

Investor Presentation

December 2021

elmos[®]



ELMOS CORPORATE OVERVIEW



Corporate highlights

~6 Elmos ICs
on average in every new car

6 product segments:
Ranging, Optical, Sensor ICs, Motor Control,
Lighting, Safety/Power/Custom ICs

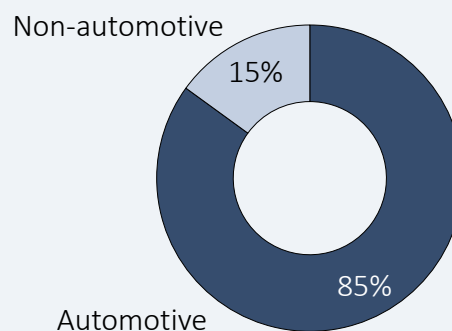
16 locations worldwide incl. 7 R&D centers
HQ located in Dortmund, Germany

>35 years experience in analog
mixed signal IC solutions

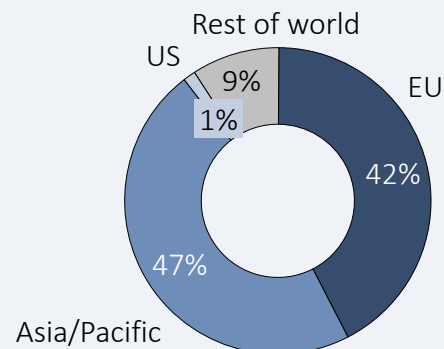
1,150 employees thereof 350+ product
developers & engineers

Sales breakdown

Automotive focused:
Sales by industry FY 2020



Global presence:
Sales by region 9M 2021



Financial highlights 9M 2021

237 million Euro sales
strong growth to new record levels

16 percent EBIT margin
impacted by allocation-related effects,
especially material price increases

42 million Euro CAPEX
mainly for the expansion of test capacities

68 percent equity ratio
emphasizing Elmos' financial solidity

777 million Euro market capitalization
(as of September 30, 2021)

ELMOS INNOVATIVE SOLUTIONS FOR GLOBAL MEGA TRENDS

elmos[®]

Leading innovator in future mobility

#1 FOR ULTRASONIC ICs

#1 FOR HVAC FLAPS

#1 FOR GESTURE CONTROL

#1 FOR AMBIENT AND REAR LIGHT



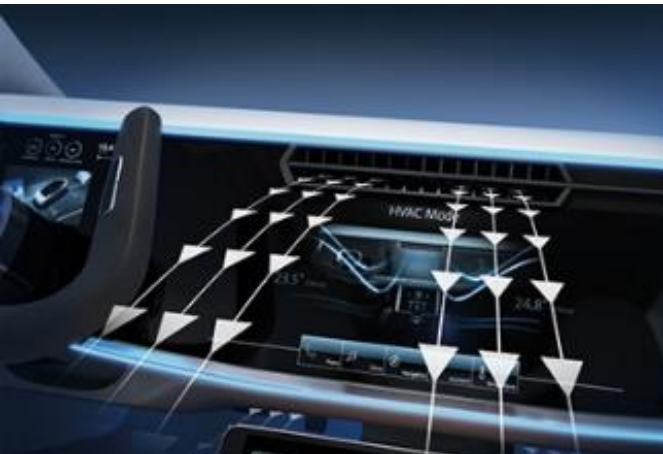
USER EXPERIENCE



ADAS & AUTONOMOUS DRIVING



SAFETY



COMFORT



ELECTRIFICATION



LIGHTING

UPDATE 12/2021: SALE OF ELMOS WAFER FAB ACTIVITIES



The transfer of new products and technologies provides a long-term perspective for the Dortmund wafer fab

Transaction summary

Sale and purchase agreement between Elmos Semiconductor SE and Silex Microsystems AB to transfer the Elmos wafer fabrication activities in Dortmund.

Separate long-term supply agreement until at least 2027 for wafers produced at the Dortmund fab.

Total net purchase price of around 85 million Euro including around 7 million Euro for the work-in-progress inventory.

Elmos remains the owner of the property and will lease the clean room to Silex based on long-term lease agreements.

Closing is expected in the 2nd half of 2022 and is subject to customary closing conditions and regulatory approvals.

The EBIT margin guidance for FY 2021, published Nov. 4 (see page 11) already includes transaction-related expenses and therefore remains unchanged.

Transaction rationale

The Elmos wafer fab in Dortmund mainly manufactures 350nm products for automotive applications. The customer demand for 350nm ICs will decline in the medium and long term, as smaller node size products will be used in the future, mainly 180nm or 130nm, which can not be produced at the location in Dortmund.

This would have potentially led to a critical underutilization of the Dortmund fab. The associated fixed cost burden would have led to a significant cost increase and a clear competitive disadvantage for Elmos.

To secure our customer delivery obligations, Elmos and Silex have entered into a long-term supply agreement until at least 2027, with Elmos buying processed wafers produced at the fab.

Buyer: Silex Microsystems AB

Based in Järfälla, Sweden (near Stockholm), Silex Microsystems AB is a global leader for MEMS foundry manufacturing and offers state-of-the-art MEMS production of advanced sensors and actuators, mainly for medical, consumer, telecommunication, industrial and automotive applications.

With around 650 employees in total, the company operates two 8-inch fabs in Sweden and in China, where also the anchor shareholder, Sai Micro Electronic Inc, a public listed high-tech company, is located.

Silex plans to expand its activities in the automotive sector. Therefore, the technological profile and equipment of the automotive-qualified Elmos fab is a perfect fit for the Silex product road map.

Silex leases the clean room for 10 years plus a 10-year extension option, will invest in new products and MEMS technologies and expand capacities for new applications and customers at the Dortmund fab.

Silex will acquire the wafer fabrication only. Elmos will continue to conduct all testing activities, both in-house and in cooperation with our external testing partners in East Asia.

HIGHLIGHTS IN 2021



The IC shortage is by far from over and will most likely continue in 2022

COVID-19 pandemic

Overall, Elmos has managed the COVID-19 pandemic very well so far.

The Elmos vaccination campaign in April 2021 was a great success. Nearly 600 employees and family members received the coronavirus vaccine within two months.

Since the end of the summer, we have eased some of the corona-related restrictions regarding travel, meetings and social activities. We have also decided to gradually return to a normal office routine (50% on site) and have introduced a new company agreement that applies for the remote office working in the time after the pandemic.

Semiconductor market

The ongoing high demand for electronics in all industries worldwide and the associated allocation situation continue to have massive effects along the entire value chain for semiconductors.

The allocation of foundry capacities, supply bottlenecks for key components, material price increases and logistical challenges are having noticeable impact on the business performance.

The capacity shortage and the effects of the global semiconductor shortage will likely continue in 2022. Our focus is to secure sufficient wafer capacities from our foundries for the coming year and that Elmos will be able to meet the real demands of its customers.

Strategic highlights

After the successful public buyback offer of the previous year, we further optimized the capital structure in 2021. We bought back about 6% of the capital stock and canceled some shares, so that we now have 17.7 million shares.

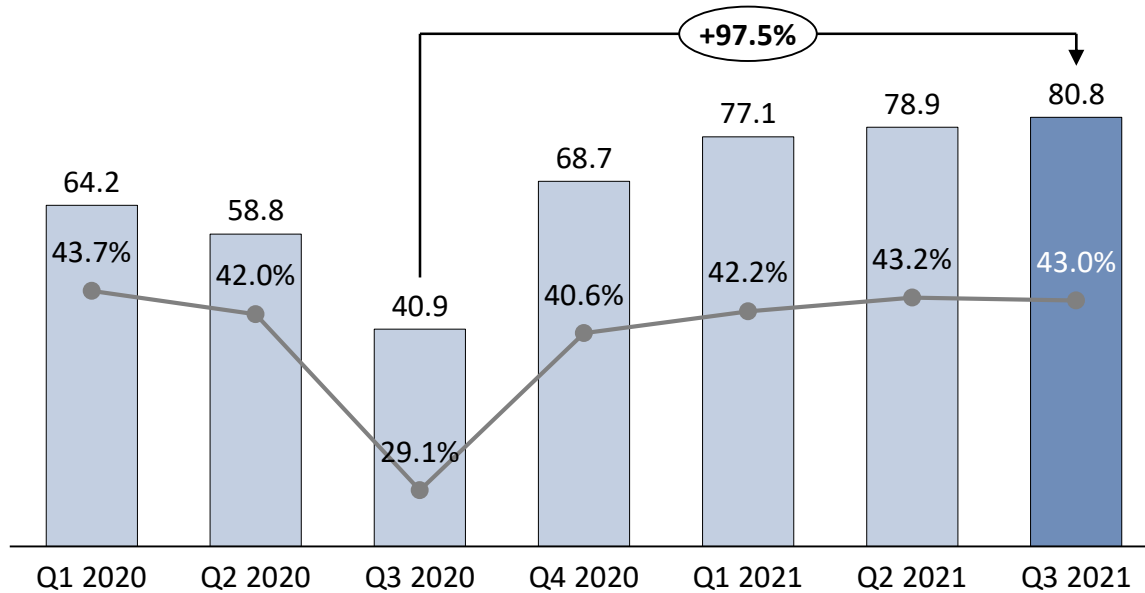
Elmos is still fully on track for another successful year in new design wins, supported by a continued high level of R&D activities in all application fields.

In the second half of 2021, we have further intensified our CAPEX program in the backend area and will invest a record amount in our testing facilities this year, to install the necessary capacities to secure our delivery capabilities.

We are also expanding our software activities and strengthening the Elmos software organization.

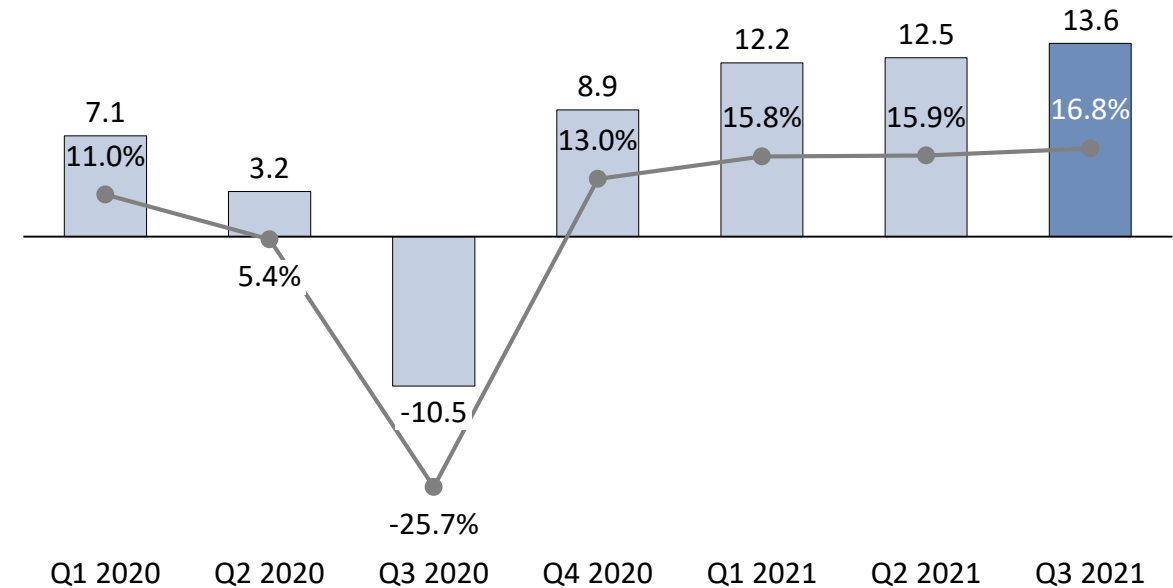
SALES AND EBIT

Quarterly sales (in million Euro) & gross margin (in %)



- Sales in Q3 2021 almost doubled versus previous year (+97.5%), which was heavily impacted by the corona pandemic
- All product segments supported the growth to a new quarterly record level

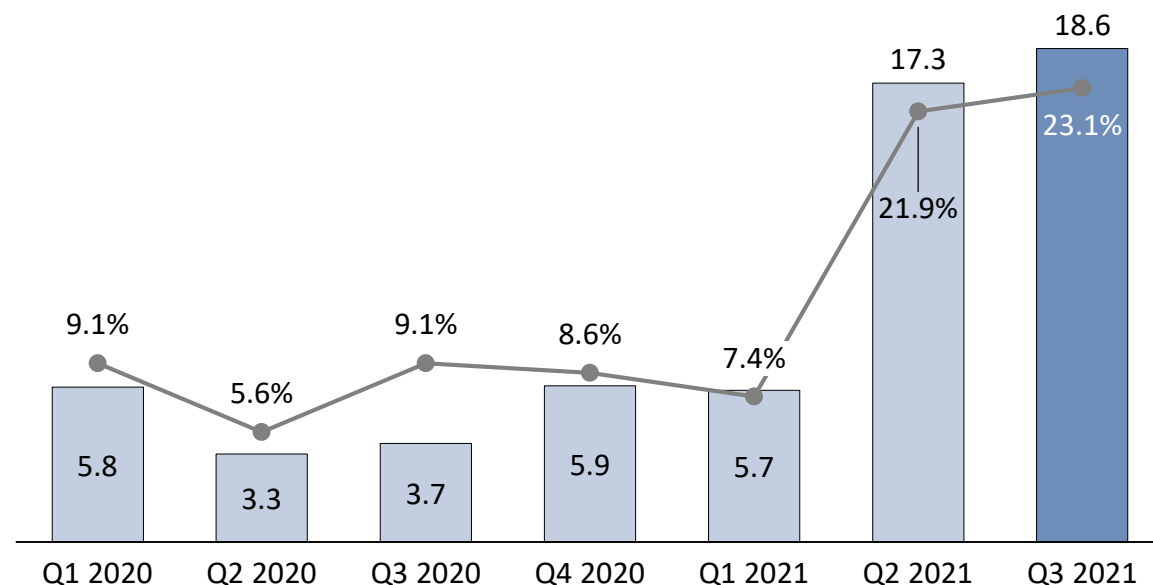
Quarterly EBIT (in million Euro) & EBIT margin (in %)



- Increase in EBIT to 13.6 million Euro based on higher volumes, but allocation-related effects and higher prices from our foundries and for assembly somewhat impacted the performance in the third quarter
- Q3 2021 EBIT margin of 16.8% (guidance 15.5% ± 2%-points)

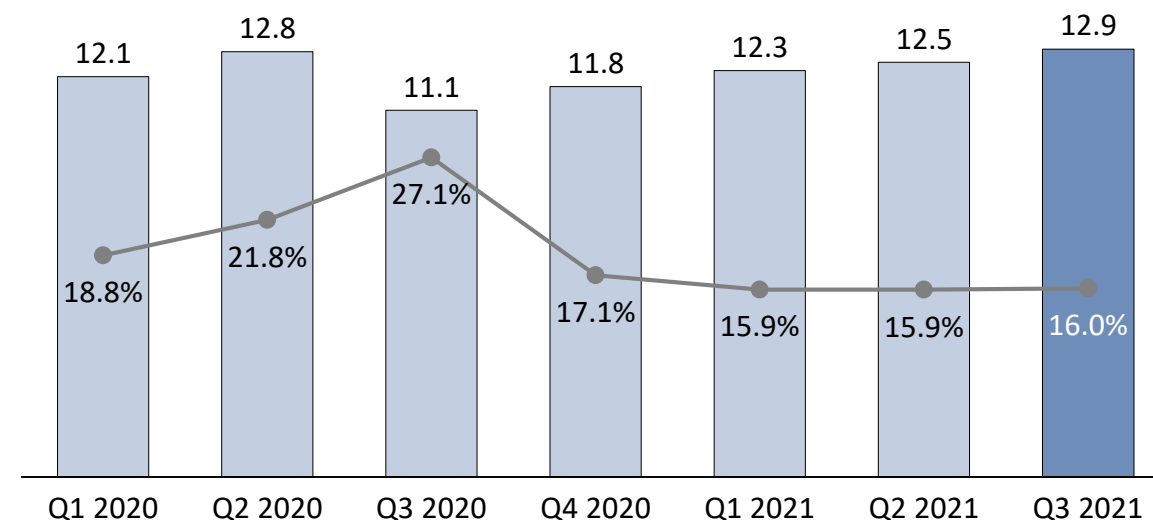
CAPEX AND R&D EXPENSES

CAPEX¹ (in million Euro & in % of sales)



- Higher investments of **18.6 million Euro** in Q3 2021 continue to reflect the previously announced **backend CAPEX program**
- In addition to the backend CAPEX program, we have invested in a **new building for our software division** in Q3 2021
- Overall, Q3 2021 **CAPEX to sales ratio again exceeds 20%**

R&D expenses (in million Euro & in % of sales)

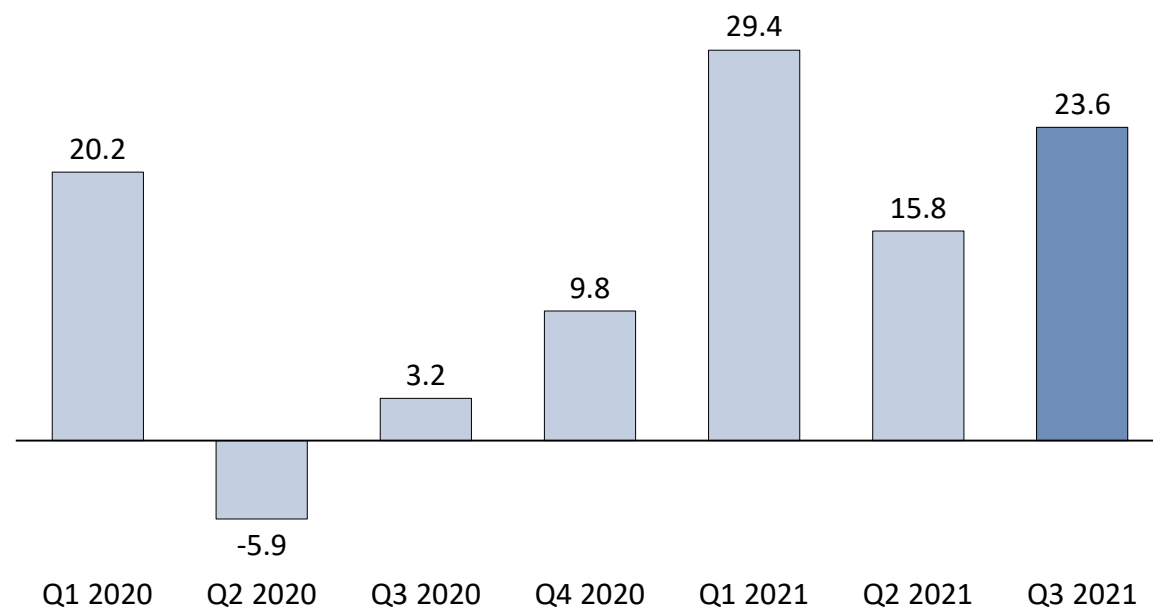


- R&D expenses continue to **remain on a high level** at approximately 16% of sales
- After nine months we are **fully on track with our New Design Win activities** with promising new projects in all product segments

¹Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses

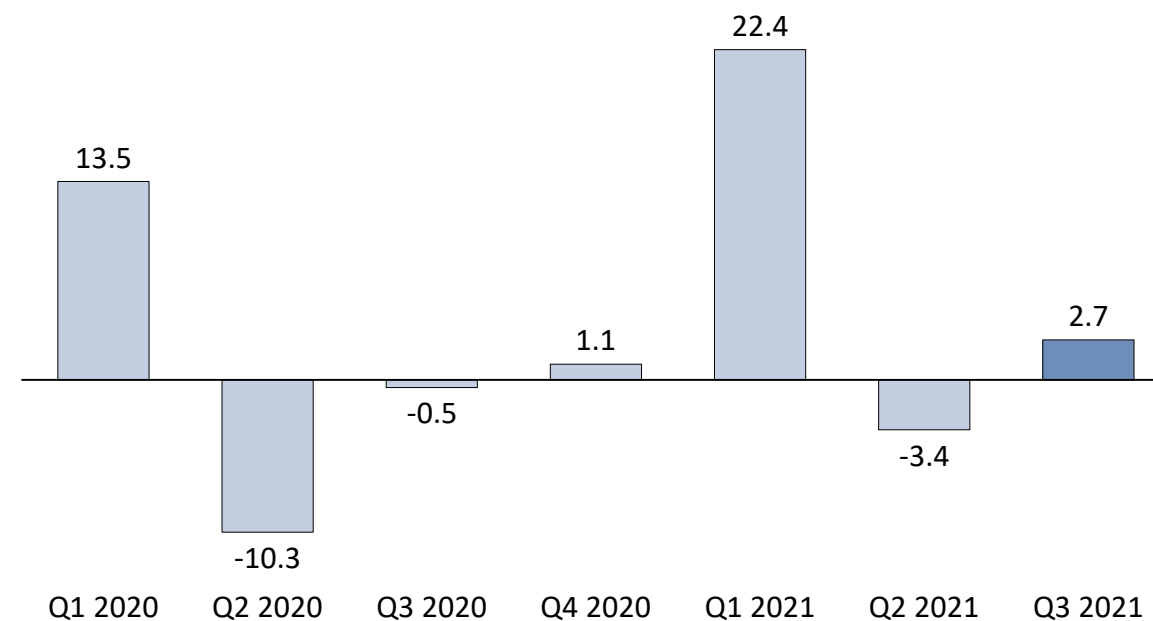
CASH FLOW

Operating cash flow (in million Euro)



- **Strong cash flow from operations** increased to 23.6 million Euro in Q3 2021 mainly due to the positive net result and changes in net working capital

Adjusted free cash flow¹ (in million Euro)

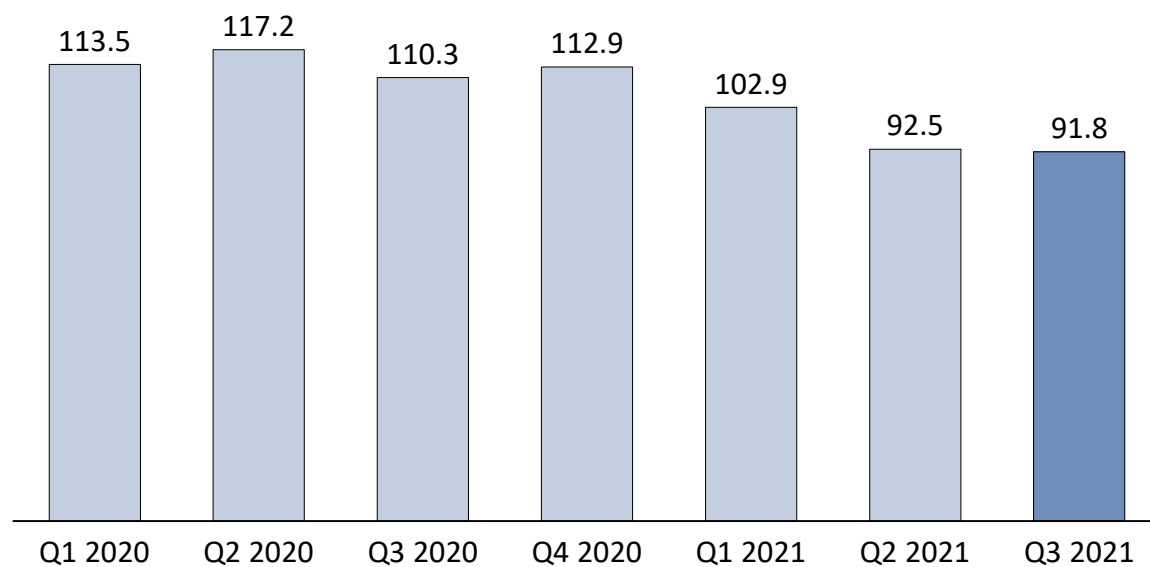


- The higher cash flow from operations combined with the ongoing higher CAPEX spending resulted in a **slightly positive adjusted free cash flow in Q3 2021**
- The major CAPEX program for the backend area will continue to influence the free cash flow

¹Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (including payments for shares and proceeds from additions to the scope of consolidation)

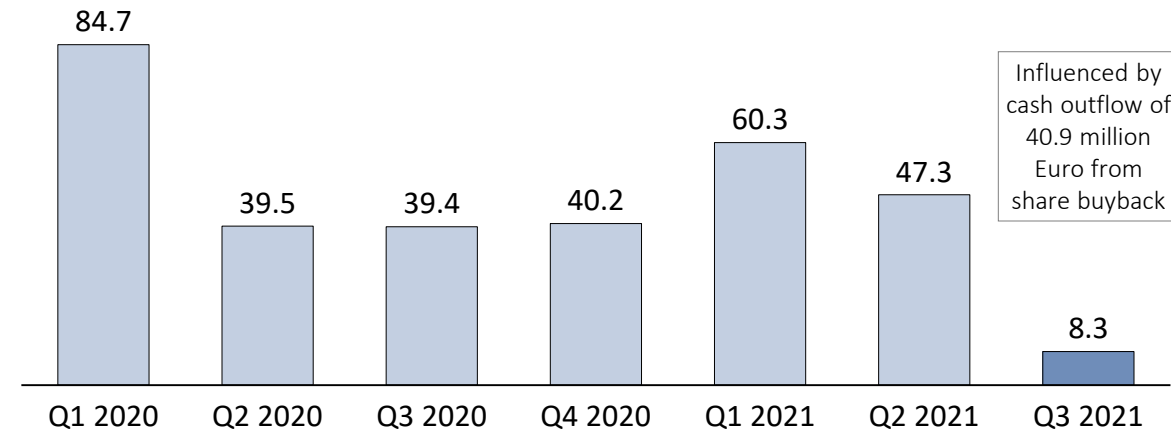
WORKING CAPITAL AND NET CASH

Working capital¹ (in million Euro, at the end of the quarter)



- Working capital in Q3 2021 remains on a similar level compared to Q2 2021 due to slightly higher inventories and trade receivables as well as increasing trade payables

Net cash (in million Euro, at the end of the quarter)



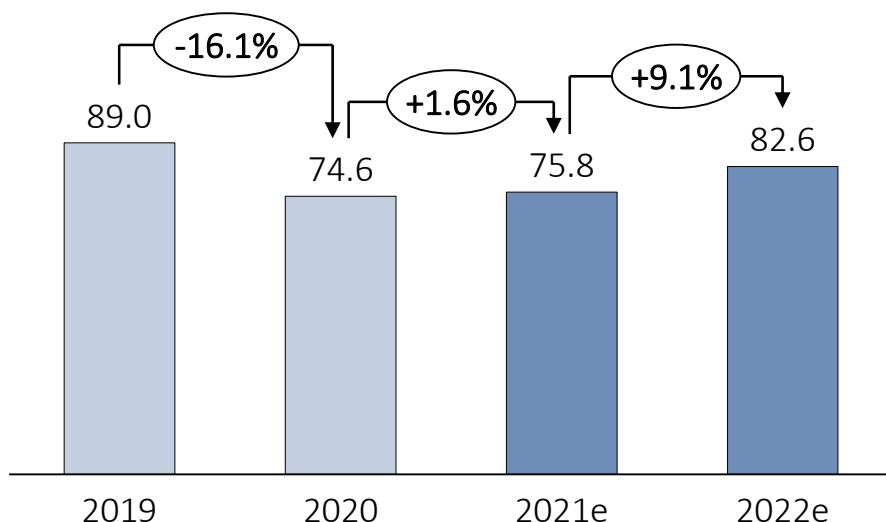
- Due to the share buyback settled in September 2021 and higher investments in Q3 2021, our **net cash position declined as expected to 8.3 million Euro** at September 30, 2021

¹Trade accounts receivables plus inventories less trade accounts payables

MARKET FORECAST

Automotive market

Light vehicle production in million units (IHS)¹



The IHS light vehicle production forecast was significantly reduced in September 2021

Forecast changes for 2021 and 2022 (in million units, global market):

	Sep. FC	Aug. FC	Chg. (units)	Chg. %
2021	75.8	80.8	-5.0	-6.2%
2022	82.6	91.1	-8.5	-9.3%

¹IHS Light Vehicle Production Forecast (September 2021)

Automotive & semiconductor headlines

Chip shortage will cost industry \$210B, 7.7M units in 2021, Alix Partners says.

Up considerably from the firm's May forecast, in which it estimated a loss of \$110 billion and 3.9 million units lost.

Automotive News, September 2021

IHS Markit lowers global vehicle output forecasts amid supply chain crisis

Automotive News, September 2021

Major automakers fear the global chip shortage could persist for some time

CNBC, September 2021

Chip shortage could last into 2023, says Daimler

chairman Ola Källenius. This shortage will bleed into 2022 from a structural point of view and then gradually get better.

BBC, September 2021

Volkswagen executive: This shortage is going to go well into 2022, at least the second half of '22

Reuters, October 2021

We expect TSMC's capacity to remain very tight in 2021 and throughout 2022

TSMC/Bloomberg, October 2021

GUIDANCE FOR 2021

Elmos 2021 guidance (as of November 4, 2021)

Guidance for FY 2021

Sales: 320 ± 5 million Euro

EBIT margin: 17% ± 2 percentage points

Capital expenditures significantly higher year on year

Positive adjusted free cash flow above previous year expected

Ø exchange rate: 1.15 EUR/USD

Notes to guidance 2021:

The EBIT margin guidance for the full year 2021 already includes transaction-related expenses for the sale of the Elmos wafer fab to Silex and therefore remains unchanged.

The 2021 guidance is based on relevant market and industry forecasts, which are associated with certain risks due to the ongoing COVID 19 pandemic and are also likely to be subject to greater fluctuations over the course of the year.

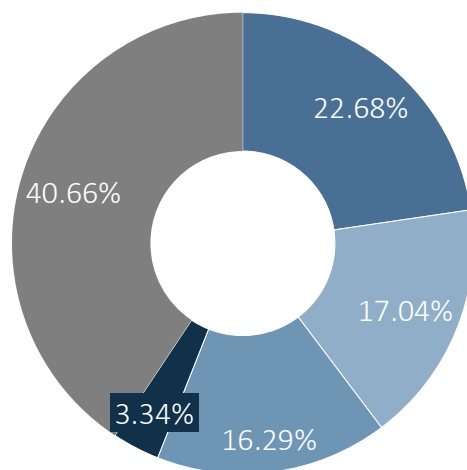
Our forecast ability is also significantly affected by the current allocation within the IC market, combined with delivery constraints of key components based on the global capacity bottlenecks.

The Elmos logo is displayed in the top right corner. It features the word "elmos" in a lowercase, sans-serif font, with a small registered trademark symbol (®) to the upper right of the letter 's'. The background of the slide is a blurred image of a blue sports car driving on a road, with a vertical translucent bar on the left side.

SHAREHOLDER STRUCTURE SET FOR LONG-TERM PERSPECTIVE

Elmos Semiconductor SE shareholder structure

- **Reduction of share capital** of 20,103,513.00 Euro by cancellation of 1,940,000 shares to 18,163,513.00 Euro as of August 17, 2021
- **Public share buyback offer 2021** (a total of **1.05 million shares** bought back at an offer price per share of **39.00 Euro**) settled on September 6, 2021
- **Further reduction of share capital** of 18,163,513.00 Euro by cancellation of 463,513 shares to 17,700,000.00 Euro as of September 20, 2021
- **Elmos now holds 590,760 treasury shares / 3.34% of share capital**



- Weyer Beteiligungsgesellschaft mbH and related parties
- Jumakos Beteiligungsgesellschaft mbH
- ZOE-VVG GmbH and related parties
- Treasury Stock
- Free float

Elmos 5-year share price development



5-YEAR OVERVIEW ELMOS GROUP (IFRS)

in million Euro unless otherwise indicated						
	FY 2016	FY 2017	FY 2018	FY 2019		FY 2020
				<i>continuing & discontinued operations</i>	<i>continuing operations</i>	
Sales	228.6	250.4	277.6	294.8	273.4	232.6
growth in %	4.1%	9.5%	10.8%	6.2%	7.7%	-14.9%
<i>thereof continuing operations</i>	206.9	230.1	253.9	273.4	273.4	232.6
<i>thereof discontinued operations</i>	21.7	20.4	23.7	21.4	n/a	0
Gross profit	96.8	110.1	125.5	136.8	125.6	92.6
in % of sales	42.3%	43.9%	45.2%	46.4%	45.9%	39.8%
Research & development expenses	36.0	33.8	36.0	44.6	40.7	47.7
in % of sales	15.7%	13.5%	13.0%	15.1%	14.9%	20.5%
Operating income	22.0	37.1	49.3	45.8	41.4	8.5
in % of sales	9.6%	14.8%	17.8%	15.5%	15.1%	3.7%
EBIT	23.1	38.4	51.0	97.3 45.3 ¹	29.8 40.9 ²	8.7
in % of sales	10.1%	15.3%	18.4%	33.0% 15.4% ¹	10.9% 15.0% ²	3.7%
Earnings before taxes	23.1	35.5	49.5	96.0	28.7	8.2
in % of sales	10.1%	14.2%	17.8%	32.6%	10.5%	3.5%
Consolidated net income attributable to owners of the parent	15.9	24.9	35.4	85.7	18.5	6.4
in % of sales	6.9%	10.0%	12.8%	29.1%	6.8%	2.8%
Earnings per share (basic) in Euro	0.80	1.26	1.79	4.36	0.94	0.35
	12/31/2016	12/31/2017	12/31/2018	12/31/2019		12/31/2020
Total assets	312.9	336.9	369.1	439.5		395.5
Shareholders' equity	231.6	240.1	266.6	339.7		310.2
in % of total assets	74.0%	71.3%	72.2%	77.3%		78.4%
Financial liabilities	36.2	51.2	43.8	49.1		45.6
Liquid assets and securities	91.6	84.4	60.7	123.3		85.8
Net cash	55.4	33.2	16.9	74.3		40.2
	FY 2016	FY 2017	FY 2018	FY 2019		FY 2020
Cash flow from operating activities	33.5	37.9	48.4	45.6		27.3
Capital expenditures ³	23.2	37.2	41.4	43.6		18.8
in % of sales ³	10.1%	14.9%	14.9%	14.8%		8.1%
Cash flow from investing activities	-34.9	-47.2	-34.3	37.2		-42.4
Adjusted free cash flow ⁴	9.1	-5.2	-3.3	76.9		3.6
Dividend per share in Euro	0.35	0.40	0.52	0.52		0.52 ⁵
Employees on annual average	1,127	1,155	1,250	1,317		1,208

¹ Without consideration of the result from the sale of the subsidiary SMI and without consideration of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

² Without consideration of the restructuring expenses for the termination of the cooperation with the Fraunhofer Institute IMS.

³ Capital expenditures for intangible assets and property, plant and equipment less capitalized development expenses.

⁴ Cash flow from operating activities less capital expenditures for/plus disposal of intangible assets and property, plant and equipment (including payments from disposals of consolidated companies and payments for shares).

⁵ Proposal for the AGM in 2021.

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

FINANCIAL CALENDAR / RESEARCH COVERAGE / IR CONTACT



Event	Date
Preliminary results 2021 ¹	February 17, 2022
Final results 2021 ¹	March 17, 2022
Quarterly results Q1 2022 ¹	May 5, 2022
Annual General Meeting	May 11, 2022
Quarterly results Q2 2022 ¹	August 2, 2022
Quarterly results Q3 2022 ¹	November 3, 2022

Elmos Semiconductor SE – basic share data	
ISIN / WKN:	DE0005677108 / 567710
Stock symbol:	ELG
Code:	ELGG.De
Class:	Non-par value bearer shares
Segment:	Prime Standard, Regulated Market
Share capital:	17,700,000 € / shares

Institution	Analyst	Recommendation
Deutsche Bank	Robert Sanders	Hold
Hauck & Aufhäuser	Christian Sandherr	Buy
Oddo BHF	Stéphane Houri	Buy
Warburg Research	Malte Schaumann	Buy

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¹The German Securities Trading Act (Wertpapierhandelsgesetz) and the Market Abuse Regulation (EU) oblige issuers to immediately announce any information that may have a substantial price impact, irrespective of the communicated schedules. Therefore it is possible that we will announce key figures of quarterly and annual results ahead of the dates listed above. As we can never rule out changes of dates, we recommend checking dates and news ahead of schedule on the Company's website (www.elmos.com).



DISCLAIMER

This presentation contains forward-looking statements based on beliefs of Elmos' management. Such statements reflect the company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. Elmos does not intend or assume any obligation to update these forward-looking statements.

Elmos Semiconductor SE

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