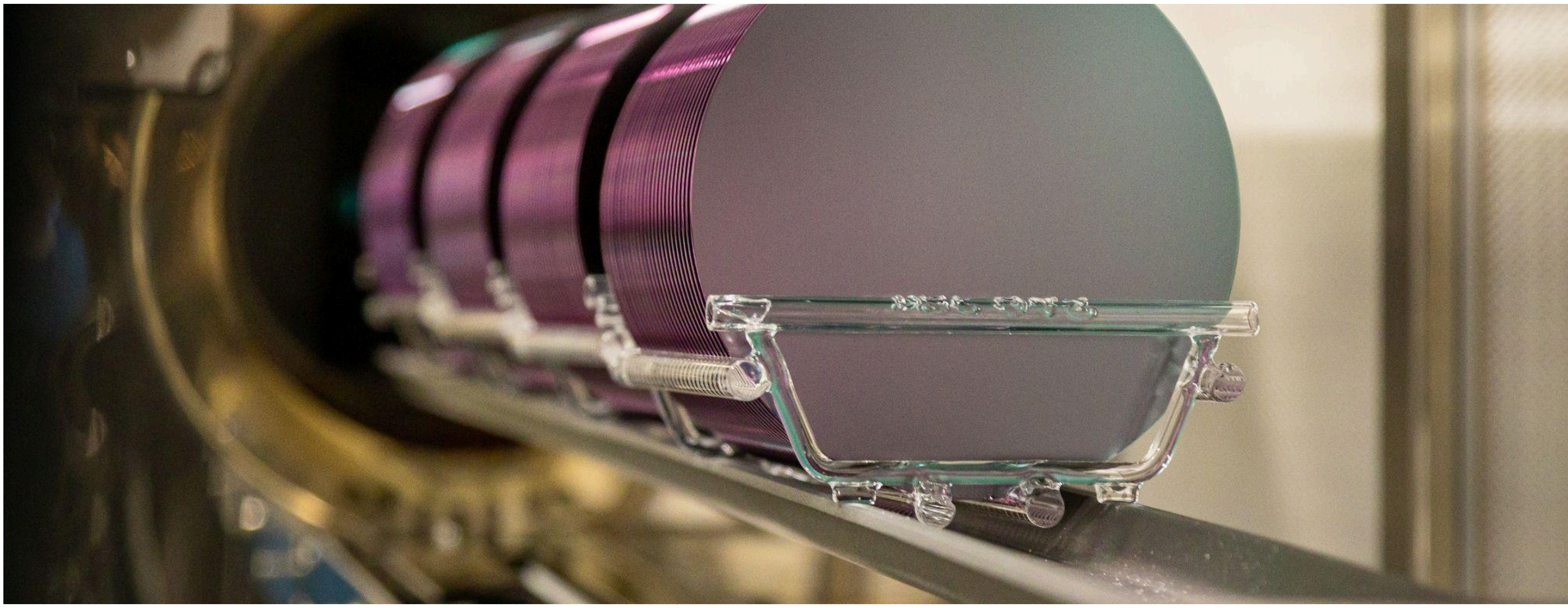


2024-2025
HALF-YEAR REPORT

"We are the innovative soil from which smart and energy efficient electronics grow into amazing and sustainable life experiences."

CONTENTS

1. Persons responsible

1.1 Declaration by the person responsible for the half-year report

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the six months ended September 30, 2024 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the interim management report included hereafter presents a true and fair view of the significant events during the first six months of the fiscal year, their impact on the financial statements and the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

November 20, 2024
Pierre Barnabé
Chief Executive Officer

1.2 Statutory Auditors

Principal Auditors

<u>KPMG SA, represented by Laurent Genin and Rémi Vinit-Durand</u>

Tour EQHO, 2, avenue Gambetta, 92066 Paris La Défense Cedex

Date of first appointment: July 25, 2016

Date of expiration of term of office: Annual General Meeting called to approve the financial statements for the year ending March 31, 2028

<u>Ernst & Young Audit, represented by Jacques Pierres and Benjamin Malherbe</u>

Tour Oxygène, 10-12, boulevard Marius Vivier Merle, 69393 Lyon Cedex 03

Date of first appointment: July 25, 2016

Date of expiration of term of office: Annual General Meeting called to approve the financial statements for the year ending March 31, 2028

2. Risk factors

The main risks and uncertainties facing the Group during the remaining six months of fiscal year 2024-2025 are those described in Chapter 2 Risk factors and control environment on pages 33 to 51 of Soitec's 2023-2024 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on June 5, 2024 under no. D.24-0462. The Group has reviewed these risks and has found no evidence of any new risks.

3. Operating and financial review

The interim management report should be read in conjunction with the condensed interim consolidated financial statements for the six months ended September 30, 2024, and the Company's 2023-2024 Universal Registration Document filed with the AMF on June 5, 2024 under no. D.24-0462.

3.1 Group business and results

3.1.1 Group business

Soitec's mission is to design and manufacture innovative substrates for the semiconductor industry. Semiconductor materials are the foundation of electronic circuits. Thanks to its unique, competitive solutions that reduce energy consumption and improve the performance of circuits, Soitec's products have been rolled out in virtually all smartphones and increasingly in the Automotive & Industrial, Smart Devices and Artificial Intelligence sectors.

Applying advanced materials engineering expertise, the Group has developed processes for transferring very fine layers of material onto any other material, without impairing the crystallographic properties. The resulting multi-layer substrates enhance the capabilities and performance of its customers' integrated circuits (ICs). Soitec's patented SmartCut™ technology is used to transfer ultra-fine monocrystalline material layers from a donor substrate to a receiver substrate via ionic implantation and molecular adhesion. The Group's know-how extends from silicon to compound materials. Soitec has also developed in-depth expertise in stacking integrated circuit layers onto other substrates and epitaxially.

The Group markets its engineered substrates to semiconductor foundries and integrated device manufacturers worldwide. It is one of the world's leading producers of Silicon-on-Insulator (SOI) substrates. The product portfolio also includes semiconductor substrates such as gallium nitride (GaN) and silicon carbide (SiC), on which Soitec applies its SmartCut™ technology to improve their performance and increase production efficiency, as well as Piezoelectric-on-Insulator (POI) substrates.

Soitec products are used to manufacture chips for three strategic end markets:

- **Mobile Communications**: this is Soitec's core market. While the smartphone market is relatively mature, the share of 5G-compatible models is growing steadily. The adoption of 5G is giving rise to a sharp increase in semiconductor content in smartphones. One of Soitec's flagship products, RF-SOI, dedicated to radiofrequency (RF) chips, has become an industry standard present in virtually all of today's 4G and 5G smartphones. New generations of smartphones are also driving the need for smaller, more energy-efficient RF filters, and Soitec's POI substrates can be used by manufacturers to make surface acoustic wave (SAW) filters that meet these requirements.

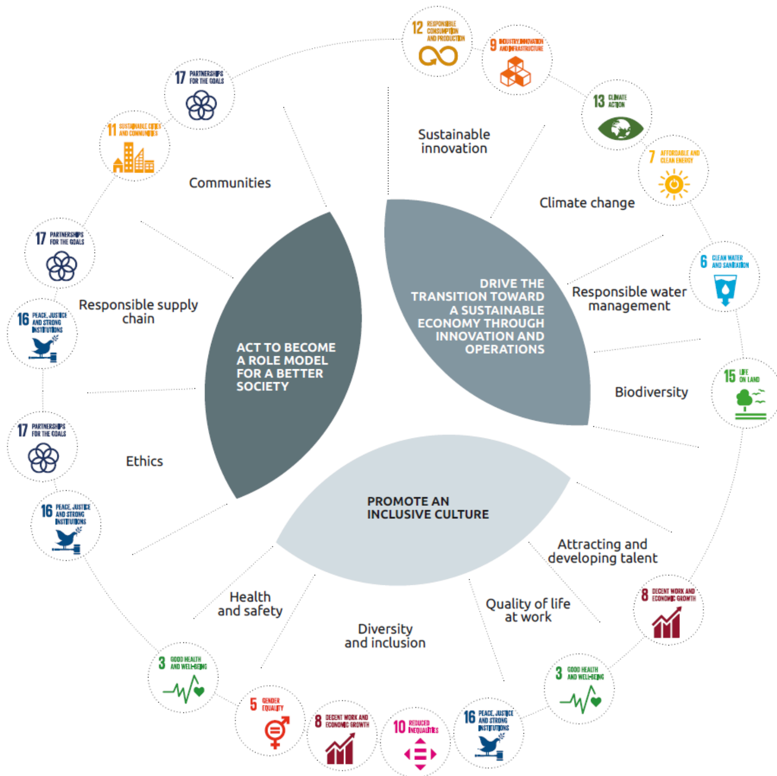
- **Automotive & Industrial**: Soitec products are addressing increasing needs for multimedia and infotainment, functional safety, autonomous and assisted driving, as well as engine electrification. Industrial electronics encompass a wide range of applications such as the generation, storage and management of energy, transportation and automation, driving additional demand for semiconductors related to power, processing and data storage.

- **Edge & Cloud AI**: Smart Devices, initially equipped with simple sensors and connectivity functionalities, are proliferating and evolving toward extremely complex, hyper-connected systems with embedded intelligence, such as robots. This trend is set to become even more pronounced in the future. As the digital transformation progresses, processing data as close to the object as possible, or even within the object itself in real time – Edge AI – is becoming a fundamental objective. At the same time, cloud infrastructure, which is used to develop and run the most advanced AI models, is growing at a rapid pace. This is driven in particular by the growth of photonics, which, by replacing electronic interconnections with optical interconnections, accelerates data transfer as close as possible to the chip, while also offering greater energy efficiency.

A value creation strategy for sustainable growth

As a major player in microelectronics, Soitec has been developing innovative technologies for more than 30 years, reconciling performance and energy efficiency. Its energy-efficient technologies help reduce the environmental footprint of electronic equipment.

Soitec's sustainability policy is placed at the heart of its strategy. To set the course, we defined a roadmap for 2026, which was then extended to 2030 with longer-term objectives. The roadmap is based on three pillars and 11 concrete, measurable commitments, aligned with the United Nations Sustainable Development Goals.



The Group's main commitments are:

- the climate plan, which aims to considerably reduce the carbon footprint of Soitec's industrial facilities by 2030;
- the efficient management of natural resources, especially water, with objectives to reduce water withdrawals by 50% between 2020 and 2030, and to recycle 30% of water in fiscal year 2029-2030;
- the improvement of gender balance among employees.

3.1.2 Background

In first-half 2024-2025, the Group continued to operate in a complex global environment, with the smartphone value chain still impacted by persistently high inventory levels at some customers, and a weaker than initially expected automotive market.

However, demand remained buoyant in the "Edge & Cloud AI" market, led by solid momentum, in particular with regard to growing demand for more powerful and energy-efficient data centers to support the exponential growth in AI-related computing capacity.

In this context, and as announced, Soitec's revenue was down 15% at constant scope and exchange rates compared to first-half 2023-2024. Thanks to strict cost control, the Group maintained a solid EBITDA margin of 33.4%, almost stable compared to the prior-year period, while continuing to invest heavily in innovation.

The Group also decided to sell the activities of its subsidiary Dolphin Design in order to focus on its most strategic businesses. The IP processing activities were acquired in October 2024 by Jolt Capital, a private equity firm specializing in high-growth European deeptech investments. The sale of ASIC activities was signed in November 2024 with NanoXplore, a specialist in the design of SoC and FPGA semiconductors. The sale process is expected to be completed in the second half of fiscal year 2024-2025. Dolphin Design did not have a material impact on the Group's financial statements (less than 3% of annual revenue and less than 3% of total assets).

For fiscal year 2024-2025, the Group confirms its guidance of stable revenue compared with fiscal year 2023-2024, taking into account a return to growth in the second half of the year.

3.1.3 First-half 2024-2025 financial performance

(in € millions)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Revenue	**338**	**401**
Gross profit	101	144
as % of revenue	*30.0%*	*36.0%*
Current operating income	**28**	**85**
as % of revenue	*8.2%*	*21.3%*
Other operating income and expenses	(4)	1
Operating income	23	86
as % of revenue	*7.0%*	*21.4%*
EBITDA	**113**	**132**
as % of revenue	*33.4%*	*33.0%*
Net financial income/(expense)	(8)	2
Income tax	(2)	(8)
Net profit – Group share	**14**	**80**
as % of revenue	*4.1%*	*19.8%*
Basic earnings per share (in euros)	0.39	2.24
Diluted earnings per share (in euros)	0.39	2.19

3.1.3.1 Revenue

(in € millions)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023	% change as reported	% change at constant exchange rates [(1)]
Mobile Communications	172	258	-33%	-32%
Automotive & Industrial	59	75	-21%	-20%
Edge & Cloud AI	107	68	56%	57%
Revenue	**338**	**401**	**-16%**	**-15%**

[(1)] No scope effect in first-half 2024-2025.

Consolidated revenue amounted to €338 million, down 15% at constant scope and exchange rates from €401 million in first-half 2023-2024, in line with the Group's guidance.

Mobile Communications sales were impacted by the on going reduction in inventory levels of RF-SOI products dedicated to radio frequency applications at certain customers, while the decline in Automotive & Industry sales reflects a weaker automotive market, despite growing take-up and increased content in vehicles for Soitec products.

Edge & Cloud AI (formerly Smart Devices) revenue was up sharply, driven by a vigorous market, particularly for data centers in response to the expansion of AI-related computing capacity.

Mobile Communications

In first-half 2024-2025, Mobile Communications revenue amounted to €172 million, down 32% at constant exchange rates compared to first-half 2023-2024. The division accounted for 51% of consolidated revenue (64% in the same prior-year period).

Impacted by the slower recovery of the smartphone market, the Mobile Communication division's revenue growth continued to be limited by the slow reduction of **RF-SOI** inventory levels. The Group expects revenue growth related to these substrates to resume in second-half 2024-2025, driven by a faster recovery of the smartphone market growth in greater adoption of 5G and Wi-Fi 6/6e/7.

Mobile Communications
down 32%
at constant exchange rates

51%
of total revenue

The decline in revenue from sales of **RF-SOI** substrates was partially offset by:

- strong growth in sales of **POI (Piezoelectric-on-Insulator)** substrates for RF filters for 5G smartphones, which is a strong growth driver for the Group. The Group now has ten qualified customers and is continuing to work on qualifying over ten more;
- to a lesser extent, higher sales of **FD-SOI** substrates, which have continued to demonstrate their added value both on Sub 6GHz front-end modules and mmWave.

Automotive & Industrial

Automotive & Industrial
down 20%
at constant exchange rates

17%
of total revenue

In first-half 2024-2025, Automotive & Industrial revenue amounted to €59 million, down 20% at constant exchange rates compared to the same year-ago period. The division accounted for 17% of consolidated revenue (19% in the same prior-year period).

The number of semiconductors embedded in the latest generations of vehicles is growing steadily with the development of Autonomous Driving and Functional Safety systems, vehicle electrification, battery management systems and infotainment systems.

However, the slowdown in the automotive market weighed on the division's revenue during the period, with lower sales volumes for **Power-SOI** substrates, despite growing adoption, and higher content of Soitec products in vehicles.

Sales of **FD-SOI** substrates, which continue to be driven mainly by the adoption of automotive microcontrollers, radars and wireless connectivity, increased compared to first-half 2023-2024.

Soitec continued to deliver **SmartSiC™** samples and prototypes, paving the way for device qualification and the gradual ramp-up of SmartSiC™ substrate production, in line with customer qualification processes.

Edge & Cloud AI

Edge & Cloud AI
up 57%
at constant exchange rates

32%
of total revenue

In first-half 2024-2025, Edge & Cloud AI (formerly Smart Devices) revenue came to €107 million, up 57% at constant exchange rates compared to the prior-year period. The division accounted for 32% of consolidated revenue (17% in the same prior-year period).

Demand from the Edge & Cloud AI market is driven by the need for more embedded intelligence, higher connectivity and more complex sensors, leading to ever more powerful and efficient chips for edge AI, data centers and cloud computing.

The division's activity grew strongly thanks to sales of **Imager-SOI substrates,** which were lifted by a seasonality effect, and sales of **Photonics-SOI** substrates that provide high-speed connectivity solutions for cloud AI. This momentum reflects the strong growth in data centers and the expansion of AI-related computing capacity.

3.1.3.2 Gross profit

Gross profit came out at 30% of revenue in first-half 2024-2025, down six points compared with first-half 2023-2024.

The contraction in gross profit was due to a decline in volumes produced and sold compared with first-half 2023-2024, particularly for RF-SOI products, which led to lower utilization of the Group's production capacities. Gross profit was also impacted by higher depreciation and amortization expenses as a result of investments made in the previous period. These effects were partially offset by strict control of production costs, significant agility in allocating resources between plants, and increased subsidies.

3.1.3.3 Current operating income

Net R&D costs increased to €43 million (12.6% of revenue) in first-half 2024-2025, from €34 million (8.4% of revenue) in the prior-year period. The increase reflects the Group’s innovation strategy to expand its product portfolio, with a view to consolidating its unique market positioning through next-generation silicon substrates for each of its three end markets and also developing products based on composite substrates, in particular SiC, POI and GaN. This strategy led to a €12 million increase in gross R&D costs (before capitalization).

Net R&D costs were also impacted by:

- an €8 million decrease in capitalized development costs, given the current stage of product development;
- partially offset by the Group's strong performance in obtaining subsidies (increased by €6 million) and higher prototype sales.

General and administrative expenses amounted to €31 million for the six months to September 30, 2024 (9.2% of revenue), versus €25 million (6.3% of revenue) in the six months to September 30, 2023. The increase in general, commercial and administrative expenses in value terms was mainly due to a low basis of comparison resulting from favorable one-off items in the first half of the previous fiscal year. Aside from this impact, the increase in this item is due to higher depreciation and amortization expenses as a result of investments made in the prior-year period. The Group pursues its containment costs program.

Current operating income totaled €28 million, compared with €85 million in first-half 2023-2024, representing 8.2% of revenue (21.3% in first-half 2023-2024) and reflecting a lower level of activity over the period, which was partially offset by the impact of strict cost control. Gross profit came out at 30% of revenue in first-half 2024-2025, down six points compared with first-half 2023-2024.

3.1.3.4 Other operating expenses

Other operating expenses include an impairment loss on non-current assets of €4 million relating to the sale of Dolphin Design’s activities. The sale process is expected to be completed in the second half of fiscal year 2024-2025.

3.1.3.5 EBITDA

EBITDA amounted to €113 million in first-half 2024-2025, or 33.4% of revenue, compared with €132 million, or 33.0% of revenue, in the prior-year period. The stability of this indicator as a percentage of revenue reflects the fact that the decline in current operating income as a percentage of revenue was offset by an increase in non-cash items, notably depreciation and amortization, both in value terms and as a percentage of revenue.

3.1.3.6 Net financial result

In first-half 2024-2025, net financial expense amounted to €8 million, compared to net income of €2 million in the prior-year period.

This caption mainly includes:

- €11 million in financial expenses in connection with financing (versus €9 million in first-half 2023-2024), including €4 million on the OCEANE 2025 convertible bond;
- €10 million in interest income on cash investments (€8 million in first-half 2023-2024);
- €6 million in net foreign exchange losses, as a result of changes in the EUR/USD exchange rate over the period (net foreign exchange gains of €3 million in first-half 2023-2024).

3.1.3.7 Income tax

The income tax expense amounted to 2 million Euros in first-half 2024-2025 compared to 8 million Euros in first-half 2023-2024. This reflects an effective tax rate of 11.6 % compared to 9.1 % in the prior-year period, the enforcement of the global minimum tax rule of 15% (Pillar 2) having an impact of around 1 point.

3.1.3.8 Net profit

In light of the items described above, the Group recorded net profit of €14 million in first-half 2024-2025 (4.1% of revenue), compared to net profit of €80 million in first-half 2023-2024 (19.8% of revenue).

3.2 Cash and financing

(in € millions)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
EBITDA	**113**	**132**
Change in working capital	27	(69)
Inventories	*(65)*	*(65)*
Trade receivables	*130*	*106*
Trade payables	*(48)*	*(105)*
Other receivables and payables	*9*	*(5)*
Income tax paid	(10)	(19)
Net cash generated by operating activities	**129**	**45**
Net cash used in investing activities [(1)]	**(94)**	**(129)**
Net cash used in financing activities	**(44)**	**(45)**
Net cash used in discontinued operations	0	(0)
Effects of exchange rate fluctuations	(4)	2
Change in net cash	**(13)**	**(127)**
Cash and cash equivalents at beginning of the period	*708*	*788*
Cash and cash equivalents at end of the period	*696*	*661*
Free cash flow [(2)]	**35**	**(85)**

[(1)] Net cash used in investing activities is net of leases and net of interest received. Total cash out related to capital expenditure amounted to €120 million in first-half 2024-2025 compared to €138 million in first half 2023-2024.

[(2)] Corresponds to all cash flows generated by operating activities, plus cash flows used in investing activities.

The Group generated positive free cash flow of €35 million in first-half 2024-2025, an increase of €120 million compared with first-half 2023-2024. Net cash generated by operating activities more than financed investments over the period. At September 30, 2024, cash and cash equivalents amounted to €696 million.

Net cash generated by operating activities in first-half 2024-2025 amounted to €129 million, up €85 million from first-half 2023-2024. With EBITDA down by €20 million (€113 million in first-half 2024-2025, compared to €132 million in first-half 2023-2024), this performance was driven by:

- a €27 million improvement of the working capital requirement (a €69 million increase in first-half 2023-2024);
- a €9 million reduction in income tax paid over the period (mainly due to an additional tax expense paid in the second half 2023-2024).

The improvement in working capital was mainly attributable to:

- a significant €130 million decrease in trade receivables, linked to the seasonality effect, given the very strong last quarter of 2023-2024 (compared to a decrease of €106 million for first-half 2023-2024);
- the favorable effect of subsidies received over the period;
- these favorable effects being partially offset by:
    - a €65 million increase in inventories in anticipation of expected business growth in the second half of the fiscal year (stable versus the prior-year period);
    - as well as the unfavorable effect of a €48 million reduction in trade payables, compared with a €105 million reduction in the prior-year period, which included non-recurring payments of advances to raw materials suppliers under new long-term procurement contracts.

Net cash used in investing activities totaled €94 million for the six months ended September 30, 2024, versus €129 million in the prior-year period. The total amount of investments, including production equipment under leases, amounted to €120 million for first-half 2024-2025. See section 3.3 Statement of financial position for further information on investments.

Net cash used in financing activities totaled €44 million in first-half 2024-2025, equivalent to the prior-year period. This item mainly comprises repayments of borrowings, in the absence of any new financing received during the period other than leases.

The Group extended a €100 million syndicated credit line agreement with seven banks initially signed on July 28, 2023, to replace the existing bilateral credit lines. The total duration of the agreement has now been extended to six years. The credit lines are repayable at maturity, with a possible extension of up to two years, including the one-year extension exercised in first-half 2024-2025. These credit lines were undrawn at September 30, 2024.

3.3 Statement of financial position

(in € millions)	Sept. 30, 2024	March 31, 2024
Non-current assets	1,211	1,220
Current assets	635	764
Cash and cash equivalents	696	708
Assets held for sale	65	-
TOTAL ASSETS	**2,607**	**2,692**
Total equity	1,491	1,495
Financial debt	747	747
Provisions and other non-current liabilities	78	79
Operating payables	258	371
Liabilities associated with assets held for sale	33	-
TOTAL EQUITY AND LIABILITIES	**2,607**	**2,692**

Non-current assets mainly comprise fixed assets, financial assets (equity investments) and other assets (prepayments on orders of non-current assets and tax receivables). The €9 million decrease in non-current assets versus March 31, 2024 is mainly attributable to:

• the reclassification of Dolphin Design's non-current assets as assets held for sale for €42 million (see note 4.6.7.15).

• net intangible assets, which remained stable, as capitalized development costs (€7 million) and software purchases were offset by depreciation and amortization expenses recorded over the period;

• a €42 million increase in net property, plant and equipment, corresponding to €112 million in capital expenditure net of depreciation and amortization for the period and the translation adjustment relating to subsidiaries. Acquisitions mainly concerned:

- the second phase of the Bernin 4 fab, primarily intended for the manufacture of SmartSiC™ silicon carbide (SiC) substrates and refresh production for 300mm silicon wafers (right-of-use asset linked to lease);
- the continuation of the first phase of the Singapore plant extension begun in previous periods;
- production equipment for SmartSiC™ wafers;
- POI production equipment, increased capacity, in line with customer demand;
- renewal investments (obsolescence);
- as well as investments in environment and IT.

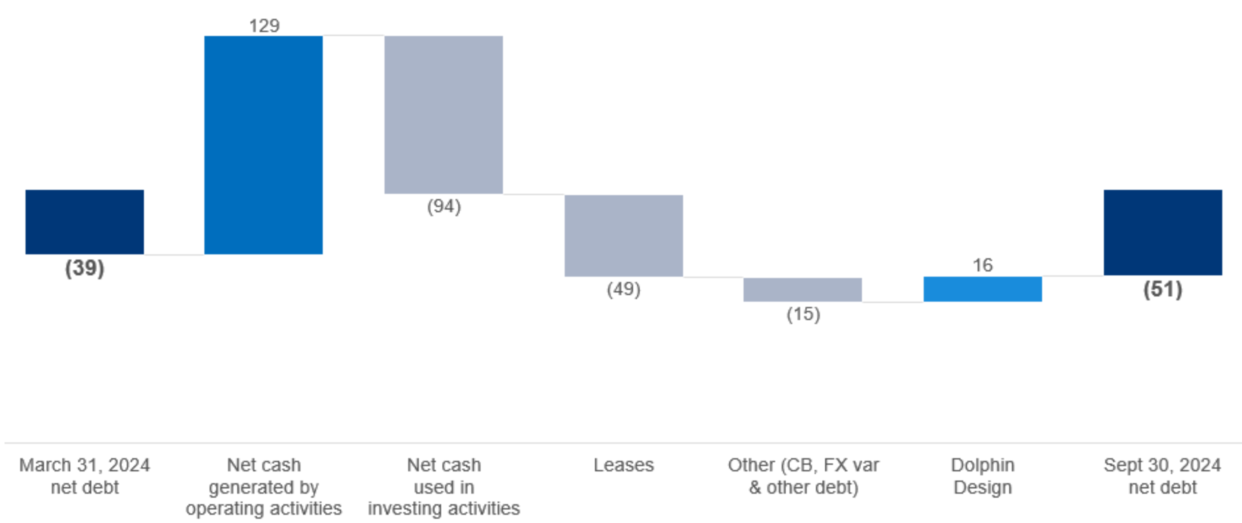
Financial debt was stable at €747 million at September 30, 2024, due to:

- financing over the period:
  - €32 million relating to the real estate lease for the second phase of construction of the Bernin 4 fab,
  - leases for production equipment entered into during the period for €17 million (for production equipment);
- offset by the repayment of all financing during the period for €39 million;
- the reclassification of Dolphin Design's liabilities associated with assets held for sale for €16 million.

Financial debt at September 30, 2024 also includes €317 million worth of OCEANE convertible bonds maturing in October 2025.

Net debt (financial debt less cash and cash equivalents) stood at €51 million at September 30, 2024 (versus net debt of €39 million at March 31, 2024).

In € millions



Net cash used in investing activities includes production equipment under leases for €17 million and interest on investments for €10 million.

Equity was relatively stable over the period, coming out at €1,491 million at September 30, 2024, with net profit for the period and the effects of share-based payments offsetting the unfavorable impact of foreign exchange gains and losses on translation of foreign operations.

3.4 Information on trends

The Group confirms it is expecting a strong recovery in business, led by a sharp rebound in RF-SOI products as customers further absorb inventories, and amid a rebound in the smartphone market as well as strong growth in the POI and Photonics-SOI businesses. This recovery will enable the Group to achieve stable revenue for fiscal year 2024-2025 compared with fiscal year 2023-2024, in line with the guidance disclosed previously.

The Group also confirms that it expects its EBITDA margin for the 2024-2025 fiscal year to come out at around 35%.

Outflows related to investments are now expected to total around €230 million for the 2024-2025 fiscal year (compared with €250 million previously), reflecting the change in pace of capacity investments in line with demand, particularly for SmartSiC™ products.

4. Condensed interim consolidated financial statements at September 30, 2024

4.1. Consolidated income statement

(in € thousands)	Notes	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Revenue	4.6.7.16	**337,736**	**401,351**
Cost of sales		(236,360)	(256,895)
Gross profit		**101,376**	**144,456**
R&D costs	4.6.7.17	(42,637)	(33,759)
General, sales and administrative expenses		(30,941)	(25,393)
Current operating income		**27,798**	**85,304**
Other operating income		-	756
Other operating expenses	4.6.7.19	(4,301)	(5)
Operating income		**23,497**	**86,055**
Financial income		9,713	12,410
Financial expenses		(17,841)	(10,722)
Net financial income/(expense)	4.6.7.20	**(8,128)**	**1,688**
Profit before tax		**15,369**	**87,743**
Income tax	4.6.7.21	(1,783)	(8,022)
Net profit from continuing operations		**13,586**	**79,721**
Net profit/(loss) from discontinued operations		225	(102)
CONSOLIDATED NET PROFIT		**13,811**	**79,620**
NET PROFIT – GROUP SHARE		**13,811**	**79,620**
Weighted average number of ordinary shares		35,677,855	35,620,925
Basic earnings per share (in euros)	4.6.7.22	0.39	2.24
Weighted average number of diluted ordinary shares		35,752,384	37,623,199
Diluted earnings per share *(in euros)*	4.6.7.22	0.39	2.19

4.2. Consolidated statement of comprehensive income

(in € thousands)	Notes	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
CONSOLIDATED NET PROFIT		**13,811**	**79,620**
Items that may be reclassified to the income statement		**(21,635)**	**13,500**
of which: foreign exchange gains/(losses) on translation of foreign operations		(21,466)	15,303
of which: changes in the fair value of hedging instruments		(28)	(2,346)
of which: tax impact		(141)	542
Items that may not be reclassified to the income statement		**-**	**965**
of which: actuarial gains/(losses) on defined benefit plans		-	1,286
of which: tax impact		-	(322)
Income and expenses recognized in other comprehensive income		**(21,635)**	**14,464**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		**(7,824)**	**94,084**
Group share		*(7,824)*	*94,084*

4.3. Consolidated statement of financial position

(in € thousands)	Notes	Sept. 30, 2024	March 31, 2024
NON-CURRENT ASSETS			
Intangible assets	4.6.7.1	125,689	156,121
Property, plant and equipment	4.6.7.2	952,719	912,783
Non-current financial assets		18,545	19,390
Other non-current assets	4.6.7.3	52,823	69,598
Deferred tax assets		61,514	62,428
Total non-current assets		**1,211,290**	**1,220,320**
CURRENT ASSETS			
Inventories	4.6.7.4	260,908	208,516
Trade receivables	4.6.7.5	291,879	447,606
Other current assets	4.6.7.6	76,471	100,659
Current financial assets		6,094	6,865
Cash and cash equivalents	4.6.7.7	695,686	708,219
Assets held for sale	4.6.7.15	64,738	-
Total current assets		**1,395,776**	**1,471,865**
TOTAL ASSETS		**2,607,066**	**2,692,185**

(in € thousands)	Notes	Sept. 30, 2024	March 31, 2024
EQUITY			
Share capital		71,453	71,425
Share premium		228,461	228,489
Reserves and retained earnings		1,198,220	1,179,955
Other reserves		(6,884)	14,752
Equity – Group share		1,491,250	1,494,621
Total equity	**4.6.7.8**	**1,491,250**	**1,494,621**
NON-CURRENT LIABILITIES			
Non-current financial debt	4.6.7.11	678,267	669,074
Provisions and other non-current liabilities	4.6.7.12, 4.6.7.13	77,709	79,392
Total non-current liabilities		**755,976**	**748,466**
CURRENT LIABILITIES			
Current financial debt	4.6.7.11	68,630	77,746
Trade payables		114,402	169,154
Provisions and other current liabilities	4.6.7.13	143,710	202,199
Liabilities associated with assets held for sale	4.6.7.15	33,098	-
Total current liabilities		**359,840**	**449,098**
TOTAL EQUITY AND LIABILITIES		**2,607,066**	**2,692,185**

4.4. Consolidated statement of changes in equity

(in € thousands)	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity – Group share	Total equity
March 31, 2023	**71,179**	**228,734**	**(358)**	**994,253**	**11,812**	**1,305,620**	**1,305,620**
Items that may be reclassified to the income statement	**-**	**-**	**-**	**-**	**13,500**	**13,500**	**13,500**
of which: foreign exchange gains/(losses) on translation of foreign operations	-	-	-	-	15,303	15,303	15,303
of which: changes in the fair value of hedging instruments	-	-	-	-	(2,346)	(2,346)	(2,346)
of which: tax impact	-	-	-	-	542	542	542
Items that may not be reclassified to the income statement	**-**	**-**	**-**	**-**	**965**	**965**	**965**
of which: actuarial gains/(losses) on defined benefit plans	-	-	-	-	1,286	1,286	1,286
of which: tax impact	-	-	-	-	(322)	(322)	(322)
Income and expenses in the period recognized in other comprehensive income	**-**	**-**	**-**	**-**	**14,464**	**14,464**	**14,464**
Net profit from continuing operations	-	-	-	79,721	-	79,721	79,721
Net profit/(loss) from discontinued operations	-	-	-	(102)	-	(102)	(102)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**79,620**	**14,464**	**94,084**	**94,084**
Vesting of shares	246	(246)	-	-	-	-	-
Share-based payments and tax impact	-	-	-	5,590	-	5,590	5,590
Liquidity agreement	-	-	(1,814)	-	-	(1,814)	(1,814)
Other	-	-	8	(8)	1	1	1
Sept. 30, 2023	**71,425**	**228,489**	**(2,164)**	**1,079,455**	**26,277**	**1,403,482**	**1,403,482**

(in € thousands)	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity – Group share	Total equity
March 31, 2024	**71,425**	**228,489**	**(4,477)**	**1,184,432**	**14,752**	**1,494,621**	**1,494,621**
Items that may be reclassified to the income statement	**-**	**-**	**-**	**-**	**(21,635)**	**(21,635)**	**(21,635)**
of which: foreign exchange gains/(losses) on translation of foreign operations	-	-	-	-	(21,466)	(21,466)	(21,466)
of which: changes in the fair value of hedging instruments	-	-	-	-	(28)	(28)	(28)
of which: tax impact	-	-	-	-	(141)	(141)	(141)
Items that may not be reclassified to the income statement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which: actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-
of which: tax impact	-	-	-	-	-	-	-
Income and expenses in the period recognized in other comprehensive income	**-**	**-**	**-**	**-**	**(21,635)**	**(21,635)**	**(21,635)**
Net profit from continuing operations	-	-	-	13,586	-	13,586	13,586
Net profit from discontinued operations	-	-	-	225	-	225	225
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	**-**	**-**	**-**	**13,811**	**(21,635)**	**(7,824)**	**(7,824)**
Vesting of shares	28	(28)	-	-	-	-	-
Share-based payments and tax impact	-	-	-	6,685	-	6,685	6,685
Liquidity agreement	-	-	(2,230)	-	-	(2,230)	(2,230)
Other	-	-	-	-	(1)	(1)	(1)
Sept. 30, 2024	**71,453**	**228,461**	**(6,707)**	**1,204,927**	**(6,884)**	**1,491,250**	**1,491,250**

4.5. Consolidated statement of cash flows

(in € thousands)	Notes	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Net profit from continuing operations		13,586	79,721
Net profit/(loss) from discontinued operations		225	(102)
CONSOLIDATED NET PROFIT		**13,811**	**79,620**
Adjustments for:			
Depreciation and amortization expense	4.6.7.18	67,606	59,691
Impairment/(reversals of impairment) of non-current assets	4.6.7.19	4,300	-
Provision expense/(reversals), net		2,122	(4,391)
Provision expense/(reversals) for retirement benefit obligations, net		419	405
Losses on disposals of assets		844	-
Income tax	4.6.7.21	1,783	8,022
Net financial (income)/expense	4.6.7.20	8,128	(1,688)
Share-based payments		7,067	7,312
Other non-cash items		6,931	(16,620)
Non-cash items relating to discontinued operations		(298)	16
Changes in:			
Inventories		(64,693)	(64,810)
Trade receivables		129,937	106,185
Trade payables		(47,600)	(104,938)
Other receivables and payables		8,950	(5,304)
Changes in working capital and income tax paid related to discontinued operations		(27)	(65)
Income tax paid		(10,303)	(19,052)
NET CASH GENERATED BY OPERATING ACTIVITIES		**128,977**	**44,383**
Of which continuing operations		*129,077*	*44,533*
Purchases of intangible assets		(14,972)	(22,642)
Purchases of property, plant and equipment		(87,820)	(114,152)
Interest received		9,812	7,948
Acquisitions and disposals of financial assets		(653)	(225)
Divestment flows related to discontinued operations		280	5
NET CASH USED IN INVESTING ACTIVITIES		**(93,353)**	**(129,066)**
Of which continuing operations		*(93,633)*	*(129,071)*
Loans and drawdowns on credit lines		3,261	3,493
Repayments of borrowings and lease liabilities		(39,345)	(35,077)
Interest paid		(7,338)	(6,259)
Liquidity agreement		-	(8,000)
Change in interest in subsidiaries without change of control		(571)	(468)
Other financing flows		(205)	1,284
Financing flows related to discontinued operations		(6)	(1)
NET CASH USED IN FINANCING ACTIVITIES		**(44,204)**	**(45,028)**
Of which continuing operations		*(44,198)*	*(45,027)*
Effects of exchange rate fluctuations		(3,951)	2,375
NET CHANGE IN CASH		**(12,531)**	**(127,336)**
Of which continuing operations		*(12,705)*	*(127,190)*
Cash and cash equivalents at beginning of the period		708,219	787,915
Cash and cash equivalents at end of the period		695,686	660,579

4.6. Notes to the condensed interim consolidated financial statements at September 30, 2024

4.6.1. Overview of the Company and the Group's business activity

Soitec S.A. is a *société anonyme* (French joint-stock corporation) listed on Euronext Paris (Compartment A). Soitec S.A. and its subsidiaries are hereinafter referred to as "the Group". Soitec S.A. is hereinafter referred to as "the Company" or "Soitec".

Soitec designs and produces innovative semiconductor materials: substrates that are patterned and cut into chips to make circuits for electronic components. It offers new, competitive solutions to miniaturize chips, boost performance and reduce energy consumption.

4.6.2. Accounting policies

Basis of preparation

The condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors on November 20, 2024.

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the interim consolidated financial statements are prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union and the International Accounting Standards Board (IASB).

The interim consolidated financial statements do not contain all the information and notes presented in the annual financial statements. Accordingly, they should be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2024.

The Group's consolidated financial statements at March 31, 2024 are available on request from the Company's head office, located at Parc Technologique des Fontaines, Bernin (38190), or on the website at www.soitec.com.

Significant accounting policies

The accounting policies and measurement rules used by the Group in the condensed interim consolidated financial statements at September 30, 2024 are the same as those used to prepare the Group's consolidated financial statements at March 31, 2024, except as regards income tax, which is recognized in the interim financial statements on the basis of the best estimate of the annual tax rate expected to apply to the whole fiscal year and the new accounting standards with mandatory application as from April 1, 2024.

The standards, amendments and interpretations used to prepare the consolidated financial statements at September 30, 2024 are those published in the Official Journal of the European Union (JOCE) before

September 30, 2024, and mandatory on that date. The reference framework is available from the European Commission's website.

The Group has applied all applicable standards, amendments and interpretations, published by the IASB and adopted by the European Union, as well as the final IFRS IC agenda decisions, mandatory for reporting periods beginning on or after April 1, 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current; Non-current Liabilities with Covenants;
- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

Following an analysis of the above amendments applicable from January 1, 2024, the Group has concluded that there is no impact, or no material impact, on the condensed interim consolidated financial statements at September 30, 2024.

New standards, amendments and interpretations not adopted by the European Union and applicable after September 30, 2024:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments;
- IFRS 18 – Presentation and Disclosure in Financial Statements;
- Amendment to IAS 21 – The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

At the date of the condensed interim consolidated financial statements, the Group was not impacted by the amendments to IAS 21 and IFRS 19. The impacts of the remaining amendments and standards are currently being analyzed.

Significant accounting judgments and estimates

As part of the standard process for preparing consolidated financial statements, the determination of certain items requires Group management to make assumptions, estimates and assessments that impact the amounts reported for assets and liabilities, as well as the disclosures provided in certain notes at the reporting date and the amounts reported for income and expenses. These items are identical to those presented in the 2023-2024 Universal Registration Document filed with the AMF on June 5, 2024 under no. D.24-0462.

Assumptions, estimates and assessments are prepared on the basis of available information or situations prevailing at the reporting date of the interim consolidated financial statements at September 30, 2024. In the event of changes in the underlying assumptions or in the prevailing economic conditions, the amounts presented in the Group's future financial statements could differ materially from the current estimates.

Assets, groups of assets and associated liabilities held for sale are presented separately in the consolidated statement of financial position in accordance with IFRS 5. The completion of the sale of these assets and associated liabilities is considered highly probable by the Group and will be finalized within the next twelve months. They are measured at the lower of their carrying amount and disposal value.

For the interim consolidated financial statements, income tax (as well as current and deferred tax expense) is calculated by applying the estimated average annual tax rate for the current fiscal year to the accounting profit for the period.

The international tax reform drawn up by the OECD, known as "Pillar Two" rules, which introduces a minimum 15% tax on profits made by multinational groups, came into force in France in 2024. Following an analysis of the reform, based on current regulations and the tax rates in force in the countries where the Group operates, the estimated impact of the top-up tax on the forecast average effective tax rate for fiscal year 2024-2025 is around 1 point.

The Group applies the mandatory and temporary exemption from recognition of deferred taxes associated with the additional taxes arising from this reform, provided for under IAS 12.

4.6.3. Highlights of the period

Completion of second phase of construction of Bernin 4, the production facility for silicon carbide (SiC) substrates

As planned, the Group completed the second phase of construction of the Bernin 4 fab. The fab will be mainly dedicated to the production of innovative 150 mm and 200 mm SmartSiC™ substrates. Total capacity is planned to reach 500,000 substrates. The fab also includes refresh (raw materials recycling) capacity for the production of 300mm SOI substrates.

The second phase of work was handed over and commissioned in the first half of fiscal year 2024-2025, for a provisional amount of €32 million. The final amount will be determined in the second half of the fiscal year. The investment is financed through a real estate lease.

Sale of Dolphin Design's related assets and liabilities under way

The Group has decided to sell the Dolphin Design activities in order to focus on its most strategic businesses.

The impairment test on non-current assets resulted in the recognition of an impairment loss of €4.3 million on goodwill allocated to the integrated circuit design cash-generating unit (CGU). This impairment loss is included in other operating expenses in the income statement. Assets held for sale and the associated liabilities are presented on a separate line in the consolidated statement of financial position. The finalization of the sale process is expected in the second half of the fiscal year 2024-2025 (see note 4.6.7.15 "Assets held for sale and associated liabilities").

4.6.4. Change in scope

The scope of consolidation is identical to that presented in the 2023-2024 Universal Registration Document filed with the AMF on June 5, 2024 under no. D.24-0462.

4.6.5. Segment information

The Group operates in two business segments:

- **Electronics:** the Group's historical activity in the semiconductor sector, producing and marketing substrates and components for the semiconductor industry;
- **Other Business:** mainly operations that have been discontinued by the Group, including in particular the solar energy segment. The Group no longer has any operations in this business segment and its accounts hold only provisions for activities sold or discontinued as well as costs of discontinuing the operations.

(in € thousands)	6 months ended Sept. 30, 2024			6 months ended Sept. 30, 2023		
	Electronics	Other Business	Total	Electronics	Other Business	Total
Revenue	**337,736**	**-**	**337,736**	**401,351**	**-**	**401,351**
Gross profit	101,376	-	**101,376**	144,456	-	144,456
Operating income	**23,497**	-	**23,497**	86,055	-	86,055
EBITDA	**112,786**	**(72)**	**112,714**	**132,452**	**(86)**	**132,367**

4.6.6. Operational performance indicator

(in € thousands)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Operating income	**23,497**	**86,055**
Neutralization of reconciliation items		
Depreciation and amortization expense	67,606	59,691
Impairment losses on goodwill	4,300	-
Share-based payments	7,067	7,312
Provision expense/(reversals), net	2,122	(4,391)
Provision expense/(reversals) for retirement benefit obligations, net	419	405
(Gains)/losses on disposals of assets	844	-
Other non-cash items	6,931	(16,620)
EBITDA – Electronics	**112,786**	**132,452**
as % of revenue	*33.4%*	*33.0%*
EBITDA – Other Business	(72)	(86)
EBITDA	**112,714**	**132,367**
as % of revenue	*33.4%*	*33.0%*

EBITDA is an operational performance indicator used by the Group to manage and assess operating income, and to implement the investment strategy.

EBITDA represents operating income before depreciation, amortization, impairment of non-current assets, non-cash items relating to share-based payments, provisions for impairment of current assets and for contingencies and expenses, and disposal gains and losses.

EBITDA is not a financial indicator defined by IFRS and may not be comparable to EBITDA as reported by other groups. It represents additional information and should not be considered as a substitute for operating income or net cash generated by operating activities.

4.6.7. Notes to the consolidated statement of financial position and the consolidated income statement

4.6.7.1. Intangible assets

(in € thousands)	Goodwill	Capitalized development projects	Software	Other intangible assets	Total
MARCH 31, 2024	**24,923**	**89,641**	**30,425**	**11,132**	**156,121**
Acquisitions	-	6,734	5,593	-	12,327
Amortization	-	(4,325)	(6,948)	(1,056)	(12,329)
Impairment	(4,300)	-	-	-	(4,300)
Translation adjustments	-	-	(160)	(0)	(160)
Disposals or write-offs (net value)	-	-	(32)	-	(32)
Other reclassifications [1]	(3,120)	(15,749)	(7,018)	(51)	(25,938)
SEPT. 30, 2024	**17,503**	**76,301**	**21,860**	**10,025**	**125,689**

(1) See note 4.6.7.15 "Assets held for sale and associated liabilities".

Following the decision to sell the Dolphin Design activities, the Group carried out an impairment test on the non-current assets of the Integrated circuit design cash-generating unit (CGU). This test led to the recognition of an impairment loss of €4.3 million on the goodwill of this CGU. All intangible assets relating to this sale have been reclassified under Assets held for sale (see note 4.6.7.15 "Assets held for sale and associated liabilities").

4.6.7.2. Property, plant and equipment

(in € thousands)	Buildings	Equipment and tooling	Other	Total
MARCH 31, 2024	**291,137**	**602,543**	**19,103**	**912,783**
Acquisitions	38,080	24,197	1,349	63,626
Right-of-use assets	33,132	16,173	107	49,412
Amortization	(10,387)	(42,992)	(1,898)	(55,277)
Translation adjustments	(5,025)	(9,132)	(1,043)	(15,200)
Disposals or write-offs (net value)	(122)	(707)	(4)	(833)
Other reclassifications [1]	(1,255)	(1)	(536)	(1,792)
SEPT. 30, 2024	**345,560**	**590,081**	**17,078**	**952,719**

(1) See note 4.6.7.15 "Assets held for sale and associated liabilities".

The increase in leased buildings relates to the commissioning of the second phase of the Bernin 4 fab under a real estate lease, which took effect in the first half of fiscal year 2024-2025. It is classified as a lease, with a right-of-use asset estimated at €86 million and depreciated over 23 years.

4.6.7.3. Other non-current assets

(in € thousands)	Sept. 30, 2024	March 31, 2024
Prepayments on orders of operating items	49,737	49,353
Prepayments on orders of non-current assets	1,254	1,564
Deposits and guarantees	1,451	1,459
Tax receivables	381	17,222
OTHER NON-CURRENT ASSETS, NET	**52,823**	**69,598**

The decrease in tax receivables at September 30, 2024 is mainly due to the reclassification of Dolphin Design's non-current assets as assets held for sale (see note 4.6.7.15 "Assets held for sale and associated liabilities").

4.6.7.4. Inventories

(in € thousands)	Sept. 30, 2024	March 31, 2024
Raw materials	180,915	175,896
Work-in-progress	46,771	20,543
Finished products and goods	62,121	40,986
Gross value	**289,806**	**237,425**
Impairment	(28,898)	(28,909)
INVENTORIES, NET	**260,908**	**208,516**

4.6.7.5. Trade receivables

(in € thousands)	Sept. 30, 2024	March 31, 2024
Gross value	291,986	449,874
Impairment	(107)	(2,268)
TRADE RECEIVABLES, NET	**291,879**	**447,606**

4.6.7.6. Other current assets

(in € thousands)	Sept. 30, 2024	March 31, 2024
Tax and social security receivables	34,217	46,884
Subsidies receivable	16,430	24,706
Prepayments on orders of current assets	19,656	22,872
Prepaid expenses	5,613	5,534
Other	555	663
OTHER CURRENT ASSETS, NET	**76,471**	**100,659**

4.6.7.7. Cash and cash equivalents

(in € thousands)	Sept. 30, 2024	March 31, 2024
Cash	492,382	708,215
Cash equivalents	203,304	4
CASH AND CASH EQUIVALENTS	**695,686**	**708,219**

4.6.7.8. Equity

Changes in share capital

At September 30, 2024, the share capital comprised 35,726,462 ordinary shares with a par value of €2.00 per share, compared to 35,712,302 shares at March 31, 2024.

During first-half 2024-2025, the Company issued 14,160 ordinary shares as part of the Onyx 2024 free performance share allocation plan approved by the Board of Directors on November 18, 2020 (capital increase of €28 thousand by deduction from the share premium).

On July 23, 2024, the Board of Directors noted that the performance conditions for the plan had been achieved at 28.3% of the objectives set out in the plan rules. The ordinary shares allocated under the plan vested to the beneficiaries of the Group on August 2, 2024 at the end of the vesting period. This plan is now closed and shares were delivered to the beneficiaries.

Appropriation of net profit for the fiscal year ended March 31, 2024

The Annual General Meeting of July 23, 2024 decided to appropriate the Company's profit for the fiscal year ended March 31, 2024, amounting to €159,892,381.81, as follows: €24,577 to "Legal reserve" and the balance of €159,867,804.81 to "Retained earnings".

No dividends have been distributed in respect of the past three fiscal years.

4.6.7.9. Treasury shares

	Sept. 30, 2024	March 31, 2024
Number of treasury shares	55,564	34,122
of which held under the liquidity agreement	*51,617*	*30,175*

Under the liquidity agreement with BNP Paribas Exane, at September 30, 2024 Soitec S.A. had purchased 184,062 treasury shares for a total amount of €19.2 million, and sold 162,620 treasury shares for a total amount of €17.0 million, generating a loss on disposal of €0.5 million recognized directly within equity.

4.6.7.10. Share-based payment

Agate 2027 and Onyx 2027 free performance share allocation plans

On July 23, 2024, pursuant to the authorizations granted by the Annual General Meeting on the same day, the Board of Directors set up two free ordinary share allocation plans. The Agate 2027 plan allocates 141,673 shares to all Group employees, while the Onyx 2027 plan allocates 139,073 shares to certain Group employees.

The plans are subject to a presence condition and to performance conditions based on the achievement of objectives relating to revenue, EBITDA, EBIT, corporate social responsibility (CSR) and the Total Shareholder Return (TSR) of the Company's ordinary shares compared to the Euro Stoxx 600 Technology index. The shares allocated for each of these plans represent approximately 0.4% of the Company's share capital at July 23, 2024.

4.6.7.11. Borrowings and financial debt

Maturities of borrowings and financial debt

(in € thousands)	Sept. 30, 2024 Less than 1 year	1 to 5 years	More than 5 years	Total	March 31, 2024
Loans	**44,285**	**443,619**	**48,775**	**536,679**	**560,322**
OCEANE 2025 convertible bonds	-	316,880	-	316,880	312,879
Bank loans	44,285	126,739	48,775	219,799	247,443
Lease liabilities	**23,450**	**98,656**	**81,943**	**204,049**	**167,096**
Real estate lease liabilities	5,584	39,919	65,343	110,846	81,612
Equipment lease liabilities	17,546	58,529	16,600	92,675	84,800
Other	320	208	-	528	684
Other borrowings and financial debt	**895**	**4,412**	**862**	**6,169**	**19,402**
Repayable advances	732	4,264	825	5,821	5,077
Derivative financial instruments	64	148	37	249	2,641
Drawn committed credit lines	-	-	-	-	10,247
Other	99	-	-	99	1,437
BORROWINGS AND FINANCIAL DEBT	**68,630**	**546,687**	**131,580**	**746,897**	**746,820**

Real estate lease liabilities

On March 22, 2022, the Group signed a real estate lease with six banks for a maximum amount of €90 million to finance the construction of the new production facility in Bernin, primarily intended for the manufacture of new silicon carbide (SiC) wafers and refresh. The lease is for a duration of 12 years, with a purchase option at the end of the lease and an advance purchase option from the seventh year.

The work in respect of the second phase was completed in first-half 2024-2025 for an amount of €32 million, bringing total right-of-use assets to €86 million at September 30, 2024.

The lease bears interest at a rate equal to the 3-month Euribor plus a spread of 1.04% and is hedged by an interest rate cap.

Equipment lease liabilities

The Group signed leases for production equipment over the period for a total amount of €17 million, with interest at rates of between 3.11% and 3.73% falling due in seven years.

Bank credit lines

On July 28, 2023, the Group signed a €100 million syndicated credit line agreement with seven banks to replace the existing bilateral credit lines. The initial five-year agreement is repayable at maturity, with a possible extension of up to two years. The first extension request was accepted by the banking pool, bringing the total term of these lines to six years. These credit lines were entirely undrawn at September 30, 2024.

Put options

During first-half 2024-2025, the Group exercised and paid the second tranche of the cross put/call option with the founding directors of Soitec Belgium N.V. The Group now owns 100% of Soitec Belgium N.V.'s share capital and no longer has any put options with respect to companies within the scope of consolidation.

4.6.7.12. Provisions and other non-current liabilities

(in € thousands)	Sept. 30, 2024	March 31, 2024
Deferred income	58,127	58,733
Advances from customers	8,039	8,325
Deferred tax liabilities	2,058	2,741
Non-current liabilities	**68,223**	**69,799**
Provisions	9,486	9,593
PROVISIONS AND OTHER NON-CURRENT LIABILITIES	**77,709**	**79,392**

(in € thousands)	Sept. 30, 2024	March 31, 2024
Disputes	941	1,415
Restructuring	1,672	1,729
Solar energy operations	2,293	2,347
Current provisions	**4,906**	**5,491**
Retirement benefit obligations	9,059	9,176
Solar energy operations	427	417
Non-current provisions	**9,486**	**9,593**
PROVISIONS	**14,392**	**15,084**

4.6.7.13. Provisions and other current liabilities

(in € thousands)	Sept. 30, 2024	March 31, 2024
Tax and social security payables	60,085	80,916
Payable to fixed asset suppliers	38,544	74,149
Prepayments received on customer orders	24,350	26,388
Deferred income	7,521	8,885
Other liabilities	8,303	6,370
Other current liabilities	**138,804**	**196,708**
Provisions	4,906	5,491
PROVISIONS AND OTHER CURRENT LIABILITIES	**143,710**	**202,199**

4.6.7.14. Financial instruments

The purpose of the Group's future cash flow hedges is to neutralize foreign exchange risk on commercial transactions recognized in the statement of financial position and on future cash flows, or to limit the interest expense on floating-rate debt.

(in € thousands)	Risk hedged at Sept. 30, 2024			
	Total	Foreign exchange risk		Interest rate risk
		Forward contracts	Options	Interest rate caps
Hedging instruments	**2,183**	**2,039**	**27**	**117**
Positive fair value of derivatives	2,432	2,039	70	323
Negative fair value of derivatives	(249)	-	(43)	(206)
Change in cash flow hedge reserve	**2,199**	**4,383**	**55**	**(2,239)**
Gains/(losses) recognized in other comprehensive income/(expense)	(28)	1,775	-	(1,803)
Gains/(losses) recognized in net financial income/(expense)	(381)	-	55	(436)
Gains/(losses) recognized in operating income/(expense)	2,608	2,608	-	-
Item hedged		**Revenue**	**Capital expenditure (equipment)**	**Floating-rate interest**

soitec

(in € thousands)	Risk hedged at March 31, 2024			
	Total	Foreign exchange risk		Interest rate risk
		Forward contracts	Options	Interest rate caps
Hedging instruments	**(336)**	**(2,345)**	**(29)**	**2,037**
Positive fair value of derivatives	2,305	87	180	2,037
Negative fair value of derivatives	(2,641)	(2,432)	(209)	-
Change in cash flow hedge reserve	**777**	**4,167**	**(29)**	**(3,361)**
Gains/(losses) recognized in other comprehensive income/(expense)	342	2,952	-	(2,610)
Gains/(losses) recognized in net financial income/(expense)	(780)	-	(29)	(751)
Gains/(losses) recognized in operating income	1,215	1,215	-	-
Item hedged		**Revenue**	**Capital expenditure (equipment)**	**Floating-rate interest**

Nominal value of cash flow hedges at September 30, 2024

(in € thousands)	**Nominal value of hedging instruments by maturity**			
	2024	2025	2026	2027 and beyond
Forward contracts, sale of USD	30,368	57,163	-	-
Options, purchase of JPY	3,008	-	-	-
Interest rate caps, EUR	747	2,718	2,260	5,915

4.6.7.15. Assets held for sale and associated liabilities

The assets held for sale and associated liabilities of Dolphin Design are classified in accordance with IFRS 5 "Assets and liabilities held for sale" in the consolidated statement of financial position. They are measured at the lower of carrying amount and fair value. An impairment loss of €4.3 million relating to goodwill of the Integrated circuit design cash-generating unit was recorded in the first half.

Assets reclassified as held for sale amounted to €64.7 million, including €42.2 million in non-current assets and €22.5 million in current assets. Liabilities associated with assets held for sale amounted to €33.1 million, including €13.5 million in non-current liabilities and €19.6 million in current liabilities. Property, plant and equipment and intangible assets ceased to be amortized or depreciated from the date of reclassification as assets held for sale, i.e., September 30, 2024. The total amount of gains and losses recognized in equity relating to assets held for sale, in respect of foreign exchange gains and losses that may be reclassified and actuarial gains and losses, is not material.

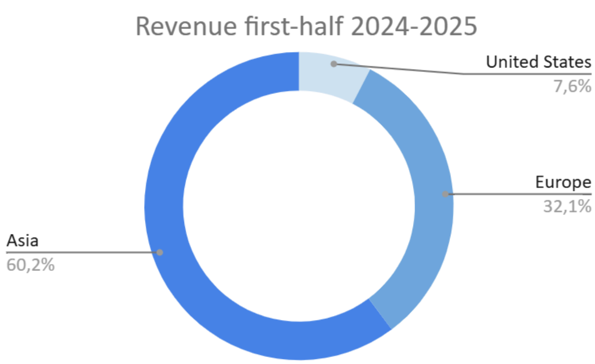
The reclassification of these assets held for sale and associated liabilities appears under other changes in the tables presented in the relevant notes.

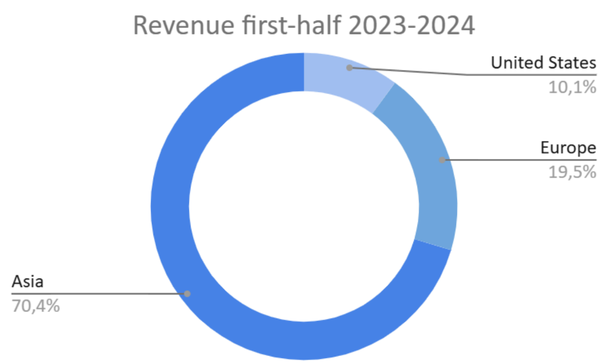
4.6.7.16. Revenue

(in € thousands)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Mobile Communications	172,187	258,111
Automotive & Industrial	58,955	74,795
Edge & Cloud AI	106,594	68,445
REVENUE	**337,736**	**401,351**

Breakdown of revenue by geographic area

(in € millions)





4.6.7.17. R&D costs

(in € thousands)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Gross R&D costs before capitalization	**(76,839)**	**(64,582)**
Capitalized development costs	6,733	15,008
Gross R&D costs	**(70,106)**	**(49,574)**
of which cost of amortization of capitalized projects	*(4,325)*	*(4,945)*
Sales of prototypes	5,224	2,449
Subsidies	9,944	3,606
Research tax credit	12,301	9,760
Total income deducted from gross R&D costs	**27,469**	**15,815**
R&D COSTS, NET	**(42,637)**	**(33,759)**

4.6.7.18 Depreciation and amortization expense

(in € thousands)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Cost of sales	(53,200)	(45,719)
R&D costs	(12,576)	(12,512)
General, sales and administrative expenses	(1,830)	(1,460)
DEPRECIATION AND AMORTIZATION EXPENSE	**(67,606)**	**(59,691)**

4.6.7.19 Other operating expenses

Other operating expenses include an impairment loss of €4.3 million relating to the pending sale of the Dolphin Design activities (see note 4.6.7.15 "Assets held for sale and associated liabilities").

4.6.7.20 Net financial income/(expense)

(in € thousands)	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Interest income	9,671	8,232
Other financial income	42	400
Reversal of provisions for impairment of equity investments held	-	559
Net foreign exchange gains [(1)]	-	3,220
Financial income	**9,713**	**12,410**
Net foreign exchange losses [(1)]	(5,918)	-
Interest on OCEANE convertible bonds	(4,001)	(3,909)
Interest on lease liabilities	(3,540)	(1,255)
Interest on borrowings and credit lines	(3,240)	(3,695)
Other	(1,143)	(1,863)
Financial expenses	**(17,841)**	**(10,722)**
NET FINANCIAL INCOME/(EXPENSE)	**(8,128)**	**1,688**

[(1)] *Foreign exchange gains and losses are shown net of realized and unrealized gains and losses.*

4.6.7.21 Income tax

For the condensed interim consolidated financial statements, income tax is calculated by applying the estimated average annual tax rate for the current fiscal year to profit before tax for the period. Where appropriate, it is adjusted for the tax impact of non-recurring items for the period. The application of Pillar Two rules generates an impact of around 1 point at this rate.

An audit of the Company and all Soitec S.A. tax returns for the period from April 1, 2019 to March 31, 2022 has been in progress since February 23, 2023. No tax adjustments have been issued at this stage. The conclusions of the French tax administration are expected by the end of 2024.

4.6.7.22 Earnings per share

	6 months ended Sept. 30, 2024	6 months ended Sept. 30, 2023
Weighted average number of ordinary used to calculate basic earnings per share	35,677,855	35,620,925
Effects of dilution		
OCEANE convertible bonds	-	1,864,173
Free shares	74,529	138,102
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ADJUSTED FOR DILUTED EARNINGS PER SHARE	**35,752,384**	**37,623,199**
Basic earnings per share (in euros)	0.39	2.24
Diluted earnings per share (in euros)	0.39	2.19

In addition to the dilutive shares described above, 2,430,721 equity instruments which were potentially dilutive at September 30, 2024 are excluded from the calculation of earnings per share. They are either anti-dilutive or conditional on performance conditions that had not been attained at the reporting date.

4.6.8. Related-party disclosures

Since the Annual General Meeting of July 23, 2024, Soitec's Board of Directors has been as follows:

- Christophe Gégout, Chair of the Board of Directors, for an interim period;
- Pierre Barnabé, Chief Executive Officer;
- Bpifrance Participations, represented by Samuel Dalens;
- CEA Investissement, represented by François Jacq;
- Françoise Chombar;
- Fonds Stratégique de Participations (FSP), represented by Laurence Delpy;
- Frédéric Lissalde;
- Satoshi Onishi;
- Maude Portigliatti;
- Delphine Segura-Vaylet, Referent Director, for an interim period;
- Kai Seikku;
- Shuo Zhang;
- Didier Landru and Wissème Allali, employee directors.

Of the 14 directors, seven are independent (including the Referent Director), in accordance with the recommendations of the AFEP-MEDEF Code to which the Company refers: Françoise Chombar, Fonds Stratégique de Participations as represented by Laurence Delpy, Christophe Gégout, Frédéric Lissalde, Maude Portigliatti, Delphine Segura-Vaylet and Shuo Zhang. The Board of Directors also includes two employee directors, Wissème Allali and Didier Landru.

All the other information set out in sections 4.1 *Administration and management of the Company* and 6.2 (note 9.2 “Related-party disclosures”) of Soitec’s 2023-2024 Universal Registration Document, filed with the AMF on June 5, 2024 under no. D.24-0462, remains valid.

4.6.9. Subsequent events

Divestment of Dolphin Design's main businesses

Under an agreement completed on October 31, 2024 between Jolt Capital and Dolphin Design, the company's mixed-signal IP activities have been acquired by Jolt Capital, a private equity firm specializing in European deeptech investments, via a newly created company, Dolphin Semiconductor. The signing of the sale of ASIC activities occurred on November 11, 2024 with NanoXplore, a specialist in the design of SoC and FPGA semiconductors. The sale process is expected to be completed in the second half of fiscal year 2024-2025.

Appointment of Fréderic Lissalde as Chairman of the Board

During the meeting of the Board of Directors held on November 20, 2024 upon recommendation of the Compensation and Nominations Committee, Frédéric Lissalde, who has been Director since the Annual General Meeting held on July 23, 2024, was appointed as Chairman of the Board of Directors as of March 1, 2025 for the remainder of his term of office as Director.

5. Statutory auditors' review report on the half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of the information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from April 1, 2024 to September 30, 2024

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

► the review of the accompanying condensed half-yearly consolidated financial statements of Soitec SA, for the period from April 1, 2024 to September 30, 2024,

► the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the Financial Statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific Verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense and Lyon, November 20, 2024

The Statutory Auditors
French original signed by

KPMG S.A.		ERNST & YOUNG Audit	
Laurent Genin	Rémi Vinit Dunand	Benjamin Malherbe	Jacques Pierres
Partner	*Partner*	*Partner*	*Partner*