	234,132	236,732
Equity attributable to owners of the parent	309,699	339,081
Non-controlling interests	586	582
Shareholders' equity	310,284	339,663
Financial liabilities	43,763	44,680
Deferred tax liabilities	7,615	7,284
Non-current liabilities	51,378	51,964
Provisions	18,550	22,233
Income tax liabilities	896	6,157
Financial liabilities	3,775	4,390
Trade payables	13,542	10,159
Other liabilities	7,070	4,956
Current liabilities	43,833	47,895
Liabilities	95,211	99,859
Total equity and liabilities	405,495	439,522

Condensed consolidated income statement

in thousand Euro	Q2 2020	Q2 2019 ¹	H1 2020	H1 2019 ¹
Sales	58,789	75,047	123,011	144,121
thereof from discontinued operations	0	7,327	0	14,242
Sales from continuing operations	58,789	67,720	123,011	129,879
 CONTINUING OPERATIONS				
Sales from continuing operations	58,789	67,720	123,011	129,879
Cost of sales	-34,103	-36,808	-70,265	-71,286
Gross profit	24,686	30,912	52,746	58,593
Research and development expenses	-12,820	-9,210	-24,894	-18,944
Distribution expenses	-5,282	-5,257	-10,407	-9,987
Administrative expenses	-4,166	-4,774	-9,267	-10,181
Operating result before other operating expenses (-)/income	2,417	11,671	8,177	19,480
Foreign exchange losses (-)/gains	-612	-262	283	-115
Other operating income	1,572	475	2,237	1,334
Other operating expenses	-211	-370	-450	-578
Earnings before interest and taxes (EBIT) from continuing operations	3,166	11,513	10,247	20,121
Finance income	121	120	257	246
Finance costs	-285	-529	-495	-1,021
Earnings before taxes	3,002	11,104	10,008	19,346
Income tax	-745	-3,569	-3,194	-6,219
thereof current income tax	-969	-2,999	-2,704	-5,157
thereof deferred tax	223	-570	-490	-1,062
Consolidated net income after taxes from continuing operations	2,256	7,536	6,814	13,127
 DISCONTINUED OPERATIONS				
Consolidated net income after taxes from discontinued operations	0	1,539	0	2,979
 Consolidated net income after taxes from continuing and discontinued operations	2,256	9,075	6,814	16,107
thereof attributable to owners of the parent	2,260	9,086	6,810	16,083
thereof attributable to non-controlling interests	-4	-11	4	24
 Earnings per share	Euro	Euro	Euro	Euro
Basic earnings per share	0.12	0.38 ²	0.36	0.67 ²
Fully diluted earnings per share	0.12	0.38 ²	0.36	0.66 ²

¹ Adjustment of prior-year figures according to IFRS 5 (differentiation between continuing and discontinued operations)

² Key figure relates exclusively to continuing operations

Condensed consolidated statement of comprehensive income

in thousand Euro	Q2 2020	Q2 2019	H1 2020	H1 2019
Consolidated net income from continuing and discontinued operations	2,256	9,075	6,814	16,107
Items to be reclassified to the income statement in later periods including respective tax effects				
Foreign currency adjustments without deferred tax effect	-70	-234	-40	29
Foreign currency adjustments with deferred tax effect	0	0	0	386
corresponding deferred tax	0	0	0	-127
Changes in market value of financial assets measured at market value	1,242	280	-544	488
corresponding deferred tax	-408	-92	178	-160
Items not to be reclassified to the income statement in later periods including respective tax effects				
Actuarial gains from pension plans	0	5	0	10
corresponding deferred tax	0	-20	0	-3
Other comprehensive income after taxes	764	-61	-405	622
Total comprehensive income after taxes	3,020	9,014	6,409	16,729
thereof attributable to owners of the parent	3,024	9,025	6,405	16,705
thereof attributable to non-controlling interests	-4	-11	4	24

Condensed consolidated statement of cash flows

in thousand Euro	Q2 2020	Q2 2019	H1 2020	H1 2019
Consolidated net income from continuing and discontinued operations	2,256	9,075	6,814	16,107
Depreciation and amortization	8,126	8,447	15,785	15,893
Losses from disposal of assets	1	37	30	78
Financial result	165	491	238	937
Other non-cash income (-)/expenses	-222	-523	491	20
Current income tax	969	3,030	2,704	5,256
Expenses for stock awards/share matching	64	18	150	49
Changes in net working capital				
Trade receivables	538	-5,612	12,116	-3,007
Inventories	-5,508	-4,668	-12,365	-10,737
Other assets	2,140	3,105	-628	2,867
Trade payables	1,770	1,880	3,852	-2,587
Other provisions and other liabilities	-5,780	-1,523	-1,610	2,034
Income tax payments	-9,848	-3,441	-12,773	-8,858
Interest paid	-699	-651	-746	-658
Interest received	121	76	257	203
Cash flow from operating activities	-5,907	9,740	14,315	17,597
Capital expenditures for intangible assets	-1,217	-2,868	-2,289	-5,072
Capital expenditures for property, plant and equipment	-3,244	-8,641	-8,967	-24,712
Disposal of non-current assets	21	26	45	39
Payments for (-)/Disposal of securities	-10,775	10,224	-19,819	13,574
Payments for other non-current financial assets	-486	-122	-973	-242
Cash flow from investing activities	-15,701	-1,382	-32,003	-16,413

in thousand Euro	Q2 2020	Q2 2019	H1 2020	H1 2019
Change in current liabilities to banks	14	-131	0	-238
Share-based payment/issue of treasury shares	420	101	421	-19
Repayment of liabilities from installment purchase	-154	-153	-309	-308
Buyback of treasury shares	-26,949	-855	-26,949	-2,169
Repayment of leasing liabilities	-801	-1,020	-1,650	-2,263
Dividend distribution	-9,409	-10,218	-9,409	-10,218
Other changes	61	-3	61	-2
Cash flow from financing activities	-36,818	-12,279	-37,836	-15,217
Decrease (-) in cash and cash equivalents	-58,426	-3,921	-55,524	-14,033
Effects of exchange rate changes on cash and cash equivalents	-68	-151	-36	361
Cash and cash equivalents at beginning of reporting period	97,952	17,536	95,018	27,137
Cash and cash equivalents at end of reporting period	39,458	13,465	39,458	13,465

Condensed consolidated statement of changes in equity

in thousand Euro	Equity attributable to owners of the parent							Non-controlling interests		Group		
	Shares thousand	Share capital	Treasury shares	Additional paid-in capital	Surplus reserve	Other equity components			Retained earnings	Total	Total	
						Provision for financial assets measured at market value	Foreign currency translation	Unrealized actuarial gains/losses				
January 1, 2019	20,104	20,104	-355	84,567	102	-432	697	-197	161,615	266,101	529	266,630
Consolidated net income from continuing and discontinued operations									16,083	16,083	24	16,107
Other comprehensive income for the period						328	288	6		622	0	622
Total comprehensive income						328	288	6	16,083	16,705	24	16,729
Share-based payment/issue of treasury shares		14	297						-330	-19		-19
Buyback of treasury shares		-108	-2,061							-2,169		-2,169
Dividend distribution									-10,218	-10,218		-10,218
Other changes		46					-1,092		1,092	46		46
June 30, 2019	20,104	20,104	-449	82,849	102	-104	-107	-191	168,242	270,447	552	270,999
January 1, 2020	20,104	20,104	-469	82,490	102	-156	586	-307	236,732	339,081	582	339,663
Consolidated net income from continuing and discontinued operations									6,810	6,810	4	6,814
Other comprehensive income for the period						-365	-40			-405	0	-405
Total comprehensive income						-365	-40		6,810	6,405	4	6,409
Share-based payment/issue of treasury shares		21	399							421		421
Buyback of treasury shares		-1,540	-25,409							-26,949		-26,949
Dividend distribution									-9,409	-9,409		-9,409
Expenses for stock awards		150								150		150
June 30, 2020	20,104	20,104	-1,988	57,631	102	-521	546	-307	234,132	309,699	586	310,284

Notes to condensed interim consolidated financial statements

January 1 to June 30

The condensed interim consolidated financial statements for the first half of 2020 were released for publication pursuant to Management Board resolution in August 2020.

1 – GENERAL INFORMATION

The address of the Company's registered office is Heinrich-Hertz-Straße 1, 44227 Dortmund, Germany.

Basic principles of the preparation of financial statements

The condensed interim consolidated financial statements for the period January 1 to June 30, 2020, have been prepared in accordance with IAS 34 "Interim Financial Reporting." These financial statements therefore do not contain all the information and disclosures required for consolidated financial statements and should therefore be consulted together with the consolidated financial statements for the fiscal year ended December 31, 2019.

Essential accounting policies and measurement methods

For the preparation of the condensed interim consolidated financial statements, the same accounting policies and measurement methods have been adopted as were applied for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2019, with the exception of the amended IFRS standards and improvements explained below.

- > Amendments to IAS 1 – *Presentation of Financial Statements* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*: amendments to Definition of Material
- > Amendments to IFRS 9 – *Financial Instruments*, IAS 39 – *Financial Instruments: Recognition and Measurement* and IFRS 7 – *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform
- > References to the Revised Conceptual Framework
- > Amendments to IFRS 3 – *Business Combinations*: Definition of a Business

The initial application of these amended standards and improvements did not have a material impact on the Group's financial, profit, and economic position.

Estimates and assumptions

The Company recognizes provisions for pension obligations pursuant to IAS 19. For 2020, an actuarial interest rate of 0.85% has been applied, unchanged from December 31, 2019.

Exceptional business transactions

There were no exceptional business transactions in the first six months of 2020.

Estimates and discretionary decisions due to the COVID-19 pandemic

Estimates and discretionary decisions may have an impact on the amount of assets and liabilities reported in the balance sheet, and on the income and expenses disclosed for the reporting period. Due to the global consequences of the COVID-19 pandemic, which are currently still impossible to predict, these estimates and discretionary decisions are subject to increased uncertainty. The available information on anticipated economic development was taken into account when updating the estimates and discretionary decisions as of June 30, 2020. The spread of coronavirus may affect the financial statements through interest rate adjustments in various countries, increasing volatility of foreign exchange rates, payment defaults or delayed payments, delays in the receipt of orders and in the execution and fulfillment of contracts, altered sales and cost structures, or volatility in the financial and raw materials markets. All these factors may affect the fair values and book values of assets and liabilities, as well as the amount and timing of income and expense recognition and cash flows.

Impact of the COVID-19 pandemic on the interim financial statements and measures taken by Elmos

In the six months up to June 30, 2020, the business and economic environment of Elmos was negatively impacted to a significant degree by the effects of the COVID-19 pandemic. This is evidenced by a decline in key figures such as sales, EBIT, and adjusted cash flow. At the same time the Company has taken operational measures, including short-time work, to moderate the economic effects of the crisis caused by the pandemic. In addition, Elmos is implementing far-reaching preventative measures against the spread of coronavirus. For example, several hundred employees work in remote office, travel restrictions are in place, and entry checks are carried out. There are also extensive measures for social distancing and clear hygiene guidelines.

Basis of consolidation/investments in associates

There were no changes in the basis of consolidation and/or investments in associates in the first half of 2020.

Seasonal and economic effects on business operations

The International Monetary Fund (IMF) expects global economic output to fall by 4.9% in 2020 compared with the previous year (as of end of June 2020). The only major industrialized nation that will see slight growth in 2020 is China (+1.0%). The pandemic restrictions were mostly lifted here in April 2020. According to the IMF, the U.S. economy is expected to fall by 8.0% in 2020. Germany's gross domestic product is expected to be 7.8% lower than in the previous year. For Europe in total, a minus of 10.2% is anticipated. Significant negative figures are also forecast for Russia, Brazil, and India. As Elmos is an international business, these developments will have a negative impact on the company's assets, liabilities, financial position, and profit or loss.

Segment reporting

in thousand Euro	Semiconductor		Micromechanics		Consolidation		Group	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Third-party sales	123,011	129,879	0	14,242	0	0	123,011	144,121
Inter-segment sales	0	303	0	551	0	-854	0	0
Total sales	123,011	130,182	0	14,793	0	-854	123,011	144,121
Segment earnings (EBIT)	10,247	20,121 ¹	0	3,157 ¹	0	0	10,247	23,278
Finance income						257	246	
Finance costs						-495	-1,183	
Earnings before taxes						10,008	22,342	
Income tax	-3,194	-6,219	0	-16	0	0	-3,194	-6,235
Consolidated net income						6,814	16,107	

¹ Previous year adjusted

Sales in the Micromechanics segment were generated by the U.S. subsidiary SMI in the first half-year of 2019. Effective September 30, 2019, this subsidiary left the Elmos Group's basis of consolidation due to a sale of shares in the entity. For this reason, the present segment report no longer includes information on the Micromechanics segment in the first half-year of 2020.

2 – INFORMATION ON FINANCIAL INSTRUMENTS

The following table lists the book values and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in a regular business transaction as of the measurement date. In view of varying factors of influence, the presented fair values can only be regarded as indicators of the amounts actually recoverable in the market. Detailed information on the methods and assumptions underlying the determination of the value of financial instruments can be found under note 29 to the 2019 consolidated financial statements. Its relevance to these half-year financial statements is undiminished.

Book values and fair values of each category of financial assets and liabilities

in thousand Euro	June 30, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
Financial assets				
Investments	1	1	1	1
Securities (long-term)	42,889	42,889	17,324	17,324
Securities (short-term)	4,712	4,712	11,003	11,003
Trade receivables	39,613	39,613	50,928	50,928
Cash and cash equivalents	39,458	39,458	95,018	95,018
Other financial assets	7,011	7,011	8,122	8,122
Financial liabilities				
Trade payables	13,542	13,542	10,159	10,159
Liabilities to banks	40,110	41,885	40,398	41,809
Other financial liabilities	7,637	7,637	9,191	9,191

At the end of each reporting period, a review is conducted to find out whether reclassifications between valuation hierarchies must be made. This review did not result in any reclassifications. The following presentation shows which valuation hierarchy levels (according to IFRS 13) financial assets and liabilities measured at fair value are classified to.

Hierarchy of fair values

Level 1: quoted (unadjusted) prices in active markets for similar assets or liabilities

in thousand Euro	1/1	Addition	Disposal	Reclassification	Market valuation	6/30
Long-term securities ¹	2020	17,324	24,566	0	-1,500	501 39,889
	2019	18,446	0	-3,514	-5,000	127 10,059
Short-term securities ¹	2020	8,003	252	-5,000	1,500	-42 4,712
	2019	10,108	0	-10,527	5,000	362 4,943

¹Hold and sell

Level 2: methods where all input parameters with a material effect on the determined fair value are observable either directly or indirectly

in thousand Euro	1/1	Addition	Disposal	Market valuation	6/30
Forward exchange contracts/	2020	109	57	-109	0 57
Currency option transactions	2019	171	-26	-86	18 77
Embedded derivatives	2020	0	-40	0	0 -40
	2019	-16	0	0	7 -9

Level 3: methods using input parameters that have a material effect on the determined fair values and are not based on observable market data

in thousand Euro	1/1	Addition	Disposal	6/30
Call options	2020	11	2	0 13
	2019	11	2	0 13
Investments	2020	1	0	0 1
	2019	20	0	0 20

3 – RELATED PARTY DISCLOSURES

As reported in the consolidated financial statements for the fiscal year ended December 31, 2019, the Elmos Group maintains business relationships with related companies and individuals in the context of the ordinary course of business.

These supply and performance relationships continue to be transacted at market prices.

Notifications of managers' transactions for the period from January 1 to June 30, 2020, are available at www.elmos.com.

4 – SIGNIFICANT EVENTS AFTER THE END OF THE FIRST SIX MONTHS OF 2020

There are no events of particular significance and with material effects on the assets, liabilities, financial position, and profit or loss to be reported after the end of the first six months of 2020.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining fiscal year.

Dortmund, Germany, August 5, 2020



Dr. Anton Mindl



Dr. Arne Schneider



Guido Meyer



Dr. Jan Dienstuhl

REVIEW REPORT

To Elmos Semiconductor SE

We have reviewed the condensed interim consolidated financial statements – comprising the condensed statement of financial position, the condensed statement of profit or loss and other comprehensive income for the period, the condensed statement of changes in equity, the condensed statement of cash flows and selected explanatory notes – and the interim group management report of Elmos Semiconductor SE, Dortmund, for the period from 1 January 2020 to 30 June 2020 which form part of the half-year financial reporting in accordance with section 115 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a 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 the 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 aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of Company employees and analytical assessments 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 statements audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements of Elmos Semiconductor SE, Dortmund, for the period from 1 January 2020 to 30 June 2020 have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 5 August 2020

Warth & Klein Grant Thornton AG, Wirtschaftsprüfungsgesellschaft

Eckhard Lewe

German Public Auditor

Ulf Kellerhoff

German Public Auditor

Financial calendar

Fiscal year 2020

Quarterly results Q2/2020 ¹	August 5, 2020
Quarterly results Q3/2020 ¹	November 4, 2020

¹The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation oblige issuers to announce any information that may have a substantial price impact immediately, irrespective of the financial calendar. Therefore, we cannot rule out having to announce key figures of quarterly and annual results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them in advance on the website (www.elmos.com).

Contact

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Notes

The half-year financial report of Elmos Semiconductor SE fulfills the requirements of the applicable provisions under the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and comprises, according to Section 115 WpHG, condensed consolidated half-year financial statements, a group management report, and a responsibility statement. The consolidated half-year financial statements have been prepared in accordance with the IFRS applicable to interim financial reporting as released by the IASB and adopted by the European Union. The half-year financial report should be consulted together with our Annual Report for financial year 2019. The Annual Report includes a comprehensive presentation of our business activities and notes to the financial indicators applied.

Due to rounding it is possible that individual numbers indicated in this interim report do not add up precisely to respective totals indicated and that percentages indicated do not correspond precisely to respective absolute values.

Forward-looking statements

This report contains statements directed to the future that are based on assumptions and estimates made by the management of Elmos. Even though we assume the underlying expectations of our forward-looking statements to be realistic, we cannot guarantee these expectations will prove right. The assumptions may carry risks and uncertainties, and as a result actual events may differ materially from the current statements made with respect to the future. Among the factors that could cause material differences are changes in general economic and business conditions, changes in exchange and interest rates, the introduction of competing products, lack of acceptance of new products, and changes in business strategy. Elmos neither intends nor assumes any obligation to update its statements with respect to future events.

This English translation is provided for convenience only. The German text shall be the sole legally binding version.